

2013

SESSION LAWS

OF THE

STATE OF WASHINGTON

FIRST SPECIAL SESSION
SIXTY-THIRD LEGISLATURE
Convened May 13, 2013. Adjourned June 11, 2013.

SECOND SPECIAL SESSION
SIXTY-THIRD LEGISLATURE
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WASHINGTON SESSION LAWS GENERAL INFORMATION

1. EDITIONS AVAILABLE.

- (a) *General Information.* The session laws are printed in a permanent softbound edition containing the accumulation of all laws adopted in the legislative session. The edition contains a subject index and tables indicating Revised Code of Washington sections affected.
- (b) *Where and how obtained - price.* The permanent session laws may be ordered from the Statute Law Committee, Pritchard Building, P.O. Box 40552, Olympia, Washington 98504-0552. The edition costs \$25.00 per set plus applicable state and local sales taxes and \$7.00 shipping and handling. All orders must be accompanied by payment.

2. PRINTING STYLE - INDICATION OF NEW OR DELETED MATTER.

The session laws are presented in the form in which they were enacted by the legislature. This style quickly and graphically portrays the current changes to existing law as follows:

- (a) In amendatory sections
 - (i) underlined matter is new matter.
 - (ii) ~~deleted matter is ((lined out and bracketed between double parentheses))~~.
- (b) Complete new sections are prefaced by the words NEW SECTION.

3. PARTIAL VETOS.

- (a) Vetoed matter is *printed in bold italics*.
- (b) Pertinent excerpts of the governor's explanation of partial vetoes are printed at the end of the chapter concerned.

4. EDITORIAL CORRECTIONS.

Words and clauses inserted in the session laws under the authority of RCW 44.20.060 are enclosed in [brackets].

5. EFFECTIVE DATE OF LAWS.

- (a) The state Constitution provides that unless otherwise qualified, the laws of any session take effect ninety days after adjournment sine die. No laws were enacted in the first special session of 2013. The Secretary of State has determined the effective date for the Laws of the second special session of 2013 to be the first moment of September 28, 2013.
- (b) Laws that carry an emergency clause take effect immediately, or as otherwise specified, upon approval by the Governor.
- (c) Laws that prescribe an effective date take effect upon that date.

6. INDEX AND TABLES.

A cumulative index and tables of all 2013 laws may be found at the back of the final volume.

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NOTE: No laws were enacted in the first special session.

WASHINGTON LAWS

2013 FIRST SPECIAL SESSION

WASHINGTON LAWS

2013 SECOND SPECIAL SESSION

CHAPTER 1

[Second Engrossed Second Substitute Senate Bill 5296]

MODEL TOXICS CONTROL ACT

AN ACT Relating to the model toxics control act; amending RCW 70.105D.020, 70.105D.030, 70.105D.040, 70.105D.050, and 70.105.280; reenacting and amending RCW 70.105D.070, 43.84.092, and 43.84.092; adding new sections to chapter 70.105D RCW; adding a new section to chapter 70.105 RCW; creating new sections; providing an effective date; providing a contingent effective date; providing a contingent expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that there are a large number of toxic waste sites that have been identified in the department of ecology's priority list as ready for immediate cleanup. The legislature further finds that addressing the cleanup of these toxic waste sites will provide needed jobs to citizens of Washington state. It is the intent of the legislature to prioritize the spending of revenues under chapter 70.105D RCW, the model toxics control act, on cleaning up the most toxic sites, while also providing jobs in communities around the state.

Sec. 2. RCW 70.105D.020 and 2007 c 104 s 18 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Agreed order" means an order issued by the department under this chapter with which the potentially liable person or prospective purchaser receiving the order agrees to comply. An agreed order may be used to require or approve any cleanup or other remedial actions but it is not a settlement under RCW 70.105D.040(4) and shall not contain a covenant not to sue, or provide protection from claims for contribution, or provide eligibility for public funding of remedial actions under RCW 70.105D.070 ~~((2)(d)(xi))~~ (3)(k) and (q).

(2) "Department" means the department of ecology.

(3) "Director" means the director of ecology or the director's designee.

(4) "Environmental covenant" has the same meaning as defined in RCW 64.70.020.

(5) "Facility" means (a) any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, vessel, or aircraft, or (b) any site or area where a hazardous substance, other than a consumer product in consumer use, has been deposited, stored, disposed of, or placed, or otherwise come to be located.

(6) "Federal cleanup law" means the federal comprehensive environmental response, compensation, and liability act of 1980, 42 U.S.C. Sec. 9601 et seq., as amended by Public Law 99-499.

(7)(a) "Fiduciary" means a person acting for the benefit of another party as a bona fide trustee; executor; administrator; custodian; guardian of estates or guardian ad litem; receiver; conservator; committee of estates of incapacitated persons; trustee in bankruptcy; trustee, under an indenture agreement, trust agreement, lease, or similar financing agreement, for debt securities, certificates of interest or certificates of participation in debt securities, or other forms of indebtedness as to which the trustee is not, in the capacity of trustee, the lender. Except as provided in subsection (17)(b)(iii) of this section, the liability of a

fiduciary under this chapter shall not exceed the assets held in the fiduciary capacity.

(b) "Fiduciary" does not mean:

(i) A person acting as a fiduciary with respect to a trust or other fiduciary estate that was organized for the primary purpose of, or is engaged in, actively carrying on a trade or business for profit, unless the trust or other fiduciary estate was created as part of, or to facilitate, one or more estate plans or because of the incapacity of a natural person;

(ii) A person who acquires ownership or control of a facility with the objective purpose of avoiding liability of the person or any other person. It is prima facie evidence that the fiduciary acquired ownership or control of the facility to avoid liability if the facility is the only substantial asset in the fiduciary estate at the time the facility became subject to the fiduciary estate;

(iii) A person who acts in a capacity other than that of a fiduciary or in a beneficiary capacity and in that capacity directly or indirectly benefits from a trust or fiduciary relationship;

(iv) A person who is a beneficiary and fiduciary with respect to the same fiduciary estate, and who while acting as a fiduciary receives benefits that exceed customary or reasonable compensation, and incidental benefits permitted under applicable law;

(v) A person who is a fiduciary and receives benefits that substantially exceed customary or reasonable compensation, and incidental benefits permitted under applicable law; or

(vi) A person who acts in the capacity of trustee of state or federal lands or resources.

(8) "Fiduciary capacity" means the capacity of a person holding title to a facility, or otherwise having control of an interest in the facility pursuant to the exercise of the responsibilities of the person as a fiduciary.

(9) "Foreclosure and its equivalents" means purchase at a foreclosure sale, acquisition, or assignment of title in lieu of foreclosure, termination of a lease, or other repossession, acquisition of a right to title or possession, an agreement in satisfaction of the obligation, or any other comparable formal or informal manner, whether pursuant to law or under warranties, covenants, conditions, representations, or promises from the borrower, by which the holder acquires title to or possession of a facility securing a loan or other obligation.

(10) "Hazardous substance" means:

(a) Any dangerous or extremely hazardous waste as defined in RCW 70.105.010 ~~((5) and (6))~~ (1) and (7), or any dangerous or extremely dangerous waste designated by rule pursuant to chapter 70.105 RCW;

(b) Any hazardous substance as defined in RCW 70.105.010~~((14))~~ (10) or any hazardous substance as defined by rule pursuant to chapter 70.105 RCW;

(c) Any substance that, on March 1, 1989, is a hazardous substance under section 101(14) of the federal cleanup law, 42 U.S.C. Sec. 9601(14);

(d) Petroleum or petroleum products; and

(e) Any substance or category of substances, including solid waste decomposition products, determined by the director by rule to present a threat to human health or the environment if released into the environment.

The term hazardous substance does not include any of the following when contained in an underground storage tank from which there is not a release:

Crude oil or any fraction thereof or petroleum, if the tank is in compliance with all applicable federal, state, and local law.

(11) "Holder" means a person who holds indicia of ownership primarily to protect a security interest. A holder includes the initial holder such as the loan originator, any subsequent holder such as a successor-in-interest or subsequent purchaser of the security interest on the secondary market, a guarantor of an obligation, surety, or any other person who holds indicia of ownership primarily to protect a security interest, or a receiver, court-appointed trustee, or other person who acts on behalf or for the benefit of a holder. A holder can be a public or privately owned financial institution, receiver, conservator, loan guarantor, or other similar persons that loan money or guarantee repayment of a loan. Holders typically are banks or savings and loan institutions but may also include others such as insurance companies, pension funds, or private individuals that engage in loaning of money or credit.

(12) "Independent remedial actions" means remedial actions conducted without department oversight or approval, and not under an order, agreed order, or consent decree.

(13) "Indicia of ownership" means evidence of a security interest, evidence of an interest in a security interest, or evidence of an interest in a facility securing a loan or other obligation, including any legal or equitable title to a facility acquired incident to foreclosure and its equivalents. Evidence of such interests includes, mortgages, deeds of trust, sellers interest in a real estate contract, liens, surety bonds, and guarantees of obligations, title held pursuant to a lease financing transaction in which the lessor does not select initially the leased facility, or legal or equitable title obtained pursuant to foreclosure and their equivalents. Evidence of such interests also includes assignments, pledges, or other rights to or other forms of encumbrance against the facility that are held primarily to protect a security interest.

(14) "Industrial properties" means properties that are or have been characterized by, or are to be committed to, traditional industrial uses such as processing or manufacturing of materials, marine terminal and transportation areas and facilities, fabrication, assembly, treatment, or distribution of manufactured products, or storage of bulk materials, that are either:

(a) Zoned for industrial use by a city or county conducting land use planning under chapter 36.70A RCW; or

(b) For counties not planning under chapter 36.70A RCW and the cities within them, zoned for industrial use and adjacent to properties currently used or designated for industrial purposes.

(15) "Institutional controls" means measures undertaken to limit or prohibit activities that may interfere with the integrity of a remedial action or result in exposure to or migration of hazardous substances at a site. "Institutional controls" include environmental covenants.

(16) "Operating a facility primarily to protect a security interest" occurs when all of the following are met: (a) Operating the facility where the borrower has defaulted on the loan or otherwise breached the security agreement; (b) operating the facility to preserve the value of the facility as an ongoing business; (c) the operation is being done in anticipation of a sale, transfer, or assignment of the facility; and (d) the operation is being done primarily to protect a security interest. Operating a facility for longer than one year prior to foreclosure or its

equivalents shall be presumed to be operating the facility for other than to protect a security interest.

(17) "Owner or operator" means:

(a) Any person with any ownership interest in the facility or who exercises any control over the facility; or

(b) In the case of an abandoned facility, any person who had owned, or operated, or exercised control over the facility any time before its abandonment;

The term does not include:

(i) An agency of the state or unit of local government which acquired ownership or control through a drug forfeiture action under RCW 69.50.505, or involuntarily through bankruptcy, tax delinquency, abandonment, or other circumstances in which the government involuntarily acquires title. This exclusion does not apply to an agency of the state or unit of local government which has caused or contributed to the release or threatened release of a hazardous substance from the facility;

(ii) A person who, without participating in the management of a facility, holds indicia of ownership primarily to protect the person's security interest in the facility. Holders after foreclosure and its equivalent and holders who engage in any of the activities identified in subsection (18)(e) through (g) of this section shall not lose this exemption provided the holder complies with all of the following:

(A) The holder properly maintains the environmental compliance measures already in place at the facility;

(B) The holder complies with the reporting requirements in the rules adopted under this chapter;

(C) The holder complies with any order issued to the holder by the department to abate an imminent or substantial endangerment;

(D) The holder allows the department or potentially liable persons under an order, agreed order, or settlement agreement under this chapter access to the facility to conduct remedial actions and does not impede the conduct of such remedial actions;

(E) Any remedial actions conducted by the holder are in compliance with any preexisting requirements identified by the department, or, if the department has not identified such requirements for the facility, the remedial actions are conducted consistent with the rules adopted under this chapter; and

(F) The holder does not exacerbate an existing release. The exemption in this subsection (17)(b)(ii) does not apply to holders who cause or contribute to a new release or threatened release or who are otherwise liable under RCW 70.105D.040(1) (b), (c), (d), and (e); provided, however, that a holder shall not lose this exemption if it establishes that any such new release has been remediated according to the requirements of this chapter and that any hazardous substances remaining at the facility after remediation of the new release are divisible from such new release;

(iii) A fiduciary in his, her, or its personal or individual capacity. This exemption does not preclude a claim against the assets of the estate or trust administered by the fiduciary or against a nonemployee agent or independent contractor retained by a fiduciary. This exemption also does not apply to the extent that a person is liable under this chapter independently of the person's ownership as a fiduciary or for actions taken in a fiduciary capacity which cause

or contribute to a new release or exacerbate an existing release of hazardous substances. This exemption applies provided that, to the extent of the fiduciary's powers granted by law or by the applicable governing instrument granting fiduciary powers, the fiduciary complies with all of the following:

(A) The fiduciary properly maintains the environmental compliance measures already in place at the facility;

(B) The fiduciary complies with the reporting requirements in the rules adopted under this chapter;

(C) The fiduciary complies with any order issued to the fiduciary by the department to abate an imminent or substantial endangerment;

(D) The fiduciary allows the department or potentially liable persons under an order, agreed order, or settlement agreement under this chapter access to the facility to conduct remedial actions and does not impede the conduct of such remedial actions;

(E) Any remedial actions conducted by the fiduciary are in compliance with any preexisting requirements identified by the department, or, if the department has not identified such requirements for the facility, the remedial actions are conducted consistent with the rules adopted under this chapter; and

(F) The fiduciary does not exacerbate an existing release.

The exemption in this subsection (17)(b)(iii) does not apply to fiduciaries who cause or contribute to a new release or threatened release or who are otherwise liable under RCW 70.105D.040(1) (b), (c), (d), and (e); provided however, that a fiduciary shall not lose this exemption if it establishes that any such new release has been remediated according to the requirements of this chapter and that any hazardous substances remaining at the facility after remediation of the new release are divisible from such new release. The exemption in this subsection (17)(b)(iii) also does not apply where the fiduciary's powers to comply with this subsection (17)(b)(iii) are limited by a governing instrument created with the objective purpose of avoiding liability under this chapter or of avoiding compliance with this chapter; or

(iv) Any person who has any ownership interest in, operates, or exercises control over real property where a hazardous substance has come to be located solely as a result of migration of the hazardous substance to the real property through the groundwater from a source off the property, if:

(A) The person can demonstrate that the hazardous substance has not been used, placed, managed, or otherwise handled on the property in a manner likely to cause or contribute to a release of the hazardous substance that has migrated onto the property;

(B) The person has not caused or contributed to the release of the hazardous substance;

(C) The person does not engage in activities that damage or interfere with the operation of remedial actions installed on the person's property or engage in activities that result in exposure of humans or the environment to the contaminated groundwater that has migrated onto the property;

(D) If requested, the person allows the department, potentially liable persons who are subject to an order, agreed order, or consent decree, and the authorized employees, agents, or contractors of each, access to the property to conduct remedial actions required by the department. The person may attempt to negotiate an access agreement before allowing access; and

(E) Legal withdrawal of groundwater does not disqualify a person from the exemption in this subsection (17)(b)(iv).

(18) "Participation in management" means exercising decision-making control over the borrower's operation of the facility, environmental compliance, or assuming or manifesting responsibility for the overall management of the enterprise encompassing the day-to-day decision making of the enterprise.

The term does not include any of the following: (a) A holder with the mere capacity or ability to influence, or the unexercised right to control facility operations; (b) a holder who conducts or requires a borrower to conduct an environmental audit or an environmental site assessment at the facility for which indicia of ownership is held; (c) a holder who requires a borrower to come into compliance with any applicable laws or regulations at the facility for which indicia of ownership is held; (d) a holder who requires a borrower to conduct remedial actions including setting minimum requirements, but does not otherwise control or manage the borrower's remedial actions or the scope of the borrower's remedial actions except to prepare a facility for sale, transfer, or assignment; (e) a holder who engages in workout or policing activities primarily to protect the holder's security interest in the facility; (f) a holder who prepares a facility for sale, transfer, or assignment or requires a borrower to prepare a facility for sale, transfer, or assignment; (g) a holder who operates a facility primarily to protect a security interest, or requires a borrower to continue to operate, a facility primarily to protect a security interest; and (h) a prospective holder who, as a condition of becoming a holder, requires an owner or operator to conduct an environmental audit, conduct an environmental site assessment, come into compliance with any applicable laws or regulations, or conduct remedial actions prior to holding a security interest is not participating in the management of the facility.

(19) "Person" means an individual, firm, corporation, association, partnership, consortium, joint venture, commercial entity, state government agency, unit of local government, federal government agency, or Indian tribe.

(20) "Policing activities" means actions the holder takes to ensure that the borrower complies with the terms of the loan or security interest or actions the holder takes or requires the borrower to take to maintain the value of the security. Policing activities include: Requiring the borrower to conduct remedial actions at the facility during the term of the security interest; requiring the borrower to comply or come into compliance with applicable federal, state, and local environmental and other laws, regulations, and permits during the term of the security interest; securing or exercising authority to monitor or inspect the facility including on-site inspections, or to monitor or inspect the borrower's business or financial condition during the term of the security interest; or taking other actions necessary to adequately police the loan or security interest such as requiring a borrower to comply with any warranties, covenants, conditions, representations, or promises from the borrower.

(21) "Potentially liable person" means any person whom the department finds, based on credible evidence, to be liable under RCW 70.105D.040. The department shall give notice to any such person and allow an opportunity for comment before making the finding, unless an emergency requires otherwise.

(22) "Prepare a facility for sale, transfer, or assignment" means to secure access to the facility; perform routine maintenance on the facility; remove

inventory, equipment, or structures; properly maintain environmental compliance measures already in place at the facility; conduct remedial actions to cleanup releases at the facility; or to perform other similar activities intended to preserve the value of the facility where the borrower has defaulted on the loan or otherwise breached the security agreement or after foreclosure and its equivalents and in anticipation of a pending sale, transfer, or assignment, primarily to protect the holder's security interest in the facility. A holder can prepare a facility for sale, transfer, or assignment for up to one year prior to foreclosure and its equivalents and still stay within the security interest exemption in subsection (17)(b)(ii) of this section.

(23) "Primarily to protect a security interest" means the indicia of ownership is held primarily for the purpose of securing payment or performance of an obligation. The term does not include indicia of ownership held primarily for investment purposes nor indicia of ownership held primarily for purposes other than as protection for a security interest. A holder may have other, secondary reasons, for maintaining indicia of ownership, but the primary reason must be for protection of a security interest. Holding indicia of ownership after foreclosure or its equivalents for longer than five years shall be considered to be holding the indicia of ownership for purposes other than primarily to protect a security interest. For facilities that have been acquired through foreclosure or its equivalents prior to July 23, 1995, this five-year period shall begin as of July 23, 1995.

(24) "Public notice" means, at a minimum, adequate notice mailed to all persons who have made timely request of the department and to persons residing in the potentially affected vicinity of the proposed action; mailed to appropriate news media; published in the newspaper of largest circulation in the city or county of the proposed action; and opportunity for interested persons to comment.

(25) "Release" means any intentional or unintentional entry of any hazardous substance into the environment, including but not limited to the abandonment or disposal of containers of hazardous substances.

(26) "Remedy" or "remedial action" means any action or expenditure consistent with the purposes of this chapter to identify, eliminate, or minimize any threat or potential threat posed by hazardous substances to human health or the environment including any investigative and monitoring activities with respect to any release or threatened release of a hazardous substance and any health assessments or health effects studies conducted in order to determine the risk or potential risk to human health.

(27) "Security interest" means an interest in a facility created or established for the purpose of securing a loan or other obligation. Security interests include deeds of trusts, sellers interest in a real estate contract, liens, legal, or equitable title to a facility acquired incident to foreclosure and its equivalents, and title pursuant to lease financing transactions. Security interests may also arise from transactions such as sale and leasebacks, conditional sales, installment sales, trust receipt transactions, certain assignments, factoring agreements, accounts receivable financing arrangements, easements, and consignments, if the transaction creates or establishes an interest in a facility for the purpose of securing a loan or other obligation.

(28) "Workout activities" means those actions by which a holder, at any time prior to foreclosure and its equivalents, seeks to prevent, cure, or mitigate a default by the borrower or obligor; or to preserve, or prevent the diminution of, the value of the security. Workout activities include: Restructuring or renegotiating the terms of the security interest; requiring payment of additional rent or interest; exercising forbearance; requiring or exercising rights pursuant to an assignment of accounts or other amounts owed to an obligor; requiring or exercising rights pursuant to an escrow agreement pertaining to amounts owed to an obligor; providing specific or general financial or other advice, suggestions, counseling, or guidance; and exercising any right or remedy the holder is entitled to by law or under any warranties, covenants, conditions, representations, or promises from the borrower.

(29) "Areawide groundwater contamination" means groundwater contamination on multiple adjacent properties with different ownerships consisting of hazardous substances from multiple sources that have resulted in commingled plumes of contaminated groundwater that are not practicable to address separately.

(30) "Brownfield property" means previously developed and currently abandoned or underutilized real property and adjacent surface waters and sediment where environmental, economic, or community reuse objectives are hindered by the release or threatened release of hazardous substances that the department has determined requires remedial action under this chapter or that the United States environmental protection agency has determined requires remedial action under the federal cleanup law.

(31) "City" means a city or town.

(32) "Local government" means any political subdivision of the state, including a town, city, county, special purpose district, or other municipal corporation, including brownfield renewal authority created under section 5 of this act.

(33) "Model remedy" or "model remedial action" means a set of technologies, procedures, and monitoring protocols identified by the department for use in routine types of clean-up projects at facilities that have common features and lower risk to human health and the environment.

(34) "Prospective purchaser" means a person who is not currently liable for remedial action at a facility and who proposes to purchase, redevelop, or reuse the facility.

(35) "Redevelopment opportunity zone" means a geographic area designated under section 4 of this act.

NEW SECTION. Sec. 3. A new section is added to chapter 70.105D RCW to read as follows:

(1) The brownfield redevelopment trust fund account is created in the state treasury. All receipts from the sources identified in subsection (2) of this section must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as identified in subsection (4) of this section.

(2) The following receipts must be deposited into the brownfield redevelopment trust fund account:

(a) Moneys appropriated by the legislature to the account for a specific redevelopment opportunity zone established under section 4 of this act or a specific brownfield renewal authority established under section 5 of this act;

(b) Moneys voluntarily deposited in the account for a specific redevelopment opportunity zone or a specific brownfield renewal authority; and

(c) Receipts from settlements or court orders that direct payment to the account for a specific redevelopment opportunity zone to resolve a person's liability or potential liability under this chapter.

(3) If a settlement or court order does not direct payment of receipts described in subsection (2)(c) of this section into the brownfield redevelopment trust fund account, then the receipts from any payment to the state must be deposited into the state toxics control account established under RCW 70.105D.070.

(4) Expenditures from the brownfield redevelopment trust fund account may only be used for the purposes of remediation and cleanup at the specific redevelopment opportunity zone or specific brownfield renewal authority for which the moneys were deposited in the account.

(5) The department shall track moneys received, interest earned, and moneys expended separately for each facility.

(6) The account must retain its interest earnings in accordance with RCW 43.84.092.

(7) The local government designating the redevelopment opportunity zone under section 4 of this act or the associated brownfield renewal authority created under section 5 of this act must be the beneficiary of the deposited moneys.

(8) All expenditures must be used to conduct remediation and cleanup consistent with a plan for the remediation and cleanup of the properties or facilities approved by the department under this chapter. All expenditures must meet the eligibility requirements for the use by local governments under the rules for remedial action grants adopted by the department under this chapter, including requirements for the expenditure of nonstate match funding.

(9) Beginning October 31, 2015, the department must provide a biennial report to the office of financial management and the legislature regarding the activity for each specific redevelopment opportunity zone or specific brownfield renewal authority for which specific legislative appropriation was provided in the previous two fiscal years.

(10) After the department determines that all remedial actions within the redevelopment opportunity zone identified in the plan approved under subsection (8) of this section are completed, including payment of all cost reasonably attributable to the remedial actions and cleanup, any remaining moneys must be transferred to the state toxics control account established under RCW 70.105D.070.

(11) If the department determines that substantial progress has not been made on the plan approved under subsection (8) of this section for a redevelopment opportunity zone or specific brownfield renewal authority for which moneys were deposited in the account within six years, or that the brownfield renewal authority is no longer a viable entity, then all remaining moneys must be transferred to the state toxics control account established under RCW 70.105D.070.

(12) The department is authorized to adopt rules to implement this section.

NEW SECTION. Sec. 4. A new section is added to chapter 70.105D RCW to read as follows:

(1) A city or county may designate a geographic area within its jurisdiction as a redevelopment opportunity zone if the zone meets the criteria in this subsection and the city or county adopts a resolution that includes the following determinations and commitments:

(a) At least fifty percent of the upland properties in the zone are brownfield properties whether or not the properties are contiguous;

(b) The upland portions of the zone are comprised entirely of parcels of property either owned by the city or county or whose owner has provided consent in writing to have their property included within the zone;

(c) The cleanup of brownfield properties will be integrated with planning for the future uses of the properties and is consistent with the comprehensive land use plan for the zone; and

(d) The proposed properties lie within the incorporated area of a city or within an urban growth area designated under RCW 36.70A.110.

(2) A port district may designate a redevelopment opportunity zone when:

(a) The port district adopts a resolution that includes the determinations and commitments required under subsection (1)(a), (c), and (d) of this section and (c) of this subsection;

(b) The zone meets the criteria in subsection (1)(a), (c), and (d) of this section; and

(c) The port district either:

(i) Owns in fee all of the upland properties within the zone; or

(ii) Owns in fee at least fifty percent of the upland property in the zone, the owners of other parcels of upland property in the zone have provided consent in writing to have their property included in the zone, and the governing body of the city and county in which the zone lies approves of the designation by resolution.

NEW SECTION. Sec. 5. A new section is added to chapter 70.105D RCW to read as follows:

(1) A city, county, or port district may establish by resolution a brownfield renewal authority for the purpose of guiding and implementing the cleanup and reuse of properties within a designated redevelopment opportunity zone. Any combination of cities, counties, and port districts may establish a brownfield renewal authority through an interlocal agreement under chapter 39.34 RCW, and the brownfield renewal authority may exercise those powers as are authorized under chapter 39.34 RCW and under this chapter.

(2) A brownfield renewal authority must be governed by a board of directors selected as determined by the resolution or interlocal agreement establishing the authority.

(3) A brownfield renewal authority must be a separate legal entity and be deemed a municipal corporation. It has the power to: Sue and be sued; receive, account for, and disburse funds; employ personnel; and acquire or dispose of any interest in real or personal property within a redevelopment opportunity zone in the furtherance of the authority purposes. A brownfield renewal authority has the power to contract indebtedness and to issue and sell general obligation bonds pursuant to and in the manner provided for general county bonds in chapters 36.67 and 39.46 RCW and other applicable statutes, and to issue revenue bonds

pursuant to and in the manner provided for revenue bonds in chapter 36.67 RCW and other applicable statutes.

(4) If the department determines that substantial progress has not been made on the plan approved under section 3 of this act by the brownfield renewal authority within six years of a city, county, or port district establishing a brownfield renewal authority, the department may require dissolution of the brownfield renewal authority. Upon dissolution of the brownfield renewal authority, except as provided in section 3 of this act, all assets and liabilities transfer to the city, town, or port district establishing the brownfield renewal authority.

Sec. 6. RCW 70.105D.030 and 2009 c 560 s 10 are each amended to read as follows:

(1) The department may exercise the following powers in addition to any other powers granted by law:

(a) Investigate, provide for investigating, or require potentially liable persons to investigate any releases or threatened releases of hazardous substances, including but not limited to inspecting, sampling, or testing to determine the nature or extent of any release or threatened release. If there is a reasonable basis to believe that a release or threatened release of a hazardous substance may exist, the department's authorized employees, agents, or contractors may enter upon any property and conduct investigations. The department shall give reasonable notice before entering property unless an emergency prevents such notice. The department may by subpoena require the attendance or testimony of witnesses and the production of documents or other information that the department deems necessary;

(b) Conduct, provide for conducting, or require potentially liable persons to conduct remedial actions (including investigations under (a) of this subsection) to remedy releases or threatened releases of hazardous substances. In carrying out such powers, the department's authorized employees, agents, or contractors may enter upon property. The department shall give reasonable notice before entering property unless an emergency prevents such notice. In conducting, providing for, or requiring remedial action, the department shall give preference to permanent solutions to the maximum extent practicable and shall provide for or require adequate monitoring to ensure the effectiveness of the remedial action;

(c) Indemnify contractors retained by the department for carrying out investigations and remedial actions, but not for any contractor's reckless or willful misconduct;

(d) Carry out all state programs authorized under the federal cleanup law and the federal resource, conservation, and recovery act, 42 U.S.C. Sec. 6901 et seq., as amended;

(e) Classify substances as hazardous substances for purposes of RCW 70.105D.020 and classify substances and products as hazardous substances for purposes of RCW 82.21.020(1);

(f) Issue orders or enter into consent decrees or agreed orders that include, or issue written opinions under (i) of this subsection that may be conditioned upon, environmental covenants where necessary to protect human health and the environment from a release or threatened release of a hazardous substance from a facility. Prior to establishing an environmental covenant under this subsection,

the department shall consult with and seek comment from a city or county department with land use planning authority for real property subject to the environmental covenant;

(g) Enforce the application of permanent and effective institutional controls that are necessary for a remedial action to be protective of human health and the environment and the notification requirements established in RCW 70.105D.110, and impose penalties for violations of that section consistent with RCW 70.105D.050;

(h) Require holders to conduct remedial actions necessary to abate an imminent or substantial endangerment pursuant to RCW 70.105D.020(17)(b)(ii)(C);

(i) Provide informal advice and assistance to persons regarding the administrative and technical requirements of this chapter. This may include site-specific advice to persons who are conducting or otherwise interested in independent remedial actions. Any such advice or assistance shall be advisory only, and shall not be binding on the department. As a part of providing this advice and assistance for independent remedial actions, the department may prepare written opinions regarding whether the independent remedial actions or proposals for those actions meet the substantive requirements of this chapter or whether the department believes further remedial action is necessary at the facility. Nothing in this chapter may be construed to preclude the department from issuing a written opinion on whether further remedial action is necessary at any portion of the real property located within a facility, even if further remedial action is still necessary elsewhere at the same facility. Such a written opinion on a portion of a facility must also provide an opinion on the status of the facility as a whole. The department may collect, from persons requesting advice and assistance, the costs incurred by the department in providing such advice and assistance; however, the department shall, where appropriate, waive collection of costs in order to provide an appropriate level of technical assistance in support of public participation. The state, the department, and officers and employees of the state are immune from all liability, and no cause of action of any nature may arise from any act or omission in providing, or failing to provide, informal advice and assistance. The department must track the number of requests for reviews of planned or completed independent remedial actions and establish performance measures to track how quickly the department is able to respond to those requests. By November 1, 2015, the department must submit to the governor and the appropriate legislative fiscal and policy committees a report on achieving the performance measures and provide recommendations for improving performance, including staffing needs; ((and))

(j) In fulfilling the objectives of this chapter, the department shall allocate staffing and financial assistance in a manner that considers both the reduction of human and environmental risks and the land reuse potential and planning for the facilities to be cleaned up. This does not preclude the department from allocating resources to a facility based solely on human or environmental risks;

(k) Establish model remedies for common categories of facilities, types of hazardous substances, types of media, or geographic areas to streamline and accelerate the selection of remedies for routine types of cleanups at facilities;

(i) When establishing a model remedy, the department shall:

(A) Identify the requirements for characterizing a facility to select a model remedy, the applicability of the model remedy for use at a facility, and monitoring requirements;

(B) Describe how the model remedy meets clean-up standards and the requirements for selecting a remedy established by the department under this chapter; and

(C) Provide public notice and an opportunity to comment on the proposed model remedy and the conditions under which it may be used at a facility;

(i) When developing model remedies, the department shall solicit and consider proposals from qualified persons. The proposals must, in addition to describing the model remedy, provide the information required under (k)(i)(A) and (B) of this subsection;

(iii) If a facility meets the requirements for use of a model remedy, an analysis of the feasibility of alternative remedies is not required under this chapter. For department-conducted and department-supervised remedial actions, the department must provide public notice and consider public comments on the proposed use of a model remedy at a facility. The department may waive collection of its costs for providing a written opinion under (i) of this subsection on a cleanup that qualifies for and appropriately uses a model remedy; and

(1) Take any other actions necessary to carry out the provisions of this chapter, including the power to adopt rules under chapter 34.05 RCW.

(2) The department shall immediately implement all provisions of this chapter to the maximum extent practicable, including investigative and remedial actions where appropriate. The department shall adopt, and thereafter enforce, rules under chapter 34.05 RCW to:

(a) Provide for public participation, including at least (i) public notice of the development of investigative plans or remedial plans for releases or threatened releases and (ii) concurrent public notice of all compliance orders, agreed orders, enforcement orders, or notices of violation;

(b) Establish a hazard ranking system for hazardous waste sites;

(c) Provide for requiring the reporting by an owner or operator of releases of hazardous substances to the environment that may be a threat to human health or the environment within ninety days of discovery, including such exemptions from reporting as the department deems appropriate, however this requirement shall not modify any existing requirements provided for under other laws;

(d) Establish reasonable deadlines not to exceed ninety days for initiating an investigation of a hazardous waste site after the department receives notice or otherwise receives information that the site may pose a threat to human health or the environment and other reasonable deadlines for remedying releases or threatened releases at the site;

(e) Publish and periodically update minimum clean-up standards for remedial actions at least as stringent as the clean-up standards under section 121 of the federal cleanup law, 42 U.S.C. Sec. 9621, and at least as stringent as all applicable state and federal laws, including health-based standards under state and federal law; and

(f) Apply industrial clean-up standards at industrial properties. Rules adopted under this subsection shall ensure that industrial properties cleaned up to industrial standards cannot be converted to nonindustrial uses without approval from the department. The department may require that a property

cleaned up to industrial standards is cleaned up to a more stringent applicable standard as a condition of conversion to a nonindustrial use. Industrial clean-up standards may not be applied to industrial properties where hazardous substances remaining at the property after remedial action pose a threat to human health or the environment in adjacent nonindustrial areas.

(3) To achieve and protect the state's long-term ecological health, the department shall ~~((prioritize sufficient funding))~~ plan to clean up hazardous waste sites and prevent the creation of future hazards due to improper disposal of toxic wastes ~~((, and create financing tools to clean up large-scale hazardous waste sites requiring multiyear commitments))~~ at a pace that matches the estimated cash resources in the state and local toxics control accounts and the environmental legacy stewardship account created in section 10 of this act. Estimated cash resources must consider the annual cash flow requirements of major projects that receive appropriations expected to cross multiple biennia. To effectively monitor toxic accounts expenditures, the department shall develop a comprehensive ten-year financing report that identifies long-term remedial action project costs, tracks expenses, and projects future needs.

(4) By November 1, 2016, the department must submit to the governor and the appropriate legislative committees a report on the status of developing model remedies and their use under this chapter. The report must include: The number and types of model remedies identified by the department under subsection (1)(k) of this section; the number and types of model remedy proposals prepared by qualified private sector engineers, consultants, or contractors that were accepted or rejected under subsection (1)(k) of this section and the reasons for rejection; and the success of model remedies in accelerating the cleanup as measured by the number of jobs created by the cleanup, where this information is available to the department, acres of land restored, and the number and types of hazardous waste sites successfully remediated using model remedies.

(5) Before ~~((December))~~ September 20th of each even-numbered year, the department shall:

(a) Develop a comprehensive ten-year financing report in coordination with all local governments with clean-up responsibilities that identifies the projected biennial hazardous waste site remedial action needs that are eligible for funding from the state and local toxics control account and the environmental legacy stewardship account;

(b) Work with local governments to develop working capital reserves to be incorporated in the ten-year financing report;

(c) Identify the projected remedial action needs for orphaned, abandoned, and other clean-up sites that are eligible for funding from the state toxics control account;

(d) Project the remedial action need, cost, revenue, and any recommended working capital reserve estimate to the next biennium's long-term remedial action needs from both the local ~~((toxics control account))~~ and ~~((the))~~ state toxics control account and the environmental legacy stewardship account, and submit this information to the appropriate standing fiscal and environmental committees of the senate and house of representatives. This submittal must also include a ranked list of such remedial action projects for both accounts ~~((, and~~ (e)). The submittal must also identify separate budget estimates for large, multiyear clean-up projects that exceed ten million dollars. The department

shall prepare its ten-year capital budget plan that is submitted to the office of financial management to reflect the separate budget estimates for these large clean-up projects and include information on the anticipated private and public funding obligations for completion of the relevant projects.

(6) By December 1st of each odd-numbered year, the department must provide the legislature and the public ((each year with an accounting)) a report of the department's activities supported by appropriations from the state and local toxics control accounts((, including a list of known hazardous waste sites and their hazard rankings, actions taken and planned at each site, how the department is meeting its waste management priorities under RCW 70.105.150, and all funds expended under this chapter)) and the environmental legacy stewardship account. The report must be prepared and displayed in a manner that allows the legislature and the public to easily determine the statewide and local progress made in cleaning up hazardous waste sites under this chapter. The report must include, at a minimum:

(a) The name, location, hazardous waste ranking, and a short description of each site on the hazardous sites list, and the date the site was placed on the hazardous waste sites list; and

(b) For sites where there are state contracts, grants, loans, or direct investments by the state:

(i) The amount of money from the state and local toxics control accounts and the environmental legacy stewardship account used to conduct remedial actions at the site and the amount of that money recovered from potentially liable persons;

(ii) The actual or estimated start and end dates and the actual or estimated expenditures of funds authorized under this chapter for the following project phases:

(A) Emergency or interim actions, if needed;

(B) Remedial investigation;

(C) Feasibility study and selection of a remedy;

(D) Engineering design and construction of the selected remedy;

(E) Operation and maintenance or monitoring of the constructed remedy;

and

(F) The final completion date.

((5)) (7) The department shall establish a program to identify potential hazardous waste sites and to encourage persons to provide information about hazardous waste sites.

((6)) (8) For all facilities where an environmental covenant has been required under subsection (1)(f) of this section, including all facilities where the department has required an environmental covenant under an order, agreed order, or consent decree, or as a condition of a written opinion issued under the authority of subsection (1)(i) of this section, the department shall periodically review the environmental covenant for effectiveness. Except as otherwise provided in (c) of this subsection, the department shall conduct a review at least once every five years after an environmental covenant is recorded.

(a) The review shall consist of, at a minimum:

(i) A review of the title of the real property subject to the environmental covenant to determine whether the environmental covenant was properly recorded and, if applicable, amended or terminated;

(ii) A physical inspection of the real property subject to the environmental covenant to determine compliance with the environmental covenant, including whether any development or redevelopment of the real property has violated the terms of the environmental covenant; and

(iii) A review of the effectiveness of the environmental covenant in limiting or prohibiting activities that may interfere with the integrity of the remedial action or that may result in exposure to or migration of hazardous substances. This shall include a review of available monitoring data.

(b) If an environmental covenant has been amended or terminated without proper authority, or if the terms of an environmental covenant have been violated, or if the environmental covenant is no longer effective in limiting or prohibiting activities that may interfere with the integrity of the remedial action or that may result in exposure to or migration of hazardous substances, then the department shall take any and all appropriate actions necessary to ensure compliance with the environmental covenant and the policies and requirements of this chapter.

(c) For facilities where an environmental covenant required by the department under subsection (1)(f) of this section was required before July 1, 2007, the department shall:

(i) Enter all required information about the environmental covenant into the registry established under RCW 64.70.120 by June 30, 2008;

(ii) For those facilities where more than five years has elapsed since the environmental covenant was required and the department has yet to conduct a review, conduct an initial review according to the following schedule:

(A) By December 30, 2008, fifty facilities;

(B) By June 30, 2009, fifty additional facilities; and

(C) By June 30, 2010, the remainder of the facilities;

(iii) Once this initial review has been completed, conduct subsequent reviews at least once every five years.

Sec. 7. RCW 70.105D.040 and 1997 c 406 s 4 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, the following persons are liable with respect to a facility:

(a) The owner or operator of the facility;

(b) Any person who owned or operated the facility at the time of disposal or release of the hazardous substances;

(c) Any person who owned or possessed a hazardous substance and who by contract, agreement, or otherwise arranged for disposal or treatment of the hazardous substance at the facility, or arranged with a transporter for transport for disposal or treatment of the hazardous substances at the facility, or otherwise generated hazardous wastes disposed of or treated at the facility;

(d) Any person (i) who accepts or accepted any hazardous substance for transport to a disposal, treatment, or other facility selected by such person from which there is a release or a threatened release for which remedial action is required, unless such facility, at the time of disposal or treatment, could legally receive such substance; or (ii) who accepts a hazardous substance for transport to such a facility and has reasonable grounds to believe that such facility is not operated in accordance with chapter 70.105 RCW; and

(e) Any person who both sells a hazardous substance and is responsible for written instructions for its use if (i) the substance is used according to the instructions and (ii) the use constitutes a release for which remedial action is required at the facility.

(2) Each person who is liable under this section is strictly liable, jointly and severally, for all remedial action costs and for all natural resource damages resulting from the releases or threatened releases of hazardous substances. The attorney general, at the request of the department, is empowered to recover all costs and damages from persons liable therefor.

(3) The following persons are not liable under this section:

(a) Any person who can establish that the release or threatened release of a hazardous substance for which the person would be otherwise responsible was caused solely by:

(i) An act of God;

(ii) An act of war; or

(iii) An act or omission of a third party (including but not limited to a trespasser) other than (A) an employee or agent of the person asserting the defense, or (B) any person whose act or omission occurs in connection with a contractual relationship existing, directly or indirectly, with the person asserting this defense to liability. This defense only applies where the person asserting the defense has exercised the utmost care with respect to the hazardous substance, the foreseeable acts or omissions of the third party, and the foreseeable consequences of those acts or omissions;

(b) Any person who is an owner, past owner, or purchaser of a facility and who can establish by a preponderance of the evidence that at the time the facility was acquired by the person, the person had no knowledge or reason to know that any hazardous substance, the release or threatened release of which has resulted in or contributed to the need for the remedial action, was released or disposed of on, in, or at the facility. This subsection (3)(b) is limited as follows:

(i) To establish that a person had no reason to know, the person must have undertaken, at the time of acquisition, all appropriate inquiry into the previous ownership and uses of the property, consistent with good commercial or customary practice in an effort to minimize liability. Any court interpreting this subsection (3)(b) shall take into account any specialized knowledge or experience on the part of the person, the relationship of the purchase price to the value of the property if uncontaminated, commonly known or reasonably ascertainable information about the property, the obviousness of the presence or likely presence of contamination at the property, and the ability to detect such contamination by appropriate inspection;

(ii) The defense contained in this subsection (3)(b) is not available to any person who had actual knowledge of the release or threatened release of a hazardous substance when the person owned the real property and who subsequently transferred ownership of the property without first disclosing such knowledge to the transferee;

(iii) The defense contained in this subsection (3)(b) is not available to any person who, by any act or omission, caused or contributed to the release or threatened release of a hazardous substance at the facility;

(c) Any natural person who uses a hazardous substance lawfully and without negligence for any personal or domestic purpose in or near a dwelling or

accessory structure when that person is: (i) A resident of the dwelling; (ii) a person who, without compensation, assists the resident in the use of the substance; or (iii) a person who is employed by the resident, but who is not an independent contractor;

(d) Any person who, for the purpose of growing food crops, applies pesticides or fertilizers without negligence and in accordance with all applicable laws and regulations.

(4) There may be no settlement by the state with any person potentially liable under this chapter except in accordance with this section.

(a) The attorney general may agree to a settlement with any potentially liable person only if the department finds, after public notice and any required hearing, that the proposed settlement would lead to a more expeditious cleanup of hazardous substances in compliance with clean-up standards under RCW 70.105D.030(2)(e) and with any remedial orders issued by the department. Whenever practicable and in the public interest, the attorney general may expedite such a settlement with persons whose contribution is insignificant in amount and toxicity. A hearing shall be required only if at least ten persons request one or if the department determines a hearing is necessary.

(b) A settlement agreement under this section shall be entered as a consent decree issued by a court of competent jurisdiction.

(c) A settlement agreement may contain a covenant not to sue only of a scope commensurate with the settlement agreement in favor of any person with whom the attorney general has settled under this section. Any covenant not to sue shall contain a reopener clause which requires the court to amend the covenant not to sue if factors not known at the time of entry of the settlement agreement are discovered and present a previously unknown threat to human health or the environment.

(d) A party who has resolved its liability to the state under this section shall not be liable for claims for contribution regarding matters addressed in the settlement. The settlement does not discharge any of the other liable parties but it reduces the total potential liability of the others to the state by the amount of the settlement.

(e) If the state has entered into a consent decree with an owner or operator under this section, the state shall not enforce this chapter against any owner or operator who is a successor in interest to the settling party unless under the terms of the consent decree the state could enforce against the settling party, if:

(i) The successor owner or operator is liable with respect to the facility solely due to that person's ownership interest or operator status acquired as a successor in interest to the owner or operator with whom the state has entered into a consent decree; and

(ii) The stay of enforcement under this subsection does not apply if the consent decree was based on circumstances unique to the settling party that do not exist with regard to the successor in interest, such as financial hardship. For consent decrees entered into before July 27, 1997, at the request of a settling party or a potential successor owner or operator, the attorney general shall issue a written opinion on whether a consent decree contains such unique circumstances. For all other consent decrees, such unique circumstances shall be specified in the consent decree.

(f) Any person who is not subject to enforcement by the state under (e) of this subsection is not liable for claims for contribution regarding matters addressed in the settlement.

(5)(a) In addition to the settlement authority provided under subsection (4) of this section, the attorney general may agree to a settlement with a ~~((person not currently liable for remedial action at a facility who proposes to purchase, redevelop, or reuse the facility))~~ prospective purchaser, provided that:

(i) The settlement will yield substantial new resources to facilitate cleanup;

(ii) The settlement will expedite remedial action at the facility consistent with the rules adopted under this chapter; and

(iii) Based on available information, the department determines that the redevelopment or reuse of the facility is not likely to contribute to the existing release or threatened release, interfere with remedial actions that may be needed at the ~~((site))~~ facility, or increase health risks to persons at or in the vicinity of the ~~((site))~~ facility.

(b) The legislature recognizes that the state does not have adequate resources to participate in all property transactions involving contaminated property. The primary purpose of this subsection (5) is to promote the cleanup and reuse of ~~((vacant or abandoned commercial or industrial contaminated))~~ brownfield property. The attorney general and the department may give priority to settlements that will provide a substantial public benefit ~~((, including, but not limited to the reuse of a vacant or abandoned manufacturing or industrial facility, or the development of a facility by a governmental entity to address an important public purpose))~~ in addition to cleanup.

(c) A settlement entered under this subsection is governed by subsection (4) of this section.

(6) As an alternative to a settlement under subsection (5) of this section, the department may enter into an agreed order with a prospective purchaser of a property within a designated redevelopment opportunity zone. The agreed order is subject to the limitations in RCW 70.105D.020(1), but stays enforcement by the department under this chapter regarding remedial actions required by the agreed order as long as the prospective purchaser complies with the requirements of the agreed order.

(7) Nothing in this chapter affects or modifies in any way any person's right to seek or obtain relief under other statutes or under common law, including but not limited to damages for injury or loss resulting from a release or threatened release of a hazardous substance. No settlement by the department or remedial action ordered by a court or the department affects any person's right to obtain a remedy under common law or other statutes.

Sec. 8. RCW 70.105D.050 and 2005 c 211 s 2 are each amended to read as follows:

(1) With respect to any release, or threatened release, for which the department does not conduct or contract for conducting remedial action and for which the department believes remedial action is in the public interest, the director shall issue orders or agreed orders requiring potentially liable persons to provide the remedial action. Any liable person, or prospective purchaser who has entered into an agreed order under RCW 70.105D.040(6), who refuses, without sufficient cause, to comply with an order or agreed order of the director is liable in an action brought by the attorney general for:

(a) Up to three times the amount of any costs incurred by the state as a result of the party's refusal to comply; and

(b) A civil penalty of up to twenty-five thousand dollars for each day the party refuses to comply.

The treble damages and civil penalty under this subsection apply to all recovery actions filed on or after March 1, 1989.

(2) Any person who incurs costs complying with an order issued under subsection (1) of this section may petition the department for reimbursement of those costs. If the department refuses to grant reimbursement, the person may within thirty days thereafter file suit and recover costs by proving that he or she was not a liable person under RCW 70.105D.040 and that the costs incurred were reasonable.

(3) The attorney general shall seek, by filing an action if necessary, to recover the amounts spent by the department for investigative and remedial actions and orders, and agreed orders, including amounts spent prior to March 1, 1989.

(4) The attorney general may bring an action to secure such relief as is necessary to protect human health and the environment under this chapter.

(5)(a) Any person may commence a civil action to compel the department to perform any nondiscretionary duty under this chapter. At least thirty days before commencing the action, the person must give notice of intent to sue, unless a substantial endangerment exists. The court may award attorneys' fees and other costs to the prevailing party in the action.

(b) Civil actions under this section and RCW 70.105D.060 may be brought in the superior court of Thurston county or of the county in which the release or threatened release exists.

(6) Any person who fails to provide notification of releases consistent with RCW 70.105D.110 or who submits false information is liable in an action brought by the attorney general for a civil penalty of up to five thousand dollars per day for each day the party refuses to comply.

(7) Any person who owns real property or lender holding a mortgage on real property that is subject to a lien filed under RCW 70.105D.055 may petition the department to have the lien removed or the amount of the lien reduced. If, after consideration of the petition and the information supporting the petition, the department decides to deny the request, the person may, within ninety days after receipt of the department's denial, file suit for removal or reduction of the lien. The person is entitled to removal of a lien filed under RCW 70.105D.055(2)(a) if they can prove by a preponderance of the evidence that the person is not a liable party under RCW 70.105D.040. The person is entitled to a reduction of the amount of the lien if they can prove by a preponderance of the evidence:

(a) For liens filed under RCW 70.105D.055(2)(a), the amount of the lien exceeds the remedial action costs the department incurred related to cleanup of the real property; and

(b) For liens filed under RCW 70.105D.055(2)(c), the amount of the lien exceeds the remedial action costs the department incurred related to cleanup of the real property or exceeds the increase of the fair market value of the real property solely attributable to the remedial action conducted by the department.

(8) The expenditure of moneys under the state and local toxics control accounts created in RCW 70.105D.070 and the environmental legacy

stewardship account created in section 10 of this act does not alter the liability of any person under this chapter, or the authority of the department under this chapter, including the authority to recover those moneys.

Sec. 9. RCW 70.105D.070 and 2012 2nd sp.s. c 7 s 920 and 2012 2nd sp.s. c 2 s 6005 are each reenacted and amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

~~(2) ((The following moneys shall be deposited into the state toxics control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-three one-hundredths of one percent; (b) the costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (c) penalties collected or recovered under this chapter; and (d) any other money appropriated or transferred to the account by the legislature. Moneys in the account may be used only to carry out the purposes of this chapter, including but not limited to the following activities:~~

~~(i) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;~~

~~(ii) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;~~

~~(iii) The hazardous waste cleanup program required under this chapter;~~

~~(iv) State matching funds required under the federal cleanup law;~~

~~(v) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;~~

~~(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;~~

~~(vii) Hazardous materials emergency response training;~~

~~(viii) Water and environmental health protection and monitoring programs;~~

~~(ix) Programs authorized under chapter 70.146 RCW;~~

~~(x) A public participation program, including regional citizen advisory committees;~~

~~(xi) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(c) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both (A) a substantially more expeditious or enhanced cleanup than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship;~~

~~(xii) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;~~

~~(xiii) During the 2009-2011 and 2011-2013 fiscal biennia, shoreline update technical assistance;~~

~~(xiv) During the 2009-2011 fiscal biennium, multijurisdictional permitting teams;~~

~~(xv) During the 2011-2013 fiscal biennium, actions for reducing public exposure to toxic air pollution, and actions taken through the family forest fish~~

passage program to correct barriers to fish passage on privately owned small forest lands; and

~~(xvi) During the 2011-2013 fiscal biennium, the department of ecology's water quality, shorelands and environmental assessment, hazardous waste, waste to resources, nuclear waste, and air quality programs.~~

~~(3) The following moneys shall be deposited into the local toxics control account: Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-seven one hundredths of one percent.~~

~~(a) Moneys deposited in the local toxics control account shall be used by the department for grants or loans to local governments for the following purposes in descending order of priority:~~

~~(i) Remedial actions;~~

~~(ii) Hazardous waste plans and programs under chapter 70.105 RCW;~~

~~(iii) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;~~

~~(iv) Funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511; and~~

~~(v) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment.~~

~~(b) Funds for plans and programs shall be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that is a Puget Sound partner, as defined in RCW 90.71.010, along with any project that is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, shall, except as conditioned by RCW 70.105D.120, receive priority for any available funding for any grant or funding programs or sources that use a competitive bidding process. During the 2007-2009 fiscal biennium, moneys in the account may also be used for grants to local governments to retrofit public sector diesel equipment and for storm water planning and implementation activities.~~

~~(c) To expedite cleanups throughout the state, the department shall partner with local communities and liable parties for cleanups. The department is authorized to use the following additional strategies in order to ensure a healthful environment for future generations:~~

~~(i) The director may alter grant matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:~~

~~(A) Funding would prevent or mitigate unfair economic hardship imposed by the clean-up liability;~~

~~(B) Funding would create new substantial economic development, public recreational, or habitat restoration opportunities that would not otherwise occur;~~

~~or~~

~~(C) Funding would create an opportunity for acquisition and redevelopment of vacant, orphaned, or abandoned property under RCW 70.105D.040(5) that would not otherwise occur;~~

~~(ii) The use of outside contracts to conduct necessary studies;~~

~~(iii) The purchase of remedial action cost cap insurance, when necessary to expedite multiparty clean-up efforts.~~

~~(d) To facilitate and expedite cleanups using funds from the local toxics control account, during the 2009-2011 fiscal biennium the director may establish grant funded accounts to hold and disperse local toxics control account funds and funds from local governments to be used for remedial actions.~~

~~(4) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.~~

~~(5) Except during the 2011-2013 fiscal biennium, one percent of the moneys deposited into the state and local toxics control accounts shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not for profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall revert to the state toxics control account.~~

~~(6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation, or, after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.~~

~~(7) The department shall adopt rules for grant or loan issuance and performance.~~

~~(8) During the 2011-2013 fiscal biennium, the legislature may transfer from the local toxics control account to the state toxics control account such amounts as reflect excess fund balance in the account.~~

~~(9) During the 2011-2013 fiscal biennium, the local toxics control account may also be used for local government shoreline update grants and actions for reducing public exposure to toxic air pollution; funding to local governments for flood levee improvements; and grants to local governments for brownfield redevelopment.)~~ (a) Moneys collected under RCW 82.21.030 must be deposited as follows: Fifty-six percent to the state toxics control account under subsection (3) of this section and forty-four percent to the local toxics control account under subsection (4) of this section. When the cumulative amount of deposits made to the state and local toxics control accounts under this section reaches the limit during a fiscal year as established in (b) of this subsection, the remainder of the moneys collected under RCW 82.21.030 during that fiscal year must be deposited into the environmental legacy stewardship account created in section 10 of this act.

(b) The limit on distributions of moneys collected under RCW 82.21.030 to the state and local toxics control accounts for the fiscal year beginning July 1, 2013, is one hundred forty million dollars.

(c) In addition to the funds required under (a) of this subsection, the following moneys must be deposited into the state toxics control account: (i) The costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (ii) penalties collected or recovered under this chapter; and (iii) any other money appropriated or transferred to the account by the legislature.

(3) Moneys in the state toxics control account must be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(a) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(b) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(c) The hazardous waste clean-up program required under this chapter;

(d) State matching funds required under federal cleanup law;

(e) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(f) State government programs for the safe reduction, recycling, or disposal of paint and hazardous wastes from households, small businesses, and agriculture;

(g) Oil and hazardous materials spill prevention, preparedness, training, and response activities;

(h) Water and environmental health protection and monitoring programs;

(i) Programs authorized under chapter 70.146 RCW;

(j) A public participation program;

(k) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both: (i) A substantially more expeditious or enhanced cleanup than would otherwise occur; and (ii) the prevention or mitigation of unfair economic hardship;

(l) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;

(m) State agriculture and health programs for the safe use, reduction, recycling, or disposal of pesticides;

(n) Storm water pollution control projects and activities that protect or preserve existing remedial actions or prevent hazardous clean-up sites;

(o) Funding requirements to maintain receipt of federal funds under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et seq.);

(p) Air quality programs and actions for reducing public exposure to toxic air pollution;

(q) Public funding to assist prospective purchasers to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) if:

(i) The facility is located within a redevelopment opportunity zone designated under section 4 of this act;

(ii) The amount and terms of the funding are established under a settlement agreement under RCW 70.105D.040(5); and

(iii) The director has found the funding meets any additional criteria established in rule by the department, will achieve a substantially more expeditious or enhanced cleanup than would otherwise occur, and will provide a public benefit in addition to cleanup commensurate with the scope of the public funding;

(r) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; and

(s) Appropriations to the local toxics control account or the environmental legacy stewardship account created in section 10 of this act, if the legislature determines that priorities for spending exceed available funds in those accounts.

(4)(a) The department shall use moneys deposited in the local toxics control account for grants or loans to local governments for the following purposes in descending order of priority:

(i) Extended grant agreements entered into under (c)(i) of this subsection;

(ii) Remedial actions, including planning for adaptive reuse of properties as provided for under (c)(iv) of this subsection. The department must prioritize funding of remedial actions at:

(A) Facilities on the department's hazardous sites list with a high hazard ranking for which there is an approved remedial action work plan or an equivalent document under federal cleanup law;

(B) Brownfield properties within a redevelopment opportunity zone if the local government is a prospective purchaser of the property and there is a department-approved remedial action work plan or equivalent document under the federal cleanup law;

(iii) Storm water pollution source projects that: (A) Work in conjunction with a remedial action; (B) protect completed remedial actions against recontamination; or (C) prevent hazardous clean-up sites;

(iv) Hazardous waste plans and programs under chapter 70.105 RCW;

(v) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; and

(vii) Appropriations to the state toxics control account or the environmental legacy stewardship account created in section 10 of this act, if the legislature determines that priorities for spending exceed available funds in those accounts.

(b) Funds for plans and programs must be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW.

(c) To expedite cleanups throughout the state, the department may use the following strategies when providing grants to local governments under this subsection:

(i) Enter into an extended grant agreement with a local government conducting remedial actions at a facility where those actions extend over multiple biennia and the total eligible cost of those actions exceeds twenty million dollars. The agreement is subject to the following limitations:

(A) The initial duration of such an agreement may not exceed ten years. The department may extend the duration of such an agreement upon finding substantial progress has been made on remedial actions at the facility;

(B) Extended grant agreements may not exceed fifty percent of the total eligible remedial action costs at the facility; and

(C) The department may not allocate future funding to an extended grant agreement unless the local government has demonstrated to the department that funds awarded under the agreement during the previous biennium have been substantially expended or contracts have been entered into to substantially expend the funds;

(ii) Enter into a grant agreement with a local government conducting a remedial action that provides for periodic reimbursement of remedial action costs as they are incurred as established in the agreement;

(iii) Enter into a grant agreement with a local government prior to it acquiring a property or obtaining necessary access to conduct remedial actions, provided the agreement is conditioned upon the local government acquiring the property or obtaining the access in accordance with a schedule specified in the agreement;

(iv) Provide integrated planning grants to local governments to fund studies necessary to facilitate remedial actions at brownfield properties and adaptive reuse of properties following remediation. Eligible activities include, but are not limited to: Environmental site assessments; remedial investigations; health assessments; feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; economic and fiscal analyses; and any environmental analyses under chapter 43.21C RCW;

(v) Provide grants to local governments for remedial actions related to areawide groundwater contamination. To receive the funding, the local government does not need to be a potentially liable person or be required to seek reimbursement of grant funds from a potentially liable person;

(vi) The director may alter grant matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardship imposed by the clean-up liability;

(B) Funding would create new substantial economic development, public recreational opportunities, or habitat restoration opportunities that would not otherwise occur; or

(C) Funding would create an opportunity for acquisition and redevelopment of brownfield property under RCW 70.105D.040(5) that would not otherwise occur;

(vii) When pending grant applications under (c)(iv) and (v) of this subsection (4) exceed the amount of funds available, designated redevelopment opportunity zones must receive priority for distribution of available funds.

(d) To expedite multiparty clean-up efforts, the department may purchase remedial action cost-cap insurance.

(5) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(6) No moneys deposited into either the state or local toxics control account may be used for: Natural disasters where there is no hazardous substance contamination; high performance buildings; solid waste incinerator facility feasibility studies, construction, maintenance, or operation; or after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310. However, this subsection does not prevent an appropriation from the state toxics control account to the department of revenue to enforce compliance with the hazardous substance tax imposed in chapter 82.21 RCW.

(7) Except during the 2011-2013 fiscal biennium, one percent of the moneys collected under RCW 82.21.030 shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation that are not expended at the close of any biennium revert to the state toxics control account.

(8) The department shall adopt rules for grant or loan issuance and performance. To accelerate both remedial action and economic recovery, the department may expedite the adoption of rules necessary to implement this act using the expedited procedures in RCW 34.05.353. The department shall initiate the award of financial assistance by August 1, 2013. To ensure the adoption of rules will not delay financial assistance, the department may administer the award of financial assistance through interpretive guidance pending the adoption of rules through July 1, 2014.

(9) Except as provided under subsection (3)(k) and (q) of this section, nothing in this act effects the ability of a potentially liable person to receive public funding.

NEW SECTION. Sec. 10. A new section is added to chapter 70.105D RCW to read as follows:

(1) The environmental legacy stewardship account is created in the state treasury. Beginning July 1, 2013, and every fiscal year thereafter, the annual amount received from the tax imposed by RCW 82.21.030 that exceeds one hundred forty million dollars must be deposited into the environmental legacy stewardship account. The state treasurer may make periodic deposits into the environmental legacy stewardship account based on forecasted revenue. Moneys in the account may only be spent after appropriation.

(2) Moneys in the environmental legacy stewardship account may be spent on performance and outcome based projects, model remedies, demonstrated technologies, procedures, contracts, and project management and oversight that result in significant reductions in the time to complete compared to baseline averages for:

(a) Purposes authorized under RCW 70.105D.070 (3) and (4);

(b) Storm water low-impact retrofit projects and other projects with significant environmental benefits that reduce storm water pollution from existing infrastructure and development;

(c) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment; and

(d) Appropriations to the state and local toxics control accounts created in RCW 70.105D.070 if the legislature determines that priorities for spending exceed available funds in those accounts.

(3) Except as provided under RCW 70.105D.070(3) (k) and (q), nothing in this act expands the ability of a potentially liable person to receive public funding.

NEW SECTION. Sec. 11. (1) For the biennium ending June 30, 2015, the state treasurer must transfer forty-five million dollars from the state toxics control account to the environmental legacy stewardship account created in section 10 of this act.

(2) For the biennium ending June 30, 2015, the state treasurer must transfer forty-five million dollars from the local toxics control account to the environmental legacy stewardship account.

NEW SECTION. Sec. 12. A new section is added to chapter 70.105 RCW to read as follows:

The radioactive mixed waste account is created within the state treasury. All receipts received from facilities assessed service charges established under RCW 70.105.280 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may only be used for carrying out the department's powers and duties under this chapter related to the regulation of facilities that treat, store, or dispose of mixed waste or mixed waste facilities that are undergoing closure.

NEW SECTION. Sec. 13. By October 1, 2013, the state treasurer must transfer the fund balance of the mixed waste fees within the state toxics control account to the radioactive mixed waste account created in section 12 of this act. The department of ecology shall report the fund balance amount to the state treasurer for transfer into the radioactive mixed waste account.

Sec. 14. RCW 70.105.280 and 1989 c 376 s 2 are each amended to read as follows:

(1) The department may assess reasonable service charges against those facilities that store, treat, incinerate, or dispose of dangerous or extremely hazardous waste that contains both a nonradioactive hazardous component and a radioactive component or which are undergoing closure under this chapter in those instances where closure entails the physical characterization of remaining wastes which contain both a nonradioactive hazardous component and a radioactive component or the management of such wastes through treatment or removal, except any commercial low-level radioactive waste facility. Service charges may not exceed the costs to the department in carrying out the duties of this section.

(2) Program elements or activities for which service charges may be assessed include:

(a) Office, staff, and staff support for the purposes of facility or unit permit development, review, and issuance; and

(b) Actions taken to determine and ensure compliance with the state's hazardous waste management act.

(3) Moneys collected through the imposition of such service charges shall be deposited in the ~~((state toxics control))~~ radioactive mixed waste account created in section 12 of this act.

(4) The department shall adopt rules necessary to implement this section. Facilities that store, treat, incinerate, or dispose of dangerous or extremely hazardous waste that contains both a nonradioactive hazardous component and a radioactive component shall not be subject to service charges prior to such rule making. Facilities undergoing closure under this chapter in those instances where closure entails the physical characterization of remaining wastes which contain both a nonradioactive hazardous component and a radioactive component or the management of such wastes through treatment or removal shall not be subject to service charges prior to such rule making.

Sec. 15. RCW 43.84.092 and 2013 c 251 s 3 and 2013 c 96 s 3 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the

Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board

commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 16. RCW 43.84.092 and 2013 c 251 s 4 and 2013 c 96 s 4 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management

improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the

judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific

permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 17. Section 15 of this act expires on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. Sec. 18. Section 16 of this act takes effect on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. Sec. 19. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 20. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2013.

Passed by the Senate June 13, 2013.

Passed by the House June 13, 2013.

Approved by the Governor June 14, 2013.

Filed in Office of Secretary of State June 14, 2013.

CHAPTER 2

[Engrossed House Bill 2075]

EDUCATION LEGACY TRUST ACCOUNT—ESTATE AND TRANSFER TAX

AN ACT Relating to preserving funding deposited into the education legacy trust account used to support common schools and access to higher education by restoring the application of the Washington estate and transfer tax to certain property transfers while modifying the estate and transfer tax to provide tax relief for certain estates; amending RCW 83.100.020, 83.100.040, 83.100.047, 83.100.047, 83.100.120, and 83.100.210; adding a new section to chapter 83.100 RCW; creating new sections; providing an effective date; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) In 2005, to address an unexpected significant loss of tax revenue resulting from the *Estate of Hemphill* decision and to provide additional funding for public education, the legislature enacted a stand-alone estate and transfer tax, effective May 17, 2005. The stand-alone estate and transfer tax applies to the transfer of property at death. By defining the term "transfer" to mean a "transfer as used in section 2001 of the internal revenue code," the legislature clearly expressed its intent that a "transfer" for purposes of determining the federal taxable estate is also a "transfer" for purposes of determining the Washington taxable estate.

(2) In *In re Estate of Bracken*, Docket No. 84114-4, the Washington supreme court narrowly construed the term "transfer" as defined in the Washington estate tax code.

(3) The legislature finds that it is well established that the term "transfer" as used in the federal estate tax code is construed broadly and extends to the "shifting from one to another of any power or privilege incidental to the ownership or enjoyment of property" that occurs at death. *Fernandez v. Wiener*, 326 U.S. 340, 352 (1945).

(4) The legislature further finds that: The Bracken decision held certain qualified terminable interest property (QTIP) of married couples was transferred without incurring Washington state estate tax liability, which: (a) Creates an inequity never intended by the legislature because unmarried individuals did not enjoy any similar opportunities to avoid or greatly reduce their potential Washington estate tax liability; and (b) may create disparate treatment between QTIP property and other property transferred between spouses that is eligible for the marital deduction.

(5) Therefore, the legislature finds that it is necessary to reinstate the legislature's intended meaning when it enacted the estate tax, restore parity between married couples and unmarried individuals, restore parity between QTIP property and other property eligible for the marital deduction, and prevent the adverse fiscal impacts of the Bracken decision by reaffirming its intent that the term "transfer" as used in the Washington estate and transfer tax is to be given its broadest possible meaning consistent with established United States supreme court precedents, subject only to the limits and exceptions expressly provided by the legislature.

(6) As curative, clarifying, and remedial, the legislature intends for this act to apply both prospectively and retroactively to estates of decedents dying on or after May 17, 2005.

Sec. 2. RCW 83.100.020 and 2013 c 23 s 341 are each amended to read as follows:

~~((As used in this chapter:))~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1)(a) "Applicable exclusion amount" means:

(i) One million five hundred thousand dollars for decedents dying before January 1, 2006;

(ii) Two million dollars for estates of decedents dying on or after January 1, 2006, and before January 1, 2014; and

(iii) For estates of decedents dying in calendar year 2014 and each calendar year thereafter, the amount in (a)(ii) of this subsection must be adjusted annually, except as otherwise provided in this subsection (1)(a)(iii). The annual adjustment is determined by multiplying two million dollars by one plus the percentage by which the most recent October consumer price index exceeds the consumer price index for October 2012, and rounding the result to the nearest one thousand dollars. No adjustment is made for a calendar year if the adjustment would result in the same or a lesser applicable exclusion amount than the applicable exclusion amount for the immediately preceding calendar year. The applicable exclusion amount under this subsection (1)(a)(iii) for the decedent's estate is the applicable exclusion amount in effect as of the date of the decedent's death.

(b) For purposes of this subsection, "consumer price index" means the consumer price index for all urban consumers, all items, for the Seattle-Tacoma-Bremerton metropolitan area as calculated by the United States bureau of labor statistics.

~~((2))~~ (2) "Decedent" means a deceased individual(~~(:)~~)₂.

~~((2))~~ (3) "Department" means the department of revenue, the director of that department, or any employee of the department exercising authority lawfully delegated to him or her by the director(~~(:)~~)₂.

~~((3))~~ (4) "Federal return" means any tax return required by chapter 11 of the internal revenue code(~~(:)~~)₂.

~~((4))~~ (5) "Federal tax" means a tax under chapter 11 of the internal revenue code(~~(:)~~)₂.

~~((5))~~ (6) "Gross estate" means "gross estate" as defined and used in section 2031 of the internal revenue code(~~(:)~~)₂.

~~((6))~~ (7) "Person" means any individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate, or other entity and, to the extent permitted by law, any federal, state, or other governmental unit or subdivision or agency, department, or instrumentality thereof(~~(:)~~)₂.

~~((7))~~ (8) "Person required to file the federal return" means any person required to file a return required by chapter 11 of the internal revenue code, such as the personal representative of an estate(~~(:)~~)₂.

~~((8))~~ (9) "Property" means property included in the gross estate(~~(:)~~)₂.

~~((9))~~ (10) "Resident" means a decedent who was domiciled in Washington at time of death(~~(:)~~)₂.

~~((10))~~ (11) "Taxpayer" means a person upon whom tax is imposed under this chapter, including an estate or a person liable for tax under RCW 83.100.120(~~(:)~~)₂.

~~((11))~~ (12) "Transfer" means "transfer" as used in section 2001 of the internal revenue code and includes any shifting upon death of the economic benefit in property or any power or legal privilege incidental to the ownership or enjoyment of property. However, "transfer" does not include a qualified heir disposing of an interest in property qualifying for a deduction under RCW 83.100.046 or ceasing to use the property for farming purposes(~~(:)~~)₂.

~~((12))~~ (13) "Internal revenue code" means(~~for the purposes of this chapter and RCW 83.110.010;~~) the United States internal revenue code of 1986, as amended or renumbered as of January 1, 2005(~~(:)~~)₂.

~~((13))~~ (14) "Washington taxable estate" means the federal taxable estate(~~;~~ less: (a) One million five hundred thousand dollars for decedents dying before January 1, 2006; and (b) two million dollars for decedents dying on or after January 1, 2006; and (c) the amount of any deduction allowed under RCW 83.100.046; and)) and includes, but is not limited to, the value of any property included in the gross estate under section 2044 of the internal revenue code, regardless of whether the decedent's interest in such property was acquired before May 17, 2005, (a) plus amounts required to be added to the Washington taxable estate under RCW 83.100.047, (b) less: (i) The applicable exclusion amount; (ii) the amount of any deduction allowed under RCW 83.100.046; (iii) amounts allowed to be deducted from the Washington taxable estate under RCW

83.100.047; and (iv) the amount of any deduction allowed under section 3 of this act.

~~((14))~~ (15) "Federal taxable estate" means the taxable estate as determined under chapter 11 of the internal revenue code without regard to: (a) The termination of the federal estate tax under section 2210 of the internal revenue code or any other provision of law, and (b) the deduction for state estate, inheritance, legacy, or succession taxes allowable under section 2058 of the internal revenue code.

NEW SECTION. Sec. 3. A new section is added to chapter 83.100 RCW to read as follows:

(1) For the purposes of determining the tax due under this chapter, a deduction is allowed for the value of the decedent's qualified family-owned business interests, not to exceed two million five hundred thousand dollars, if:

(a) The value of the decedent's qualified family-owned business interests exceed fifty percent of the decedent's Washington taxable estate determined without regard to the deduction for the applicable exclusion amount;

(b) During the eight-year period ending on the date of the decedent's death, there have been periods aggregating five years or more during which:

(i) Such interests were owned by the decedent or a member of the decedent's family;

(ii) There was material participation, within the meaning of section 2032A(e)(6) of the internal revenue code, by the decedent or a member of the decedent's family in the operation of the trade or business to which such interests relate;

(c) The qualified family-owned business interests are acquired by any qualified heir from, or passed to any qualified heir from, the decedent, within the meaning of RCW 83.100.046(2), and the decedent was at the time of his or her death a citizen or resident of the United States; and

(d) The value of the decedent's qualified family-owned business interests is not more than six million dollars.

(2)(a) Only amounts included in the decedent's federal taxable estate may be deducted under this subsection.

(b) Amounts deductible under RCW 83.100.046 may not be deducted under this section.

(3)(a) There is imposed an additional estate tax on a qualified heir if, within three years of the decedent's death and before the date of the qualified heir's death:

(i) The material participation requirements described in section 2032A(c)(6)(b)(ii) of the internal revenue code are not met with respect to the qualified family-owned business interest which was acquired or passed from the decedent;

(ii) The qualified heir disposes of any portion of a qualified family-owned business interest, other than by a disposition to a member of the qualified heir's family or a person with an ownership interest in the qualified family-owned business or through a qualified conservation contribution under section 170(h) of the internal revenue code;

(iii) The qualified heir loses United States citizenship within the meaning of section 877 of the internal revenue code or with respect to whom section

877(e)(1) applies, and such heir does not comply with the requirements of section 877(g) of the internal revenue code; or

(iv) The principal place of business of a trade or business of the qualified family-owned business interest ceases to be located in the United States.

(b) The amount of the additional estate tax imposed under this subsection is equal to the amount of tax savings under this section with respect to the qualified family-owned business interest acquired or passed from the decedent.

(c) Interest applies to the tax due under this subsection for the period beginning on the date that the estate tax liability was due under this chapter and ending on the date the additional estate tax due under this subsection is paid. Interest under this subsection must be computed as provided in RCW 83.100.070(2).

(d) The tax imposed by this subsection is due the day that is six months after any taxable event described in (a) of this subsection occurred and must be reported on a return as provided by the department.

(e) The qualified heir is personally liable for the additional tax imposed by this subsection unless he or she has furnished a bond in favor of the department for such amount and for such time as the department determines necessary to secure the payment of amounts due under this subsection. The qualified heir, on furnishing a bond satisfactory to the department, is discharged from personal liability for any additional tax and interest under this subsection and is entitled to a receipt or writing showing such discharge.

(f) Amounts due under this subsection attributable to any qualified family-owned business interest are secured by a lien in favor of the state on the property in respect to which such interest relates. The lien under this subsection (3)(f) arises at the time the Washington return is filed on which a deduction under this section is taken and continues in effect until: (i) The tax liability under this subsection has been satisfied or has become unenforceable by reason of lapse of time; or (ii) the department is satisfied that no further tax liability will arise under this subsection.

(g) Security acceptable to the department may be substituted for the lien imposed by (f) of this subsection.

(h) For purposes of the assessment or correction of an assessment for additional taxes and interest imposed under this subsection, the limitations period in RCW 83.100.095 begins to run on the due date of the return required under (d) of this subsection.

(i) For purposes of this subsection, a qualified heir may not be treated as disposing of an interest described in section 2057(e)(1)(A) of the internal revenue code by reason of ceasing to be engaged in a trade or business so long as the property to which such interest relates is used in a trade or business by any member of the qualified heir's family.

(4)(a) The department may require a taxpayer claiming a deduction under this section to provide the department with the names and contact information of all qualified heirs.

(b) The department may also require any qualified heir to submit to the department on an ongoing basis such information as the department determines necessary or useful in determining whether the qualified heir is subject to the additional tax imposed in subsection (3) of this section. The department may not require such information more frequently than twice per year. The department

may impose a penalty on a qualified heir who fails to provide the information requested within thirty days of the date the department's written request for the information was sent to the qualified heir. The amount of the penalty under this subsection is five hundred dollars and may be collected in the same manner as the tax imposed under subsection (3) of this section.

(5) For purposes of this section, references to section 2057 of the internal revenue code refer to section 2057 of the internal revenue code, as existing on December 31, 2003.

(6) For purposes of this section, the following definitions apply:

(a) "Member of the decedent's family" and "member of the qualified heir's family" have the same meaning as "member of the family" in RCW 83.100.046(10).

(b) "Qualified family-owned business interest" has the same meaning as provided in section 2057(e) of the internal revenue code of 1986.

(c) "Qualified heir" has the same meaning as provided in section 2057(i) of the internal revenue code of 1986.

(7) This section applies to the estates of decedents dying on or after January 1, 2014.

Sec. 4. RCW 83.100.040 and 2010 c 106 s 234 are each amended to read as follows:

(1) A tax in an amount computed as provided in this section is imposed on every transfer of property located in Washington. For the purposes of this section, any intangible property owned by a resident is located in Washington.

(2)(a) Except as provided in (b) of this subsection, the amount of tax is the amount provided in the following table:

If Washington Taxable		The amount of Tax Equals		Of Washington Taxable Estate
Estate is at least	But Less Than	Initial Tax Amount	Plus Tax Rate %	Value Greater than
\$0	\$1,000,000	\$0	10.00%	\$0
\$1,000,000	\$2,000,000	\$100,000	14.00%	\$1,000,000
\$2,000,000	\$3,000,000	\$240,000	15.00%	\$2,000,000
\$3,000,000	\$4,000,000	\$390,000	16.00%	\$3,000,000
\$4,000,000	\$6,000,000	\$550,000	((17.00%)) <u>18.00%</u>	\$4,000,000
\$6,000,000	\$7,000,000	(\$890,000)) <u>\$910,000</u>	((18.00%)) <u>19.00%</u>	\$6,000,000
\$7,000,000	\$9,000,000	(\$1,070,000)) <u>\$1,100,000</u>	((18.50%)) <u>19.50%</u>	\$7,000,000
\$9,000,000		(\$1,440,000)) <u>\$1,490,000</u>	((19.00%)) <u>20.00%</u>	\$9,000,000

(b) If any property in the decedent's estate is located outside of Washington, the amount of tax is the amount determined in (a) of this subsection multiplied by a fraction. The numerator of the fraction is the value of the property located in Washington. The denominator of the fraction is the value of the decedent's gross estate. Property qualifying for a deduction under RCW 83.100.046 must be excluded from the numerator and denominator of the fraction.

(3) The tax imposed under this section is a stand-alone estate tax that incorporates only those provisions of the internal revenue code as amended or

renumbered as of January 1, 2005, that do not conflict with the provisions of this chapter. The tax imposed under this chapter is independent of any federal estate tax obligation and is not affected by termination of the federal estate tax.

Sec. 5. RCW 83.100.047 and 2005 c 516 s 13 are each amended to read as follows:

(1) If the federal taxable estate on the federal return is determined by making an election under section 2056 or 2056A of the internal revenue code, or if no federal return is required to be filed, the department may provide by rule for a separate election on the Washington return, consistent with section 2056 or 2056A of the internal revenue code, for the purpose of determining the amount of tax due under this chapter. The election (~~((shall be))~~) is binding on the estate and the beneficiaries, consistent with the internal revenue code. All other elections or valuations on the Washington return (~~((shall))~~) must be made in a manner consistent with the federal return, if a federal return is required, and such rules as the department may provide.

(2) Amounts deducted for federal income tax purposes under section 642(g) of the internal revenue code of 1986(~~((shall))~~) are not (~~((be))~~) allowed as deductions in computing the amount of tax due under this chapter.

(3) Notwithstanding any department rule, if a taxpayer makes an election consistent with section 2056 of the internal revenue code as permitted under this section, the taxpayer's Washington taxable estate, and the surviving spouse's Washington taxable estate, must be adjusted as follows:

(a) For the taxpayer that made the election, any amount deducted by reason of section 2056(b)(7) of the internal revenue code is added to, and the value of property for which a Washington election under this section was made is deducted from, the Washington taxable estate.

(b) For the estate of the surviving spouse, the amount included in the estate's gross estate pursuant to section 2044 (a) and (b)(1)(A) of the internal revenue code is deducted from, and the value of any property for which an election under this section was previously made is added to, the Washington taxable estate.

Sec. 6. RCW 83.100.047 and 2009 c 521 s 192 are each amended to read as follows:

(1)(a) If the federal taxable estate on the federal return is determined by making an election under section 2056 or 2056A of the internal revenue code, or if no federal return is required to be filed, the department may provide by rule for a separate election on the Washington return, consistent with section 2056 or 2056A of the internal revenue code and (b) of this subsection, for the purpose of determining the amount of tax due under this chapter. The election (~~((shall be))~~) is binding on the estate and the beneficiaries, consistent with the internal revenue code and (b) of this subsection. All other elections or valuations on the Washington return (~~((shall))~~) must be made in a manner consistent with the federal return, if a federal return is required, and such rules as the department may provide.

(b) The department (~~((shall))~~) must provide by rule that a state registered domestic partner is deemed to be a surviving spouse and entitled to a deduction from the Washington taxable estate for any interest passing from the decedent to his or her domestic partner, consistent with section 2056 or 2056A of the internal revenue code but regardless of whether such interest would be deductible from

the federal gross estate under section 2056 or 2056A of the internal revenue code.

(2) Amounts deducted for federal income tax purposes under section 642(g) of the internal revenue code of 1986 (~~shall~~) are not (~~be~~) allowed as deductions in computing the amount of tax due under this chapter.

(3) Notwithstanding any department rule, if a taxpayer makes an election consistent with section 2056 of the internal revenue code as permitted under this section, the taxpayer's Washington taxable estate, and the surviving spouse's Washington taxable estate, must be adjusted as follows:

(a) For the taxpayer that made the election, any amount deducted by reason of section 2056(b)(7) of the internal revenue code is added to, and the value of property for which a Washington election under this section was made is deducted from, the Washington taxable estate.

(b) For the estate of the surviving spouse, the amount included in the estate's gross estate pursuant to section 2044 (a) and (b)(1)(A) of the internal revenue code is deducted from, and the value of any property for which an election under this section was previously made is added to, the Washington taxable estate.

Sec. 7. RCW 83.100.120 and 1981 2nd ex.s. c 7 s 83.100.120 are each amended to read as follows:

(1)(a) Except as otherwise provided in this subsection, any personal representative who distributes any property without first paying, securing another's payment of, or furnishing security for payment of the taxes due under this chapter is personally liable for the taxes due to the extent of the value of any property that may come or may have come into the possession of the personal representative. Security for payment of the taxes due under this chapter (~~shall~~) must be in an amount equal to or greater than the value of all property that is or has come into the possession of the personal representative, as of the time the security is furnished.

(b) For the estates of decedents dying prior to April 9, 2006, a personal representative is not personally liable for taxes due on the value of any property included in the gross estate and the Washington taxable estate as a result of section 2044 of the internal revenue code unless the property is located in the state of Washington or the property has or will come into the possession or control of the personal representative.

(2) Any person who has the control, custody, or possession of any property and who delivers any of the property to the personal representative or legal representative of the decedent outside Washington without first paying, securing another's payment of, or furnishing security for payment of the taxes due under this chapter is liable for the taxes due under this chapter to the extent of the value of the property delivered. Security for payment of the taxes due under this chapter (~~shall~~) must be in an amount equal to or greater than the value of all property delivered to the personal representative or legal representative of the decedent outside Washington by such a person.

(3) For the purposes of this section, persons who do not have possession of a decedent's property include anyone not responsible primarily for paying the tax due under this section or their transferees, which includes but is not limited to mortgagees or pledgees, stockbrokers or stock transfer agents, banks and other depositories of checking and savings accounts, safe-deposit companies, and life insurance companies.

(4) For the purposes of this section, any person who has the control, custody, or possession of any property and who delivers any of the property to the personal representative or legal representative of the decedent may rely upon the release certificate or the release of nonliability certificate, furnished by the department to the personal representative, as evidence of compliance with the requirements of this chapter, and make such deliveries and transfers as the personal representative may direct without being liable for any taxes due under this chapter.

Sec. 8. RCW 83.100.210 and 2010 c 106 s 111 are each amended to read as follows:

(1) The following provisions of chapter 82.32 RCW have full force and application with respect to the taxes imposed under this chapter unless the context clearly requires otherwise: RCW 82.32.110, 82.32.120, 82.32.130, 82.32.320, 82.32.330, and 82.32.340. The definitions in this chapter have full force and application with respect to the application of chapter 82.32 RCW to this chapter unless the context clearly requires otherwise.

(2) In addition to the provisions stated in subsection (1) of this section, the following provisions of chapter 82.32 RCW have full force and application with respect to the taxes, penalties, and interest imposed under section 3 of this act: RCW 82.32.090, 82.32.117, 82.32.135, 82.32.210, 82.32.220, 82.32.230, 82.32.235, 82.32.237, 82.32.245, and 82.32.265.

(3) The department may enter into closing agreements as provided in RCW 82.32.350 and 82.32.360.

NEW SECTION. **Sec. 9.** Sections 2 and 5 of this act apply both prospectively and retroactively to all estates of decedents dying on or after May 17, 2005.

NEW SECTION. **Sec. 10.** This act does not affect any final judgment, no longer subject to appeal, entered by a court of competent jurisdiction before the effective date of this section.

NEW SECTION. **Sec. 11.** Section 4 of this act applies to estates of decedents dying on or after January 1, 2014.

NEW SECTION. **Sec. 12.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 13.** Section 5 of this act expires January 1, 2014.

NEW SECTION. **Sec. 14.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately, except for sections 3, 4, and 6 of this act which take effect January 1, 2014.

Passed by the House June 13, 2013.

Passed by the Senate June 13, 2013.

Approved by the Governor June 14, 2013.

Filed in Office of Secretary of State June 14, 2013.

CHAPTER 3

[House Bill 2042]

NURSING FACILITY MEDICAID PAYMENT SYSTEM

AN ACT Relating to modifying the nursing facility medicaid payment system by delaying the rebase of certain rate components and extending certain rate add-ons; amending RCW 74.46.431 and 74.46.501; creating a new section; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 74.46.431 and 2011 1st sp.s. c 7 s 1 are each amended to read as follows:

(1) Nursing facility medicaid payment rate allocations shall be facility-specific and shall have six components: Direct care, therapy care, support services, operations, property, and financing allowance. The department shall establish and adjust each of these components, as provided in this section and elsewhere in this chapter, for each medicaid nursing facility in this state.

(2) Component rate allocations in therapy care and support services for all facilities shall be based upon a minimum facility occupancy of eighty-five percent of licensed beds, regardless of how many beds are set up or in use. Component rate allocations in operations, property, and financing allowance for essential community providers shall be based upon a minimum facility occupancy of eighty-seven percent of licensed beds, regardless of how many beds are set up or in use. Component rate allocations in operations, property, and financing allowance for large nonessential community providers shall be based upon a minimum facility occupancy of ninety-two percent of licensed beds, regardless of how many beds are set up or in use. Component rate allocations in operations, property, and financing allowance for large nonessential community providers shall be based upon a minimum facility occupancy of ninety-five percent of licensed beds, regardless of how many beds are set up or in use. For all facilities, the component rate allocation in direct care shall be based upon actual facility occupancy. The median cost limits used to set component rate allocations shall be based on the applicable minimum occupancy percentage. In determining each facility's therapy care component rate allocation under RCW 74.46.511, the department shall apply the applicable minimum facility occupancy adjustment before creating the array of facilities' adjusted therapy costs per adjusted resident day. In determining each facility's support services component rate allocation under RCW 74.46.515(3), the department shall apply the applicable minimum facility occupancy adjustment before creating the array of facilities' adjusted support services costs per adjusted resident day. In determining each facility's operations component rate allocation under RCW 74.46.521(3), the department shall apply the minimum facility occupancy adjustment before creating the array of facilities' adjusted general operations costs per adjusted resident day.

(3) Information and data sources used in determining medicaid payment rate allocations, including formulas, procedures, cost report periods, resident assessment instrument formats, resident assessment methodologies, and resident classification and case mix weighting methodologies, may be substituted or altered from time to time as determined by the department.

(4)(a) Direct care component rate allocations shall be established using adjusted cost report data covering at least six months. Effective July 1, 2009, the direct care component rate allocation shall be rebased, so that adjusted cost

report data for calendar year 2007 is used for July 1, 2009, through June 30, ~~((2013))~~ 2015. Beginning July 1, ~~((2013))~~ 2015, the direct care component rate allocation shall be rebased biennially during every odd-numbered year thereafter using adjusted cost report data from two years prior to the rebase period, so adjusted cost report data for calendar year ~~((2011))~~ 2013 is used for July 1, ~~((2013))~~ 2015, through June 30, ~~((2015))~~ 2017, and so forth.

(b) Direct care component rate allocations established in accordance with this chapter shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the direct care component rate allocation established in accordance with this chapter. When no economic trends and conditions factor or factors for either fiscal year are defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the direct care component rate allocation established in accordance with this chapter.

(5)(a) Therapy care component rate allocations shall be established using adjusted cost report data covering at least six months. Effective July 1, 2009, the therapy care component rate allocation shall be cost rebased, so that adjusted cost report data for calendar year 2007 is used for July 1, 2009, through June 30, ~~((2013))~~ 2015. Beginning July 1, ~~((2013))~~ 2015, the therapy care component rate allocation shall be rebased biennially during every odd-numbered year thereafter using adjusted cost report data from two years prior to the rebase period, so adjusted cost report data for calendar year ~~((2011))~~ 2013 is used for July 1, ~~((2013))~~ 2015, through June 30, ~~((2015))~~ 2017, and so forth.

(b) Therapy care component rate allocations established in accordance with this chapter shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the therapy care component rate allocation established in accordance with this chapter. When no economic trends and conditions factor or factors for either fiscal year are defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the therapy care component rate allocation established in accordance with this chapter.

(6)(a) Support services component rate allocations shall be established using adjusted cost report data covering at least six months. Effective July 1, 2009, the support services component rate allocation shall be cost rebased, so that adjusted cost report data for calendar year 2007 is used for July 1, 2009, through June 30, ~~((2013))~~ 2015. Beginning July 1, ~~((2013))~~ 2015, the support services component rate allocation shall be rebased biennially during every odd-numbered year thereafter using adjusted cost report data from two years prior to the rebase period, so adjusted cost report data for calendar year ~~((2011))~~ 2013 is used for July 1, ~~((2013))~~ 2015, through June 30, ~~((2015))~~ 2017, and so forth.

(b) Support services component rate allocations established in accordance with this chapter shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the support services component rate allocation established in accordance with this chapter. When no economic trends and conditions factor or factors for either fiscal year are defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the support services component rate allocation established in accordance with this chapter.

(7)(a) Operations component rate allocations shall be established using adjusted cost report data covering at least six months. Effective July 1, 2009, the operations component rate allocation shall be cost rebased, so that adjusted cost report data for calendar year 2007 is used for July 1, 2009, through June 30, ~~((2013))~~ 2015. Beginning July 1, ~~((2013))~~ 2015, the operations care component rate allocation shall be rebased biennially during every odd-numbered year thereafter using adjusted cost report data from two years prior to the rebase period, so adjusted cost report data for calendar year ~~((2014))~~ 2013 is used for July 1, ~~((2013))~~ 2015, through June 30, ~~((2015))~~ 2017, and so forth.

(b) Operations component rate allocations established in accordance with this chapter shall be adjusted annually for economic trends and conditions by a factor or factors defined in the biennial appropriations act. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the operations component rate allocation established in accordance with this chapter. When no economic trends and conditions factor or factors for either fiscal year are defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the operations component rate allocation established in accordance with this chapter.

(8) Total payment rates under the nursing facility medicaid payment system shall not exceed facility rates charged to the general public for comparable services.

(9) The department shall establish in rule procedures, principles, and conditions for determining component rate allocations for facilities in circumstances not directly addressed by this chapter, including but not limited to: Inflation adjustments for partial-period cost report data, newly constructed facilities, existing facilities entering the medicaid program for the first time or after a period of absence from the program, existing facilities with expanded new bed capacity, existing medicaid facilities following a change of ownership of the nursing facility business, facilities temporarily reducing the number of set-up beds during a remodel, facilities having less than six months of either resident assessment, cost report data, or both, under the current contractor prior to rate setting, and other circumstances.

(10) The department shall establish in rule procedures, principles, and conditions, including necessary threshold costs, for adjusting rates to reflect

capital improvements or new requirements imposed by the department or the federal government. Any such rate adjustments are subject to the provisions of RCW 74.46.421.

(11) Effective July 1, 2010, there shall be no rate adjustment for facilities with banked beds. For purposes of calculating minimum occupancy, licensed beds include any beds banked under chapter 70.38 RCW.

(12) Facilities obtaining a certificate of need or a certificate of need exemption under chapter 70.38 RCW after June 30, 2001, must have a certificate of capital authorization in order for (a) the depreciation resulting from the capitalized addition to be included in calculation of the facility's property component rate allocation; and (b) the net invested funds associated with the capitalized addition to be included in calculation of the facility's financing allowance rate allocation.

Sec. 2. RCW 74.46.501 and 2011 1st sp.s. c 7 s 6 are each amended to read as follows:

(1) From individual case mix weights for the applicable quarter, the department shall determine two average case mix indexes for each medicaid nursing facility, one for all residents in the facility, known as the facility average case mix index, and one for medicaid residents, known as the medicaid average case mix index.

(2)(a) In calculating a facility's two average case mix indexes for each quarter, the department shall include all residents or medicaid residents, as applicable, who were physically in the facility during the quarter in question based on the resident assessment instrument completed by the facility and the requirements and limitations for the instrument's completion and transmission (January 1st through March 31st, April 1st through June 30th, July 1st through September 30th, or October 1st through December 31st).

(b) The facility average case mix index shall exclude all default cases as defined in this chapter. However, the medicaid average case mix index shall include all default cases.

(3) Both the facility average and the medicaid average case mix indexes shall be determined by multiplying the case mix weight of each resident, or each medicaid resident, as applicable, by the number of days, as defined in this section and as applicable, the resident was at each particular case mix classification or group, and then averaging.

(4) In determining the number of days a resident is classified into a particular case mix group, the department shall determine a start date for calculating case mix grouping periods as specified by rule.

(5) The cutoff date for the department to use resident assessment data, for the purposes of calculating both the facility average and the medicaid average case mix indexes, and for establishing and updating a facility's direct care component rate, shall be one month and one day after the end of the quarter for which the resident assessment data applies.

(6)(a) Although the facility average and the medicaid average case mix indexes shall both be calculated quarterly, the cost-rebasing period facility average case mix index will be used throughout the applicable cost-rebasing period in combination with cost report data as specified by RCW 74.46.431 and 74.46.506, to establish a facility's allowable cost per case mix unit. To allow for the transition to minimum data set 3.0 and implementation of resource utilization

group IV for July 1, ~~((2014))~~ 2013, through June 30, ~~((2013))~~ 2015, the department shall calculate rates using the medicaid average case mix scores effective for January 1, ~~((2014))~~ 2013, rates adjusted under RCW 74.46.485(1)(a), and the scores shall be increased each six months during the transition period by one-half of one percent. The July 1, ~~((2013))~~ 2015, direct care cost per case mix unit shall be calculated by utilizing ~~((2014))~~ 2013 direct care costs, patient days, and ~~((2014))~~ 2013 facility average case mix indexes based on the minimum data set 3.0 resource utilization group IV grouper 57. Otherwise, a facility's medicaid average case mix index shall be used to update a nursing facility's direct care component rate semiannually.

(b) The facility average case mix index used to establish each nursing facility's direct care component rate shall be based on an average of calendar quarters of the facility's average case mix indexes from the four calendar quarters occurring during the cost report period used to rebase the direct care component rate allocations as specified in RCW 74.46.431.

(c) The medicaid average case mix index used to update or recalibrate a nursing facility's direct care component rate semiannually shall be from the calendar six-month period commencing nine months prior to the effective date of the semiannual rate. For example, July 1, 2010, through December 31, 2010, direct care component rates shall utilize case mix averages from the October 1, 2009, through March 31, 2010, calendar quarters, and so forth.

NEW SECTION. Sec. 3. (1) For fiscal years 2014 and 2015 and subject to appropriation, the department of social and health services shall do a comparative analysis of the facility-based payment rates calculated on July 1, 2013, using the payment methodology defined in chapter 74.46 RCW, to the facility-based payment rates in effect June 30, 2010. If the facility-based payment rate calculated on July 1, 2013, is smaller than the facility-based payment rate on June 30, 2010, the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(2) During the comparative analysis performed in subsection (1) of this section, if it is found that the direct care rate for any facility calculated under chapter 74.46 RCW is greater than the direct care rate in effect on June 30, 2010, then the facility shall receive a ten percent direct care rate add-on to compensate that facility for taking on more acute clients than they have in the past.

(3) The rate add-ons provided in subsection (2) of this section are subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2013.

Passed by the House June 23, 2013.

Passed by the Senate June 23, 2013.

Approved by the Governor June 28, 2013.

Filed in Office of Secretary of State June 28, 2013.

CHAPTER 4

[Third Engrossed Substitute Senate Bill 5034]

OPERATING BUDGET

AN ACT Relating to fiscal matters; amending RCW 2.68.020, 2.28.170, 2.28.170, 13.40.466, 18.43.150, 18.85.061, 19.28.351, 28A.500.020, 28B.15.069, 28B.20.476, 28B.67.030, 28B.95.160, 28B.105.110, 28C.04.535, 28C.10.082, 38.52.540, 41.06.280, 41.06.280, 41.26.802, 43.08.190, 43.09.475, 43.10.150, 43.19.791, 43.24.150, 43.24.150, 43.79.445, 43.79.480, 43.82.010, 43.101.200, 43.155.050, 46.66.080, 46.68.340, 67.70.190, 70.42.090, 70.93.180, 70.96A.350, 70.105D.—, 70.105D.070, 70.148.020, 74.09.215, 74.13.621, 74.09.215, 77.12.201, 77.12.203, 79.64.020, 79.64.040, 82.08.160, 82.14.310, 86.26.007, and 74.09.215; reenacting and amending RCW 28B.15.067, 41.60.050, 41.80.010, 41.80.020, 43.325.040, 71.24.310, and 79.105.150; amending 2013 c 147 s 1 (uncodified); amending 2013 c 306 ss 517, 518, and 519; amending 2012 2nd sp.s. c 7 ss 111, 112, 114, 115, 118, 121, 127, 129, 131, 132, 136, 139, 142, 144, 149, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 216, 218, 219, 220, 221, 222, 303, 307, 308, 402, 502, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 602, 613, 615, 616, 617, 701, 702, 707, 801, 802, 803, and 804 (uncodified); amending 2011 2nd sp.s. c 9 ss 506 and 703 (uncodified); amending 2011 1st sp.s. c 50 s 804 (uncodified); amending 2011 1st sp.s. c 41 s 3 (uncodified); adding a new section to 2011 1st sp.s. c 50 (uncodified); creating new sections; making appropriations; providing effective dates; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in parts I through IX of this act, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 2013, and ending June 30, 2015, except as otherwise provided, out of the several funds of the state hereinafter named.

(2) Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.

(a) "Fiscal year 2014" or "FY 2014" means the fiscal year ending June 30, 2014.

(b) "Fiscal year 2015" or "FY 2015" means the fiscal year ending June 30, 2015.

(c) "FTE" means full time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

**PART I
GENERAL GOVERNMENT**

NEW SECTION. Sec. 101. FOR THE HOUSE OF REPRESENTATIVES

General Fund—State Appropriation (FY 2014)	\$30,789,000
General Fund—State Appropriation (FY 2015)	\$31,075,000
Motor Vehicle Account—State Appropriation	\$1,765,000

TOTAL APPROPRIATION \$63,629,000

NEW SECTION. Sec. 102. FOR THE SENATE

General Fund—State Appropriation (FY 2014) \$21,150,000
 General Fund—State Appropriation (FY 2015) \$23,405,000
 Motor Vehicle Account—State Appropriation \$1,514,000
 TOTAL APPROPRIATION \$46,069,000

***NEW SECTION. Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

General Fund—State Appropriation (FY 2014) \$62,000
 General Fund—State Appropriation (FY 2015) \$111,000
 Performance Audits of Government Account—State
 Appropriation \$5,641,000
 Medical Aid Account—State Appropriation \$332,000
 Accident Account—State Appropriation \$332,000
 TOTAL APPROPRIATION \$6,478,000

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

(1) Notwithstanding the provisions of this section, the joint legislative audit and review committee may adjust the due dates for projects included on the committee's 2013-15 work plan as necessary to efficiently manage workload.

(2) \$332,000 of the medical aid account—state appropriation and \$332,000 of the accident account—state appropriation are provided for the purposes of chapter 37, Laws of 2011 (workers' compensation).

(3) \$323,000 of the performance audits of government account—state appropriation is provided for consultant and staff costs related to the economic analysis of tax preferences as directed by chapter 43.136 RCW.

(4) The joint legislative audit and review committee shall conduct an audit of Washington's state research universities. The purpose of the audit is to identify cost and profit centers within, and in partnership with, the research universities. The audit must focus on public funds; student fees, in particular tuition; and auxiliary enterprises, which for the purposes of the audit at the University of Washington includes University of Washington medical center, the internal lending program, the W fund, and the center for commercialization. The audit at each university much achieve the following:

(a) Assess the university's policies and practices for tracking per-student expenditures for instruction and identify the average amount per student that the university has spent on instruction for undergraduate students in each of the past five fiscal years;

(b) Obtain the university's definition of auxiliary enterprises and determine the number of auxiliary enterprises, including the University of Washington medical center, the University of Washington internal lending program, the W fund, and the center for commercialization, that exist in the university system, the methods the university uses to track revenue and expenditures of auxiliary enterprises, and the policies and practices the university has in place to ensure that state funding is not used to supplement or guarantee projects or programs authorized by auxiliary enterprises;

(c) Identify how much money is being spent on undergraduate education and to what extent undergraduate education is subsidizing graduate education; and

(d) Determine how tuition funds are being used and to what extent they are being used to fund the University of Washington medical center, the University of Washington internal lending program, the W fund, and the center for commercialization and to back bonds authorized by the university.

(5) The committee shall conduct a study of the current methods of collecting legal financial obligations and compare those methods with other debt collection methods, including contracting for debt collection of legal financial obligations. The study shall include analysis of the costs and revenues of current methods and compare those to alternatives, and include analysis of the impact of current methods and alternatives to revenues received by the state. Included shall be an examination of costs and revenue generation before and after the implementation of chapter 379, Laws of 2003 (SSB 5990) and chapter 362, Laws of 2005 (SSB 5256) and analysis of whether these changes met the legislative goals of reducing costs and increasing collections. A report on the results of the analysis shall be presented to the appropriate committees of the legislature by December 2014.

(6) The committee shall conduct a study of economic development programs and projects supported by the state general fund in the department of commerce. The study shall first review the extent to which these programs: (a) Included specific economic development targets; (b) monitored economic development targets; (c) required for programs which provided support or services through contracts, whether the contracts were structured such that if economic development targets were not met, contracts were reviewed or revised; and (d) changed the economic development targets of associate development organizations relative to funding increases since 2007. The study will include the feasibility of determining how to isolate other factors, such as general economic trends, from the impacts of economic development programs. The costs and options for conducting future analysis of the outcomes specific to economic development programs shall be included and a briefing report shall be provided to the appropriate committees of the legislature by December 1, 2013. A complete report with study data and conclusions shall be provided to the appropriate committees of the legislature by December 1, 2014.

(7) The committee shall analyze the incidence and level of taxation and business incentives available to the financial services industry in Washington State, and identify the relative differences in taxes and business incentives compared to California. A report shall be provided to the appropriate committees of the legislature by December 1, 2014.

(8) The committee shall conduct an analysis of how school districts use school days. The analysis must include:

(a) How school districts define classroom time, nonclassroom time, instructional time, noninstructional time, and any other definitions of how the school day is divided or used;

(b) Estimates of time in each category;

(c) How noninstructional time is distributed over the annual number of school days;

(d) When noninstructional hours occur;

(e) How noninstructional hours are used, including how much noninstructional time is devoted to professional development for the purposes of teacher and principal evaluation training or common core state standards training; and

(f) The extent to which the use of each category of time is identified or defined in collective bargaining agreements.

To the extent data is not available at the statewide level, the committee may use case studies or other methods to conduct the analysis. The committee shall submit a report of its findings to the education committees of the legislature by December 1, 2014.

(9) The committee shall review funding enhancement formulas that provide minimum staffing unit funding to small school districts and districts with school plants that have been judged by the state board of education to be remote and necessary. The committee will make an assessment of the current formulas and report any recommended adjustments to the legislative fiscal committees of the senate and the house of representatives by November 1, 2014. In assessing the current formulas, the committee may consider: Enhancements being made to basic education funding in the 2013-2015 omnibus appropriations act and committed to under Engrossed Substitute House Bill No. 2261 (chapter 548, Laws of 2009) and Substitute House Bill No. 2776 (chapter 236, Laws of 2010); developments in technology or educational service delivery since the formulas were established; practices in other states; districts' ability to provide students with access to a program of education; and inter-district equity.

(10) The committee shall conduct a study of the effectiveness of the state agency performance indicators and performance measurement process established in chapter 43.88 RCW, the state budget and accounting act. The study will focus on the integration of performance measurements into the state budgeting process and the ability of the legislative fiscal committees to use effective performance indicators in developing the state budget. The committee shall present its findings and recommendations to the legislative fiscal committees in a public hearing during the 2015 legislative session.

(11) By June 30, 2014, the committee shall conduct a study of the electricity cost impacts for each qualifying utility to meet the 2016 and 2020 renewable resource and conservation targets under chapter 19.285 RCW. The study must also include an analysis of the impacts on each utility's commercial, industrial, and residential customers, including an additional analysis of the impacts on low-income residential customers.

(12) In carrying out the report required by RCW 44.28.157, the committee shall include by December 2014, an analysis of the impacts of using the Washington health benefit exchange established in chapter 43.71 RCW as a mechanism for providing health insurance for part-time certificated and classified K-12 public school employees. The analysis shall be conducted in coordination with the health care authority and shall include a review of how the exchange, federal health premium tax credits and subsidies for out-of-pocket expenses administered through the exchange, and Medicaid expansion have impacted, or could impact, health care costs for individuals, school districts, and the state. The analysis shall also include a review of the cost of stand-alone dental plans.

***Sec. 103 was partially vetoed. See message at end of chapter.**

NEW SECTION. Sec. 104. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

General Fund—State Appropriation (FY 2014)	\$1,653,000
General Fund—State Appropriation (FY 2015)	\$1,811,000
TOTAL APPROPRIATION	\$3,464,000

NEW SECTION. Sec. 105. FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund—State Appropriation (FY 2014)	\$8,004,000
General Fund—State Appropriation (FY 2015)	\$7,973,000
TOTAL APPROPRIATION	\$15,977,000

NEW SECTION. Sec. 106. FOR THE OFFICE OF THE STATE ACTUARY

Department of Retirement Systems Expense	
Account—State Appropriation	\$3,529,000

NEW SECTION. Sec. 107. FOR THE STATUTE LAW COMMITTEE

General Fund—State Appropriation (FY 2014)	\$3,895,000
General Fund—State Appropriation (FY 2015)	\$4,102,000
TOTAL APPROPRIATION	\$7,997,000

NEW SECTION. Sec. 108. FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES

General Fund—State Appropriation (FY 2014)	\$3,686,000
General Fund—State Appropriation (FY 2015)	\$3,684,000
TOTAL APPROPRIATION	\$7,370,000

NEW SECTION. Sec. 109. LEGISLATIVE AGENCIES

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

NEW SECTION. Sec. 110. FOR THE SUPREME COURT

General Fund—State Appropriation (FY 2014)	\$6,911,000
General Fund—State Appropriation (FY 2015)	\$6,836,000
TOTAL APPROPRIATION	\$13,747,000

NEW SECTION. Sec. 111. FOR THE LAW LIBRARY

General Fund—State Appropriation (FY 2014)	\$1,481,000
General Fund—State Appropriation (FY 2015)	\$1,468,000
TOTAL APPROPRIATION	\$2,949,000

NEW SECTION. Sec. 112. FOR THE COMMISSION ON JUDICIAL CONDUCT

General Fund—State Appropriation (FY 2014)	\$1,068,000
General Fund—State Appropriation (FY 2015)	\$994,000
TOTAL APPROPRIATION	\$2,062,000

NEW SECTION. Sec. 113. FOR THE COURT OF APPEALS

General Fund—State Appropriation (FY 2014)	\$15,691,000
General Fund—State Appropriation (FY 2015)	\$15,685,000
TOTAL APPROPRIATION	\$31,376,000

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

General Fund—State Appropriation (FY 2014)	\$51,085,000
General Fund—State Appropriation (FY 2015)	\$50,771,000
General Fund—Federal Appropriation	\$2,125,000
General Fund—Private/Local Appropriation	\$658,000
Judicial Information Systems Account—State Appropriation	\$46,611,000
Judicial Stabilization Trust Account—State Appropriation	\$6,691,000
TOTAL APPROPRIATION	\$157,941,000

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

(1) \$1,500,000 of the judicial information systems account—state appropriation is provided solely for development and implementation of the information network hub project.

(2) \$2,138,000 of the judicial information systems account—state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades.

(3) The administrative office of the courts, in conjunction with the office of the chief information officer, shall analyze the feasibility and associated costs of moving the judicial branch servers and data center equipment to the state data center. Amounts provided in subsections (1) and (2) of this section may not be expended until the office of the chief information officer approves the expenditures.

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

(5) \$1,199,000 of the judicial information systems account—state appropriation is provided solely for replacing computer equipment at state courts and state judicial agencies.

(6) \$108,000 of the general fund—state appropriation for fiscal year 2014 and \$108,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 210, Laws of 2013 (Senate Bill No. 5052) (superior court judges Whatcom county). The funds provided in this subsection shall be expended only if the fourth superior court judge position in Whatcom county is appointed and serving on the bench.

(7) \$108,000 of the general fund—state appropriation for fiscal year 2014 and \$108,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 142, Laws of 2013 (House Bill No. 1175) (superior court judges Benton/Franklin counties). The funds provided in this subsection shall be expended only if the seventh superior court

judge position in Benton and Franklin counties jointly is appointed and serving on the bench.

(8) \$11,300,000 of the judicial information systems account—state appropriation is provided solely for continued implementation of the superior court case management system project. The administrative office of the courts, in consultation with the judicial information systems committee, the superior court case management system project steering committee, and the office of the chief information officer shall develop a revised charter to implement the next phases of the superior court case management system. The revised charter shall insure that the superior court case management system project steering committee continues to provide contract oversight, in collaboration with the judicial information system committee, through the implementation period and various phases of the project. Oversight responsibilities throughout the various phases of the project must include, but are not limited to, vendor management, contract and deliverable management, and assuring satisfaction of the business and technical needs at the local level. The superior court case management system project steering committee may solicit input from user groups as deemed appropriate. The revised charter shall be approved by the judicial information systems committee.

(9) \$1,399,000 of the general fund—state appropriation for fiscal year 2014 and \$1,399,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for school districts for petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The administrator for the courts shall develop an interagency agreement with the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed. This funding includes amounts school districts may expend on the cost of serving petitions filed under RCW 28A.225.030 by certified mail or by personal service or for the performance of service of process for any hearing associated with RCW 28A.225.030.

(10)(a) \$7,313,000 of the general fund—state appropriation for fiscal year 2014 and \$7,313,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2013-2015 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives and senate fiscal committees no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

(11) \$274,000 of the general fund—state appropriation for fiscal year 2014 and \$274,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the office of public guardianship to continue guardianship services for those low-income incapacitated persons who were receiving services on June 30, 2013.

(12) \$333,000 of the judicial information systems account—state appropriation is provided solely for the content management system for the appellate courts.

*Sec. 114 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 115. FOR THE OFFICE OF PUBLIC DEFENSE

General Fund—State Appropriation (FY 2014)	\$30,410,000
General Fund—State Appropriation (FY 2015)	\$33,719,000
Judicial Stabilization Trust Account—State	
Appropriation.	\$3,648,000
General Fund—Federal Appropriation	\$152,000
TOTAL APPROPRIATION	\$67,929,000

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

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

(2) \$3,378,000 of the general fund—state appropriation for fiscal year 2015 is provided solely to expand the parents representation program into Asotin, Columbia, Garfield, King, Whatcom, and Whitman counties.

NEW SECTION. Sec. 116. FOR THE OFFICE OF CIVIL LEGAL AID

General Fund—State Appropriation (FY 2014)	\$10,862,000
General Fund—State Appropriation (FY 2015)	\$10,870,000
Judicial Stabilization Trust Account—State	
Appropriation.	\$1,454,000
TOTAL APPROPRIATION	\$23,186,000

The appropriations in this section are subject to the following conditions and limitations: An amount not to exceed \$40,000 of the general fund—state appropriation for fiscal year 2014 and an amount not to exceed \$40,000 of the general fund—state appropriation for fiscal year 2015 may be used to provide telephonic legal advice and assistance to otherwise eligible persons who are sixty years of age or older on matters authorized by RCW 2.53.030(2) (a) through (k) regardless of household income or asset level.

NEW SECTION. Sec. 117. FOR THE OFFICE OF THE GOVERNOR

General Fund—State Appropriation (FY 2014)	\$5,509,000
General Fund—State Appropriation (FY 2015)	\$5,217,000
Economic Development Strategic Reserve Account—State	
Appropriation.	\$4,000,000
TOTAL APPROPRIATION	\$14,726,000

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

(1) \$4,000,000 of the economic development strategic reserve account appropriation is provided solely for efforts to assist with currently active industrial recruitment efforts that will bring new jobs to the state or will retain headquarter locations of major companies currently housed in the state.

(2) \$684,000 of the general fund—state appropriation for fiscal year 2014 and \$684,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the office of the education ombudsman.

(3) \$258,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5802 (greenhouse gas emissions). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 118. FOR THE LIEUTENANT GOVERNOR

General Fund—State Appropriation (FY 2014)	\$654,000
General Fund—State Appropriation (FY 2015)	\$658,000
General Fund—Private/Local Appropriation	\$90,000
TOTAL APPROPRIATION	\$1,402,000

NEW SECTION. Sec. 119. FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund—State Appropriation (FY 2014)	\$2,082,000
General Fund—State Appropriation (FY 2015)	\$2,015,000
TOTAL APPROPRIATION	\$4,097,000

NEW SECTION. Sec. 120. FOR THE SECRETARY OF STATE

General Fund—State Appropriation (FY 2014)	\$11,356,000
General Fund—State Appropriation (FY 2015)	\$9,535,000
General Fund—Federal Appropriation	\$7,419,000
Public Records Efficiency, Preservation, and Access	
Account—State Appropriation	\$7,361,000
Charitable Organization Education Account—State	
Appropriation	\$364,000
Local Government Archives Account—State	
Appropriation	\$8,467,000
Election Account—Federal Appropriation	\$12,016,000
Washington State Heritage Center Account—State	
Appropriation	\$8,860,000
TOTAL APPROPRIATION	\$65,378,000

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

(1) \$3,301,000 of the general fund—state appropriation for fiscal year 2014 is provided solely to reimburse counties for the state's share of primary and general election costs and the costs of conducting mandatory recounts on state measures. Counties shall be reimbursed only for those odd-year election costs that the secretary of state validates as eligible for reimbursement.

(2)(a) \$1,847,000 of the general fund—state appropriation for fiscal year 2014 and \$1,926,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2013-2015 fiscal biennium. The funding level for each year of the contract shall be based on the amount

provided in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in this subsection have been satisfactorily documented.

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

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

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

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

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

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

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

(4) It is the intent of the legislature to consider during the 2014 legislative session funding for the publication and distribution of a primary election voters pamphlet.

(5) \$771,000 of the general fund—state appropriation for fiscal year 2014 and \$772,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the state library to purchase statewide on-line access to the information technology academy to allow public access to on-line courses and learning resources through public libraries.

NEW SECTION. Sec. 121. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund—State Appropriation (FY 2014)	\$253,000
General Fund—State Appropriation (FY 2015)	\$248,000
TOTAL APPROPRIATION	\$501,000

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

NEW SECTION. Sec. 122. FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund—State Appropriation (FY 2014)	\$213,000
General Fund—State Appropriation (FY 2015)	\$207,000
TOTAL APPROPRIATION	\$420,000

NEW SECTION. Sec. 123. FOR THE STATE TREASURER

State Treasurer's Service Account—State Appropriation	\$14,924,000
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The appropriation in this section is subject to the following conditions and limitations: \$150,000 of the state treasurer's service account—state appropriation is provided solely for legal fees related to additional legal assistance due to changes in federal financial regulations and an increase in complex and high profile litigation.

***NEW SECTION. Sec. 124. FOR THE STATE AUDITOR**

General Fund—State Appropriation (FY 2014)	\$728,000
General Fund—State Appropriation (FY 2015)	\$733,000
State Auditing Services Revolving Account—State Appropriation	\$9,573,000
Performance Audits of Government Account—State Appropriation	\$56,000
TOTAL APPROPRIATION	\$11,090,000

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

(1) \$728,000 of the general fund—state appropriation for fiscal year 2014 and \$733,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for staff and related costs to verify the accuracy of reported school district data submitted for state funding purposes; conduct school district program audits of state funded public school programs; establish the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested.

(2) The legislature requests a performance audit of the purchasing and use of health care actuarial services by state agencies, including but not limited to the health care authority, department of labor and industries, department of health, office of financial management, office of the insurance commissioner, and department of social and health services. The audit should document the level of expenditures on contracted and in-house health care related actuarial services, and how effectively the agencies manage the quality and value of those services. The performance audit should evaluate whether health care related actuarial services that are currently purchased by state agencies on a contract basis could be provided in a more efficient and transparent manner by a new division in the office of the state actuary, or by a separate office in the executive branch.

(3) The legislature requests that the state auditor evaluate whether providing health care services delivered through managed care for disabled adults in the healthy options blind/disabled program is more cost effective than providing the same health care services through a fee-for-service system. The

audit may consider examining cost effectiveness at a statewide level as well as examining cost effectiveness within certain geographic regions.

(4) The legislature requests the state auditor to conduct an audit of the department of health, the department of social and health services, and the health care authority for compliance with federal law and to identify any fraudulent activity, by June 30, 2014.

(5) The legislature requests that the state auditor evaluate the department of corrections' current inmate intake and reception process. The audit may consider examining cost effectiveness of the assessment, classification, facility assignment and transportation processes.

*Sec. 124 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 125. FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund—State Appropriation (FY 2014)	\$141,000
General Fund—State Appropriation (FY 2015)	\$171,000
TOTAL APPROPRIATION	\$312,000

NEW SECTION. Sec. 126. FOR THE ATTORNEY GENERAL

General Fund—State Appropriation (FY 2014)	\$10,456,000
General Fund—State Appropriation (FY 2015)	\$10,132,000
General Fund—Federal Appropriation	\$7,114,000
New Motor Vehicle Arbitration Account—State Appropriation	\$997,000
Legal Services Revolving Account—State Appropriation	\$191,286,000
Tobacco Prevention and Control Account—State Appropriation	\$271,000
Medicaid Fraud Penalty Account—State Appropriation	\$2,279,000
Public Services Revolving Account—State Appropriation	\$2,093,000
TOTAL APPROPRIATION	\$224,628,000

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

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

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

(3) The attorney general shall annually report to the fiscal committees of the legislature all new *cy pres* awards and settlements and all new accounts, disclosing their intended uses, balances, the nature of the claim or account,

proposals, and intended timeframes for the expenditure of each amount. The report shall be distributed electronically and posted on the attorney general's web site. The report shall not be printed on paper or distributed physically.

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

(5) \$424,000 of the legal services revolving account—state appropriation is provided solely for replacement of a portion of the agency's personal computers. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer and section 945 of this act, personal computer acquisition and replacement.

(6) \$609,000 of the legal services revolving account—state appropriation is provided solely for upgrades to software programs. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(7) \$150,000 of the legal services revolving account—state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5405 (extended foster care). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(8) \$50,000 of the general fund—state appropriation for fiscal year 2014 and \$50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of Engrossed Substitute House Bill No. 1341 (wrongful imprisonment). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(9) \$189,000 of the legal services revolving account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1420 (transportation improvement projects). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) \$2,093,000 of the public service revolving account—state appropriation is provided solely for the work of the public counsel section of the office of the attorney general.

(11) \$353,000 of the general fund—state appropriation for fiscal year 2014 and \$353,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant to the Washington coalition of crime victim advocates to provide training, certification, and technical assistance for crime victim service center advocates.

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

General Fund—State Appropriation (FY 2014)	\$1,260,000
General Fund—State Appropriation (FY 2015)	\$1,230,000

TOTAL APPROPRIATION	\$2,490,000
NEW SECTION. Sec. 128. FOR THE DEPARTMENT OF COMMERCE	
General Fund—State Appropriation (FY 2014)	\$63,076,000
General Fund—State Appropriation (FY 2015)	\$60,151,000
General Fund—Federal Appropriation	\$265,004,000
General Fund—Private/Local Appropriation	\$5,638,000
Public Works Assistance Account—State Appropriation	\$3,036,000
Drinking Water Assistance Administrative Account—State Appropriation	\$445,000
Lead Paint Account—State Appropriation	\$147,000
Building Code Council Account—State Appropriation	\$13,000
Home Security Fund Account—State Appropriation	\$25,452,000
Affordable Housing for All Account—State Appropriation	\$11,915,000
Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account—State Appropriation	\$969,000
Low-Income Weatherization Assistance Account—State Appropriation	\$1,882,000
Community and Economic Development Fee Account—State Appropriation	\$5,303,000
Washington Housing Trust Account—State Appropriation	\$19,592,000
Prostitution Prevention and Intervention Account— State Appropriation	\$98,000
Public Facility Construction Loan Revolving Account—State Appropriation	\$758,000
Washington Community Technology Opportunity Account— Private/Local Appropriation	\$10,000
Liquor Revolving Account—State Appropriation	\$5,605,000
TOTAL APPROPRIATION	\$469,094,000

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

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

(2) \$500,000 of the general fund—state appropriation for fiscal year 2014 and \$500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant to resolution Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

(3) \$306,000 of the general fund—state appropriation for fiscal year 2014 and \$306,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant to the retired senior volunteer program.

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

(5) \$375,000 of the general fund—state appropriation for fiscal year 2014 and \$375,000 of the general fund—state appropriation for fiscal year 2015 are provided solely as pass-through funding to Walla Walla Community College for its water and environmental center.

(6) \$1,800,000 of the home security fund—state appropriation is provided for transitional housing assistance or partial payments for rental assistance under the independent youth housing program.

(7) \$5,000,000 of the home security fund—state appropriation is for the operation, repair, and staffing of shelters in the homeless family shelter program.

(8) \$198,000 of the general fund—state appropriation for fiscal year 2014 and \$198,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington new Americans program.

(9) \$2,949,000 of the general fund—state appropriation for fiscal year 2014 and \$2,949,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for associate development organizations. During the 2013-2015 fiscal biennium, the department shall consider an associate development organization's total resources when making contracting and fund allocation decisions, in addition to the schedule provided in RCW 43.330.086.

(10) \$234,000 of the general fund—state appropriation for fiscal year 2014 and \$233,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington asset building coalitions.

(11) \$5,605,000 of the liquor revolving account—state appropriation is provided solely for the department to contract with the municipal research and services center of Washington.

(12) \$500,000 of the general fund—state appropriation for fiscal year 2014 and \$500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the purposes of purchasing contracted services to expand and promote the tourism industry in the state of Washington.

(a) The department must contract with the Washington tourism alliance. Expenditure of state moneys is contingent upon the contractor providing a dollar for dollar cash or in-kind match. Funding must be provided for the following services:

(i) Serving as a central point of contact through developing and maintaining a web portal for Washington tourism, operating a call center, and mailing travel guides;

(ii) Promoting Washington as a tourism destination to national and international markets, with emphasis on markets in Europe and Asia;

(iii) Providing information to businesses and local communities on tourism opportunities that could expand local revenues; and

(iv) Conducting tourism-related research, including market research and measuring the return on investment of funded activities.

(b) The department may not use more than 4 percent of the funds to administer, monitor, and report the outcomes of the services. The department

must electronically submit performance metrics by January 1, 2014, and report the outcomes of the services by January 1, 2015, to the economic development committees of the legislature.

(c) The department has the authority to designate one or more alternative contractors if necessary due to performance or other significant issues. Such change must only be made after consultation with the Washington tourism alliance, the governor's office, and the chairs and ranking members of the economic development committees of the legislature.

(13) \$72,000 of the prostitution prevention and intervention account is provided solely for implementation of Engrossed Substitute House Bill No. 1291 (sex trade victims). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(14) \$49,000 of the general fund—state appropriation for fiscal year 2014 and \$49,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1818 (business and government streamlining). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(15) \$36,000 of the general fund—state appropriation for fiscal year 2014 and \$37,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to develop an economic cluster strategy to leverage the state's unique maritime assets, geography, history, and infrastructure. Goals include growing employment, targeted economic activity, environmental considerations, tax revenue to state and local governments, and quality of life associated with the maritime sector by working with the industry to understand workforce needs, parity considerations with Oregon and British Columbia, and tax structure and regulatory barriers. The department will report its findings to the appropriate committees of the legislature no later than December 1, 2014.

(16) \$2,000,000 of the Washington housing trust account—state appropriation is provided solely for the department of commerce for services to homeless families through the Washington families fund.

(17) \$5,000,000 of the home security account—state appropriation is provided solely for the department of commerce to provide emergency assistance to homeless families in the temporary assistance for needy families program.

(18) \$75,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the economic development commission to retain one current administrative position. The department shall convene a work group, chaired by the current chair of the economic development commission, of representatives of associate development organizations and the economic development commission to recommend: (1) Changes to the economic development commission's purpose and source and amount of funding; (2) objective benchmarks and outcome-based performance measures for evaluating state investments in economic development; (3) high priority regulatory reforms to foster a favorable business climate for long-term private sector job creation and competitiveness; and (4) organizational roles responsibilities and structures to strengthen cohesive planning, streamline execution, and improve outcomes. The work group shall be comprised of representatives from no less than eight associate development organizations representing both urban and rural counties

and counties on both sides of the Cascade range. The department shall submit a report of the work group's recommendation to the fiscal and economic development policy committees of the legislature by December 15, 2013.

(19) \$4,000,000 of the general fund—state appropriation for fiscal year 2014 and \$850,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for purposes of creating and operating a community health care and education and innovation center at the Pacific Medical Center in Seattle. Amounts provided in this subsection must be used for lease, maintenance, operations, and other required related expenses for Seattle community colleges allied health programs and other related uses identified by the department of commerce. The department is authorized to enter into a thirty-year lease for the Pacific Medical Center property.

(20) Within the appropriations in this section, the department shall, by December 1, 2013, develop a comprehensive start-up Washington strategy to facilitate the growth of start-ups and enhance the state's competitiveness in recruiting and retaining businesses that start up in Washington. This shall include but is not limited to: Business and occupation tax relief, capital investment, regulatory burdens, workforce and infrastructure needs and support. Start-up businesses interactions with state government and other public entities as a customer shall also be considered.

(21) \$700,000 of the general fund—state appropriation for fiscal year 2014 and \$700,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to identify and invest in strategic growth areas, support key sectors, and align existing economic development programs and priorities. The department must consider Washington's position as the most trade dependent state when identifying priority investments. The department must engage states and provinces in the northwest as well as associate development organizations, small business development centers, chambers of commerce, ports, and other partners to leverage the funds provided. For each dollar expended the department must receive a one hundred percent match. The match may be provided by the department through nongeneral fund sources, or any partnering governments or organizations. The department must develop performance metrics and milestones. The department must electronically submit the performance metrics and performance-to-date by January 1, 2014, to the economic development committees of the legislature.

(22) The department is authorized to suspend issuing any nonstatutorily required grants or contracts of an amount less than \$1,000,000 per year.

(23) The department is authorized to require an applicant to pay an application fee to cover the cost of reviewing the project and preparing an advisory opinion on whether a proposed electric generation project or conservation resource qualifies to meet mandatory conservation targets.

(24) \$25,000 of the general fund—state appropriation for fiscal year 2014 and \$25,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the economic impact and infrastructure cost study for Covington town center.

(25) The department is directed to work with innovation partnership zone administrators to review the existing grant program, including the criteria for designation as an innovation partnership zone and the grant funding criteria. The department shall submit its report to the legislature by December 1, 2013.

NEW SECTION. Sec. 129. FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund—State Appropriation (FY 2014)	\$764,000
General Fund—State Appropriation (FY 2015)	\$802,000
Lottery Administrative Account—State Appropriation	\$50,000
TOTAL APPROPRIATION	\$1,616,000

***NEW SECTION. Sec. 130. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

General Fund—State Appropriation (FY 2014)	\$18,414,000
General Fund—State Appropriation (FY 2015)	\$17,542,000
General Fund—Federal Appropriation	\$31,340,000
General Fund—Private/Local Appropriation	\$370,000
Economic Development Strategic Reserve Account—State Appropriation	\$289,000
Personnel Service Fund—State Appropriation	\$8,656,000
Data Processing Revolving Account—State Appropriation	\$6,015,000
Higher Education Personnel Services Account—State Appropriation	\$1,497,000
Performance Audits of Government Account—State Appropriation	\$4,000,000
TOTAL APPROPRIATION	\$88,123,000

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

(1) The office of financial management shall prepare a report outlining alternative methods of procuring health benefits for home care workers, including individual providers and agency providers. In preparing the report, the office of financial management shall consult with the department of social and health services, representatives of individual home care providers, and agency home care providers.

Along with a summary of the current method of providing benefits, the report must include an analysis of the policy and fiscal implications of accessing health benefits through the Washington health benefits exchange. The report must also provide an analysis of a medicaid section 1115 waiver with the federal centers for medicare and medicaid services that would provide additional medicaid matching funds for individual provider home care workers who are provided with health care benefits through a collective bargaining agreement negotiated with the state under chapter 74.39A RCW, but would otherwise be eligible for medicaid under the federal expanded eligibility provisions that take effect January 1, 2014.

The report must be submitted to the appropriate fiscal committees of the legislature by January 6, 2014.

(2) \$350,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5802 (greenhouse gas emissions). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) \$536,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for a study of the state's medical and public assistance eligibility

systems and infrastructure with the goal of simplifying procedures, improving customer service, and reducing state expenditures. The study must also examine which state entities play various roles in the eligibility and data verification processes in order to determine if eligibility processes can be further streamlined in light of changes related to the federal affordable care act. The study must identify how costs will be allocated between state and federal funding sources and options for maximizing federal participation. The office of financial management shall provide a report on its findings and recommendations to the relevant policy and fiscal committees of the legislature by January 1, 2014.

(4)(a) The legislature finds that the state's nationally recognized student achievement initiative has led to significant improvements at two-year institutions of higher education. With the goal of creating such efficiencies within the four-year institutions of higher education, the office of financial management shall convene, in coordination with the joint committee on higher education and the student achievement council, a technical incentive funding model task force to propose an incentive funding model for the four-year institutions of higher education. The model will provide new incentive funding to four-year institutions of higher education that demonstrate improvement on existing performance measures and control resident undergraduate tuition growth. Participation in the program is voluntary; however, funding appropriated for this program shall only be available to those institutions that have chosen to participate in the program.

(b) The task force must include the following members:

(i) One representative from the student achievement council;

(ii) One representative from the education data center created in RCW 43.41.400; and

(iii) One representative from each of the four-year institutions of higher education.

(c) The program shall include, but shall not be limited to:

(i) A system for allocating new incentive funding to participating institutions based on an institution's:

(A) Performance in specific metrics;

(B) Control and reduction where possible of resident undergraduate and graduate tuition; and

(C) Efficient utilization of classrooms, laboratories, and online and other high technology instructional methods;

(ii) A methodology for allocating funding for performance as specified in (c)(i)(A) of this subsection that is based on performance metrics reported in the accountability monitoring and reporting system established in RCW 28B.77.090 and that recognizes each institution's unique mission by measuring each institution's performance in these metrics against its past performance;

(iii) A methodology for investing any unallocated incentive funds to the state need grant program created in chapter 28B.92 RCW to expand access to low-income and underserved student populations; and

(iv) A methodology for establishing a baseline level of state funding that:

(A) Fully supports the state's need for an increasing portion of its citizens to gain post-secondary education and qualifications;

(B) Recognizes the acute need of the state's high-technology economy for a sufficient number of graduates in high employer demand programs of study;

(C) Achieves a more equitable share of support between the state and students and their families; and

(D) Provides for funding enhancements based on demonstrated improvements in institutional performance within the educational achievement and tuition reduction incentive program.

(d) The workgroup shall submit a final report containing an incentive funding model to the governor and higher education and fiscal committees of the legislature by December 31, 2013.

(5) By November 30, 2013, the office of the chief information officer shall provide to the economic development committees of the legislature a plan for establishing performance benchmarks and measuring results of implementing a one-stop integrated system for business interactions with government. The plan must include a timeline, agency responsibilities, and a benchmark for initial implementation.

*Sec. 130 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 131. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account—State

Appropriation. \$37,772,000

The appropriation in this section is subject to the following conditions and limitations: \$151,000 of the administrative hearings revolving account—state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades. The amount provided in this subsection is conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

NEW SECTION. Sec. 132. FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account—State

Appropriation. \$25,696,000

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

(1) \$596,000 of the lottery administrative account—state appropriation is provided solely for the replacement of the lottery's gaming systems vendor contract.

(2) No portion of this appropriation may be used for acquisition of gaming system capabilities that violates state law.

NEW SECTION. Sec. 133. FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund—State Appropriation (FY 2014) \$238,000

General Fund—State Appropriation (FY 2015) \$235,000

TOTAL APPROPRIATION \$473,000

NEW SECTION. Sec. 134. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund—State Appropriation (FY 2014) \$233,000

General Fund—State Appropriation (FY 2015) \$224,000

TOTAL APPROPRIATION \$457,000

NEW SECTION. Sec. 135. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS

Department of Retirement Systems Expense

Account—State Appropriation \$50,728,000

NEW SECTION. Sec. 136. FOR THE DEPARTMENT OF REVENUE

General Fund—State Appropriation (FY 2014) \$107,985,000

General Fund—State Appropriation (FY 2015) \$106,301,000

Timber Tax Distribution Account—State Appropriation \$6,102,000

Waste Reduction/Recycling/Litter Control—State

Appropriation \$132,000

State Toxics Control Account—State Appropriation \$93,000

Master License Fund—State Appropriation \$17,082,000

Data Processing Revolving Account—State Appropriation \$6,751,000

TOTAL APPROPRIATION \$244,446,000

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

(1) The department of revenue is authorized to increase the master application fee to nineteen dollars and the renewal fee to eleven dollars consistent with RCW 19.02.075.

(2) \$6,751,000 of the data processing revolving account—state appropriation and \$4,853,000 of the master license fund—state appropriation are provided solely for the replacement of the department's legacy business systems. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) \$495,000 of the general fund—state appropriation for fiscal year 2014 and \$431,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of House Bill No. 1971 or Senate Bill No. 5873 (communications services reform). If neither bill is enacted by June 30, 2013, the amounts provided in the subsection shall lapse.

(4) \$641,000 of the general fund—state appropriation for fiscal year 2014 and \$297,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of Senate Bill No. 5882 or House Bill No. 2081 (tax preferences and transparency). If neither bill is enacted by June 30, 2013, the amounts provided in the subsection shall lapse.

NEW SECTION. Sec. 137. FOR THE BOARD OF TAX APPEALS

General Fund—State Appropriation (FY 2014) \$1,217,000

General Fund—State Appropriation (FY 2015) \$1,178,000

TOTAL APPROPRIATION \$2,395,000

NEW SECTION. Sec. 138. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

OMWBE Enterprises Account—State Appropriation \$4,077,000

The appropriation in this section is subject to the following conditions and limitations: \$200,000 of the minority and women's business enterprises account—state appropriation is provided for implementation of a certification program for small business enterprises. The agency will collaborate with the department of transportation to certify small businesses as small business

enterprises. Funding for this work is provided through interagency agreement with the state department of transportation.

NEW SECTION. Sec. 139. FOR THE INSURANCE COMMISSIONER

General Fund—State Appropriation (FY 2014)	\$300,000
General Fund—State Appropriation (FY 2015)	\$100,000
General Fund—Federal Appropriation	\$4,495,000
Health Benefit Exchange Account—State Appropriation	\$676,000
Insurance Commissioners Regulatory Account—State Appropriation.	\$49,555,000
TOTAL APPROPRIATION	\$55,126,000

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

- (1) \$676,000 of the health benefit exchange account—state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1947 (Washington health benefit exchange). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.
- (2) The office of the insurance commissioner shall not curtail functions relating to solvency, rates and forms, and consumer protection.

NEW SECTION. Sec. 140. FOR THE STATE INVESTMENT BOARD

State Investment Board Expense Account—State Appropriation.	\$36,035,000
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NEW SECTION. Sec. 141. FOR THE LIQUOR CONTROL BOARD

Liquor Revolving Account—State Appropriation	\$65,146,000
General Fund—Federal Appropriation	\$945,000
General Fund—Private/Local Appropriation	\$25,000
TOTAL APPROPRIATION	\$66,116,000

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

- (1) \$2,494,000 of the liquor revolving account—state appropriation is provided solely for the liquor control board to implement Initiative Measure No. 502.
 - (2)(a) The liquor control board must work with the department of health and the department of revenue to develop recommendations for the legislature regarding the interaction of medical marijuana regulations and the provisions of Initiative Measure No. 502. At a minimum, the recommendations must include provisions addressing the following:
 - (i) Age limits;
 - (ii) Authorizing requirements for medical marijuana;
 - (iii) Regulations regarding health care professionals;
 - (iv) Collective gardens;
 - (v) Possession amounts;
 - (vi) Location requirements;
 - (vii) Requirements for medical marijuana producing, processing, and retail licensing;
 - (viii) Taxation of medical marijuana in relation to recreational marijuana;
- and

(ix) The state agency that should be the regulatory body for medical cannabis.

(b) The board must submit its recommendations to the appropriate committees of the legislature by January 1, 2014.

NEW SECTION. Sec. 142. FOR THE UTILITIES AND TRANSPORTATION COMMISSION

General Fund—Federal Appropriation	\$150,000
General Fund—Private/Local Appropriation	\$11,228,000
Public Service Revolving Account—State Appropriation	\$29,893,000
Pipeline Safety Account—State Appropriation	\$4,411,000
Pipeline Safety Account—Federal Appropriation	\$1,938,000
TOTAL APPROPRIATION	\$47,620,000

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

(1) The commission shall work with the Idaho public utilities commission and the public utility commission of Oregon to identify common regulatory functions that can be performed jointly, with the goal of formalizing an agreement that protects essential services while increasing regulatory effectiveness and efficiencies through economies of scale. The commission is authorized to enter into an agreement with such other state public utility commissions to work jointly in administering specified respective regulatory functions.

(2) Up to \$200,000 of the total appropriation is provided for the commission to continue to evaluate the regulatory processes for energy companies and identify and implement administrative actions to improve those processes. The commission shall develop and adopt a schedule for such administrative actions.

NEW SECTION. Sec. 143. FOR THE MILITARY DEPARTMENT

General Fund—State Appropriation (FY 2014)	\$1,880,000
General Fund—State Appropriation (FY 2015)	\$1,846,000
General Fund—Federal Appropriation	\$140,135,000
Enhanced 911 Account—State Appropriation	\$58,514,000
Disaster Response Account—State Appropriation	\$14,531,000
Disaster Response Account—Federal Appropriation	\$53,253,000
Military Department Rent and Lease Account—State Appropriation	\$615,000
Worker and Community Right-to-Know Account—State Appropriation	\$2,794,000
TOTAL APPROPRIATION	\$273,568,000

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

(1) \$14,531,000 of the disaster response account—state appropriation and \$53,253,000 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 2014-2015 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.

NEW SECTION. Sec. 144. FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund—State Appropriation (FY 2014)	\$1,977,000
General Fund—State Appropriation (FY 2015)	\$2,036,000
Higher Education Personnel Services Account—State Appropriation	\$521,000
Personnel Service Account—State Appropriation	\$3,300,000
TOTAL APPROPRIATION	\$7,834,000

NEW SECTION. Sec. 145. FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account—State Appropriation	\$2,699,000
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NEW SECTION. Sec. 146. FOR THE FORENSIC INVESTIGATION COUNCIL

Death Investigations Account—State Appropriation	\$498,000
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The appropriation in this section is subject to the following conditions and limitations:

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

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

NEW SECTION. Sec. 147. FOR THE HORSE RACING COMMISSION

Horse Racing Commission Operating Account—State Appropriation	\$3,552,000
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The appropriation in this section is subject to the following conditions and limitations: Pursuant to RCW 43.135.055, the commission is authorized to increase licensing fees by up to five percent in fiscal year 2014 and up to five

percent in fiscal year 2015; and background check fees by up to one dollar in fiscal year 2014, and up to one dollar in fiscal year 2015.

***NEW SECTION. Sec. 148. FOR THE DEPARTMENT OF ENTERPRISE SERVICES**

General Fund—State Appropriation (FY 2014)	\$3,654,000
General Fund—State Appropriation (FY 2015)	\$3,628,000
Building Code Council Account—State Appropriation	\$1,227,000
TOTAL APPROPRIATION	\$8,509,000

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

(1) \$3,287,000 of the general fund—state appropriation for fiscal year 2014 and \$3,286,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, and joint legislative systems committee. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

(2) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal years 2014 and 2015 as necessary to meet the actual costs of conducting business.

(3) The building code council account appropriation is provided solely for the operation of the state building code council as required by statute and modified by the standards established by executive order 10-06. The council shall not consider any proposed code amendment or take any other action not authorized by statute or in compliance with the standards established in executive order 10-06. No member of the council may receive compensation, per diem, or reimbursement for activities other than physical attendance at those meetings of the state building code council or the council's designated committees, at which the opportunity for public comment is provided generally and on all agenda items upon which the council proposes to take action. The building code council shall comply with chapter 19.85 RCW, known as the regulatory fairness act, by including with all proposed substantial code amendments an analysis addressing cost effectiveness, net benefits, payback periods, and life-cycle costs.

(4) Within funding for the building code council, no moneys may be expended for work on aspirational codes under RCW 19.27A.150. Nothing in this proviso shall inhibit the building code council from adopting and implementing current codes.

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

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

(7) \$2,400,000 of the data processing revolving account appropriation is provided solely for the implementation of a pilot program to implement a strategy and action plan to modernize the state's enterprise financial and administrative systems. The department, the office of financial management, and the office of the chief information officer, will lead the planning effort and establish advisory committees composed of key stakeholders. The plan will include an assessment of the readiness of state government to conduct a business transformation and system replacement project of this scale. The plan shall incorporate the objectives of lean management and should include recommendations on: Project scope, phasing and timeline, expected outcomes and measures of success, product strategy, budget and financing strategy options, risk mitigation, staffing and organization, and strategies to close readiness gaps. The department shall submit the implementation plan to the fiscal committees of the legislature by December 15, 2013.

The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(8) \$8,013,000 of the data processing revolving account appropriation is provided solely for the implementation of a pilot program to implement a time, leave, and attendance enterprise system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(9) From the fee charged to master contract vendors, the department shall transfer to the office of minority and women's business enterprises in equal monthly installments \$2,039,000 in fiscal year 2014 and \$2,038,000 in fiscal year 2015.

(10) The legislature intends to review for purchase parcel number one and surrounding property on McNeil Island. The department shall coordinate with the federal government to obtain an appraisal determining the fair market value and shall provide an estimate to the legislative fiscal committees by October 1, 2013.

*Sec. 148 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS

Volunteer Firefighters' and Reserve Officers'

Administrative Account—State Appropriation \$1,044,000

***NEW SECTION. Sec. 150. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**

General Fund—State Appropriation (FY 2014) \$1,293,000

General Fund—State Appropriation (FY 2015) \$1,242,000

General Fund—Federal Appropriation \$1,950,000

General Fund—Private/Local Appropriation \$14,000

TOTAL APPROPRIATION \$4,499,000

The appropriations in this section are subject to the following conditions and limitations: Within the amounts appropriated in this section, the department shall report the following data on the survey and inventory processes to the appropriate policy and fiscal committees of the legislature on December 1, 2013, and December 1, 2014: The number of survey and inventory reports and sites received, by month, provided to the department responsive to state and federal laws; the number, by month, of resources or records reported pursuant to the survey and inventory processes. In addition, the department shall seek to obtain, and encourage reporting of, cultural resource compliance contract costs.

*Sec. 150 was partially vetoed. See message at end of chapter.

PART II HUMAN SERVICES

NEW SECTION. Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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

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

(3)(a) The health care authority and the department are authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under the Washington medicaid integration partnership (WMIP) and the medicare integrated care project (MICP), the health care authority and the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 213 of this act as may be necessary to finance a unified health care plan for the WMIP and the MICP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons, nor expand beyond one county during the 2013-

2015 fiscal biennium. The amount of funding assigned from each program may not exceed the average per capita cost assumed in this act for individuals covered by that program, actuarially adjusted for the health condition of persons enrolled, times the number of clients enrolled. In implementing the WMIP and the MICP, the health care authority and the department may: (i) Withhold from calculations of "available resources" as set forth in RCW 71.24.025 a sum equal to the capitated rate for enrolled individuals; and (ii) employ capitation financing and risk-sharing arrangements in collaboration with health care service contractors licensed by the office of the insurance commissioner and qualified to participate in both the medicaid and medicare programs.

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

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

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

(6) The department shall facilitate enrollment under the medicaid expansion for clients applying for or receiving state funded services from the department and its contractors. Prior to open enrollment, the department shall coordinate with the health care authority to provide referrals to the Washington health benefit exchange for clients that will be ineligible for the medicaid expansion but are enrolled in coverage that will be eliminated in the transition to the medicaid expansion.

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

General Fund—State Appropriation (FY 2014)	\$296,676,000
General Fund—State Appropriation (FY 2015)	\$297,641,000
General Fund—Federal Appropriation	\$489,939,000
General Fund—Private/Local Appropriation	\$1,354,000
Home Security Fund Account—State Appropriation	\$10,741,000
Domestic Violence Prevention Account—State Appropriation	\$1,240,000
Child and Family Reinvestment Account—State Appropriation	\$6,491,000
TOTAL APPROPRIATION	\$1,104,082,000

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

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

(2) \$668,000 of the general fund—state appropriation for fiscal year 2014 and \$668,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to contract for the operation of one pediatric interim care center. The center shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the center must be in need of special care as a result of substance abuse by their mothers. The center shall also provide on-site training to biological, adoptive, or foster parents. The center shall provide at least three months of consultation and support to the parents accepting placement of children from the center. The center may recruit new and current foster and adoptive parents for infants served by the center. The department shall not require case management as a condition of the contract.

(3) \$538,500 of the general fund—state appropriation for fiscal year 2014, \$539,500 of the general fund—state appropriation for fiscal year 2015, \$656,000 of the general fund—private/local appropriation, and \$253,000 of the general fund—federal appropriation are provided solely for children’s administration to contract with an educational advocacy provider with expertise in foster care educational outreach. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems and to assure a focus on education during the transition to performance based contracts. Funding shall be prioritized to regions with high numbers of foster care youth and/or regions where backlogs of youth that have formerly requested educational outreach services exist. The department shall utilize private matching funds to maintain educational advocacy services.

(4) \$10,741,000 of the home security fund—state appropriation is provided solely for the department to contract for services pursuant to RCW 13.32A.030 and 74.15.220. The department shall contract and collaborate with service

providers in a manner that maintains the availability and geographic representation of secure and semi-secure crisis residential centers and HOPE centers. To achieve efficiencies and increase utilization, the department shall allow the co-location of these centers, except that a youth may not be placed in a secure facility or the secure portion of a co-located facility except as specifically authorized by chapter 13.32A RCW. The reductions to appropriations in this subsection related to semi-secure crisis residential centers reflect a reduction to the number of beds for semi-secure crisis residential centers and not a reduction in rates. Any secure crisis residential center or semi-secure crisis residential center bed reduction shall not be based solely upon bed utilization. The department is to exercise its discretion in reducing the number of beds but to do so in a manner that maintains availability and geographic representation of semi-secure and secure crisis residential centers.

(5) \$125,000 of the general fund—state appropriation for fiscal year 2014 and \$125,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a community-based organization that has innovated, developed, and replicated a foster care delivery model that includes a licensed hub home. The community-based organization will provide training and technical assistance to the children's administration to develop five hub home models in region 2 that will improve child outcomes, support foster parents, and encourage the least restrictive community placements for children.

(6) \$73,000 of the general fund—state appropriation for fiscal year 2014, \$20,000 of the general fund—state appropriation for fiscal year 2015, and \$31,000 of the general fund—federal appropriation are provided solely for implementation of Second Substitute House Bill No. 1566 (youth in out-of-home care). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(7) \$88,000 of the general fund—state appropriation for fiscal year 2014, \$2,000 of the general fund—state appropriation for fiscal year 2015, and \$28,000 of the general fund—federal appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1774 (child welfare system). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(8) \$1,698,000 of the general fund—state appropriation for fiscal year 2014, \$2,788,000 of the general fund—state appropriation for fiscal year 2015, and \$1,894,000 of the general fund—federal appropriation are provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5405 (extended foster care). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(9) \$579,000 of the general fund—state appropriation for fiscal year 2014, \$579,000 of the general fund—state appropriation for fiscal year 2015, and \$109,000 of the general fund—federal appropriation are provided solely for a receiving care center east of the Cascade mountains.

(10)(a) \$446,000 of the general fund—state appropriation for fiscal year 2014 and \$446,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a contract with a nongovernmental entity or entities to establish one demonstration site in a school district or group of school districts in western Washington.

(b) The children's administration and the nongovernmental entity or entities shall collaboratively select the demonstration site. The demonstration site should be a school district or group of school districts with a significant number of students who are dependent pursuant to chapter 13.34 RCW.

(c) The demonstration site established under this subsection must be selected by September 1, 2013.

(d) The purpose of the demonstration site is to improve the educational outcomes of students who are dependent pursuant to chapter 13.34 RCW by providing individualized education services and monitoring and supporting dependent youths' completion of educational milestones, remediation needs, and special education needs.

(e) The demonstration site established under this subsection must facilitate the educational progress and graduation of dependent youth. The contract must be performance-based with a stated goal of improving the graduation rates of foster youth by two percent per year over five school year periods, starting with the 2014-15 school year and ending with the 2019-20 school year. The demonstration site must develop and provide services aimed at improving the educational outcomes of foster youth. These services must include:

(i) Direct advocacy for foster youth to eliminate barriers to educational access and success;

(ii) Consultation with department of social and health services case workers to develop educational plans for and with participating youth;

(iii) Monitoring education progress of participating youth;

(iv) Providing participating youth with school and local resources that may assist in educational access and success; and

(v) Coaching youth, caregivers, and social workers to advocate for dependent youth in the educational system.

(f) The contracted nongovernmental entity or entities must report demonstration site outcomes to the department of social and health services and the office of public instruction by June 30, 2014, for the 2013-14 school year, and by June 30, 2015, for the 2014-15 school year.

(g) The children's administration must proactively refer all students fifteen years or older, within the demonstration site area, to the selected nongovernmental entity for educational services.

(h) The children's administration must report quarterly to the legislature on the number of eligible youth and number of youth referred for services beginning at the close of the second quarter of fiscal year 2014 and through the final quarter of fiscal year 2015.

(i) The contracted nongovernmental entity or entities shall report to the legislature by June 30, 2015, on the effectiveness of the demonstration site in increasing graduation rates for dependent youth.

(11) \$50,000 of the general fund—state appropriation for fiscal year 2014, and \$50,000 of the general fund—state appropriation for fiscal year 2015, and \$256,000 of the general fund—federal appropriation are provided solely for implementation of Substitute Senate Bill No. 5315 (Powell fatality team). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(12) \$670,000 of the general fund—state appropriation for fiscal year 2014 and \$670,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for services provided through children’s advocacy centers.

(13)(a) \$22,695,000 of the general fund—state appropriation for fiscal year 2014, \$22,695,000 of the general fund—state appropriation for fiscal year 2015, and \$28,450,000 of the general fund—federal appropriation are provided solely for services for children and families. Prior to approval of contract services pursuant to RCW 74.13B.020, the amounts provided in this section shall be allotted on a monthly basis and expenditures shall not exceed allotments based on a three-month rolling average without approval of the office of financial management following notification to the legislative fiscal committees.

(b) The department shall provide these services to safely reduce the number of children in out-of-home care, the time spent in out-of-home care prior to achieving permanency, and the number of children returning to out-of-home care following permanency.

(14) \$1,783,000 of the general fund—state appropriation for fiscal year 2015, \$6,491,000 of the child and family reinvestment account—state appropriation, and \$8,274,000 of the general fund—federal appropriation, are provided solely for the implementation and operations of the family assessment response program.

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

General Fund—State Appropriation (FY 2014)	\$89,967,000
General Fund—State Appropriation (FY 2015)	\$90,255,000
General Fund—Federal Appropriation	\$3,464,000
General Fund—Private/Local Appropriation	\$1,981,000
Washington Auto Theft Prevention Authority Account—	
State Appropriation	\$196,000
Reinvesting in Youth—State Appropriation	\$383,000
Juvenile Accountability Incentive Account—Federal	
Appropriation	\$2,801,000
TOTAL APPROPRIATION	\$189,047,000

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

(1) \$331,000 of the general fund—state appropriation for fiscal year 2014 and \$331,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) \$2,716,000 of the general fund—state appropriation for fiscal year 2014 and \$2,716,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of

chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(3) \$3,482,000 of the general fund—state appropriation for fiscal year 2014 and \$3,482,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(4) \$1,130,000 of the general fund—state appropriation for fiscal year 2014 and \$1,130,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(5) \$3,123,000 of the general fund—state appropriation for fiscal year 2014 and \$3,123,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for grants to county juvenile courts for the following programs identified by the Washington state institute for public policy (institute) in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Functional family therapy, multi-systemic therapy, aggression replacement training and interagency coordination programs, or other programs with a positive benefit-cost finding in the institute's report. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(6) \$1,537,000 of the general fund—state appropriation for fiscal year 2014 and \$1,537,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family integrated transitions, and aggression replacement training, or other programs with a positive benefit-cost finding in the institute's report. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

(7)(a) The juvenile rehabilitation administration shall administer a block grant, rather than categorical funding, of consolidated juvenile service funds, community juvenile accountability act grants, the chemical dependency disposition alternative funds, the mental health disposition alternative, and the sentencing disposition alternative for the purpose of serving youth adjudicated in the juvenile justice system. In making the block grant, the juvenile rehabilitation administration shall follow the following formula and will prioritize evidence-based programs and disposition alternatives and take into account juvenile courts program-eligible youth in conjunction with the number of youth served in

each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for moderate and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical dependency disposition alternative; and (vi) two percent for the mental health and sentencing dispositional alternatives. Funding for the special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

(b) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(c) The juvenile courts and administrative office of the courts shall be responsible for collecting and distributing information and providing access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data. The juvenile rehabilitation administration and the juvenile courts will work collaboratively to develop program outcomes that reinforce the greatest cost

benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(8) The juvenile courts and administrative office of the courts shall collect and distribute information related to program outcome and provide access to these data systems to the juvenile rehabilitation administration and Washington state institute for public policy. The agreements between administrative office of the courts, the juvenile courts, and the juvenile rehabilitation administration shall be executed to ensure that the juvenile rehabilitation administration receives the data that the juvenile rehabilitation administration identifies as needed to comply with this subsection. This includes, but is not limited to, information by program at the statewide aggregate level, individual court level, and individual client level for the purpose of the juvenile rehabilitation administration providing quality assurance and oversight for the locally committed youth block grant and associated funds and at times as specified by the juvenile rehabilitation administration as necessary to carry out these functions. The data shall be provided in a manner that reflects the collaborative work the juvenile rehabilitation administration and juvenile courts have developed regarding program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(9) \$445,000 of the general fund—state appropriation for fiscal year 2014 and \$445,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for funding of the teamchild project.

(10) \$178,000 of the general fund—state appropriation for fiscal year 2014 and \$178,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the juvenile detention alternatives initiative.

(11) \$250,000 of the general fund—state appropriation for fiscal year 2014 and \$250,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant program focused on criminal street gang prevention and intervention. The Washington state partnership council on juvenile justice may award grants under this subsection. The council shall give priority to applicants who have demonstrated the greatest problems with criminal street gangs. Applicants composed of, at a minimum, one or more local governmental entities and one or more nonprofit, nongovernmental organizations that have a documented history of creating and administering effective criminal street gang prevention and intervention programs may apply for funding under this subsection.

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

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund—State Appropriation (FY 2014)	\$327,467,000
General Fund—State Appropriation (FY 2015)	\$308,723,000
General Fund—Federal Appropriation	\$561,394,000
General Fund—Private/Local Appropriation	\$17,864,000
TOTAL APPROPRIATION	\$1,215,448,000

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

(a) \$104,999,000 of the general fund—state appropriation for fiscal year 2014 and \$85,895,000 of the general fund—state appropriation for fiscal year

2015 are provided solely for persons and services not covered by the medicaid program. To the extent possible, levels of regional support network spending shall be maintained in the following priority order: Crisis and commitment services; community inpatient services; and residential care services, including personal care and emergency housing assistance. This is a reduction in flexible nonmedicaid funding of \$4,343,000 for fiscal year 2014 and \$23,446,000 for fiscal year 2015. This reduction reflects offsets in state funding related to services that will now be funded with federal dollars through the affordable care act medicaid expansion. This reduction shall be distributed as follows:

(i) The \$4,343,000 reduction in fiscal year 2014 and \$11,723,000 of the reduction in fiscal year 2015 must be distributed among regional support networks based on a formula that equally weights each regional support networks proportion of individuals who become newly eligible and enroll in medicaid under the expansion provisions of the affordable care act in fiscal year 2014 and each regional support network's spending of flexible nonmedicaid funding on services that would be reimbursable for federal medicaid matching funds if provided to medicaid enrollees in the 2011-2013 fiscal biennium.

(ii) The remaining \$11,723,000 reduction in fiscal year 2015 must be distributed among regional support networks based on each regional support network's proportion of individuals who become newly eligible and enroll in medicaid under the expansion provisions of the affordable care act through fiscal year 2015.

(b) \$6,590,000 of the general fund—state appropriation for fiscal year 2014, \$6,590,000 of the general fund—state appropriation for fiscal year 2015, and \$7,620,000 of the general fund—federal appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(a) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(c) \$5,850,000 of the general fund—state appropriation for fiscal year 2014, \$5,850,000 of the general fund—state appropriation for fiscal year 2015, and \$1,300,000 of the general fund—federal appropriation are provided solely for the western Washington regional support networks to provide either community- or hospital campus-based services for persons who require the level of care previously provided by the program for adaptive living skills (PALS) at western state hospital.

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

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

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

(g) \$750,000 of the general fund—state appropriation for fiscal year 2014 and \$750,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to continue performance-based incentive contracts to provide appropriate community support services for individuals with severe mental illness who were discharged from the state hospitals as part of the expanding community services initiative. These funds will be used to enhance community residential and support services provided by regional support networks through other state and federal funding.

(h) \$1,125,000 of the general fund—state appropriation for fiscal year 2014 and \$1,125,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

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

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

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

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

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

(i) \$1,529,000 of the general fund—state appropriation for fiscal year 2014 and \$1,529,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day support commitment hearings at the state psychiatric hospitals.

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

(k) \$3,436,000 of the general fund—state appropriation for fiscal year 2014 and \$2,291,000 of the general fund—state appropriation for fiscal year 2015 are

provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

(l) \$523,000 of the general fund—state appropriation for fiscal year 2014, \$775,000 of the general fund—state appropriation for fiscal year 2015, and \$854,000 of the general fund—federal appropriation are provided solely for implementation of sections 3 through 5 of chapter 289, Laws of 2013 (E2SHB 1114). Regional support networks must use this funding for the development of intensive community programs that allow individuals to be diverted or transitioned from the state hospitals in accordance with plans approved by the department.

(m) \$5,986,000 of the general fund—state appropriation for fiscal year 2014, \$11,592,000 of the general fund—state appropriation for fiscal year 2015, and \$10,160,000 of the general fund—federal appropriation are provided solely for implementation of chapter 335, Laws of 2013 (ESSB 5480). Regional support networks must use this funding for the development of intensive community programs that allow individuals to be diverted or transitioned from the state hospitals in accordance with plans approved by the department.

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

(o) The legislature finds that the circumstances of the Chelan-Douglas regional support network (CD-RSN) make it necessary for CD-RSN to undergo restructuring in order to provide mental health services essential to the health and wellness of the citizens within its service area. The legislature intends to provide additional temporary financial relief to the CD-RSN while it undergoes internal restructuring or negotiates a merger with another regional support network.

The department shall negotiate relief for outstanding fiscal year 2013 reimbursements owed by CD-RSN to the state provided that the CD-RSN has a plan in place that is approved by the department by August 1, 2013, that demonstrates how CD-RSN will maintain financial viability and stability or will merge with another regional support network.

For the period of July 1, 2013, through December 31, 2013, the department may alter collection of reimbursement from CD-RSN for overuse of state hospital beds. To receive a reduction to the required reimbursement for overuse of state hospital beds, CD-RSN must continue to prioritize services that reduce its utilization and census at eastern state hospital and be actively implementing an approved plan to maintain financial viability or pursuing a future merger with another regional support network. Up to \$298,000 of the general fund—state appropriation for fiscal year 2014 is for the department to provide payments to regional support networks in eastern Washington which have used less than their allocated or contracted patient days of care at the state hospital to replace the share of the reimbursements from CD-RSN that the regional support networks would have received under RCW 71.24.320.

(p) \$266,000 of the general fund—state appropriation for fiscal year 2014 is provided solely to maintain services for the King county regional support

network as it works to transition services to settings that are eligible for federal participation for individuals covered under the medicaid program.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2014)	\$135,246,000
General Fund—State Appropriation (FY 2015)	\$131,863,000
General Fund—Federal Appropriation	\$150,863,000
General Fund—Private/Local Appropriation	\$63,097,000
TOTAL APPROPRIATION	\$481,069,000

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

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

(b) \$231,000 of the general fund—state appropriation for fiscal year 2014 and \$231,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

(c) \$45,000 of the general fund—state appropriation for fiscal year 2014 and \$45,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(d) \$20,000,000 of the general fund—state appropriation for fiscal year 2014 and \$20,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to maintain staffed capacity to serve an average daily census in forensic wards at western state hospital of 270 patients per day.

(e) \$2,068,000 of the general fund—state appropriation for fiscal year 2014, \$2,066,000 of the general fund—state appropriation for fiscal year 2015, and \$240,000 of the general fund—federal appropriation are provided solely for the state psychiatric hospitals to plan, procure, and implement the core elements of an electronic medical record system that is compliant with the international classification of diseases (ICD-10) by October 1, 2014. These funds must only be used for an electronic medical record system that meets federal criteria for electronic sharing of patient information and clinical care summaries with doctors' offices, hospitals, and health systems which use federally certified electronic health record systems. The procurement and implementation shall be conducted to allow for these services to be expanded to the department of corrections. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2014)	\$1,609,000
General Fund—State Appropriation (FY 2015)	\$1,610,000
General Fund—Federal Appropriation	\$6,286,000

TOTAL APPROPRIATION \$9,505,000

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

(a) \$1,161,000 of the general fund—state appropriation for fiscal year 2014 and \$1,161,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for children's evidence-based mental health services.

(b) \$446,000 of the general fund—state appropriation for fiscal year 2014, \$446,000 of the general fund—state appropriation for fiscal year 2015, and \$178,000 of the general fund—federal appropriation are provided solely for the University of Washington's evidence-based practice institute which supports the identification, evaluation, and implementation of evidence-based or promising practices. The institute must work with the department to develop a plan to seek private, federal, or other grant funding in order to reduce the need for state general funds. The institute and the department must submit this plan to the office of financial management and the fiscal committees of the legislature by December 1, 2013.

(4) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2014)	\$5,287,000
General Fund—State Appropriation (FY 2015)	\$4,777,000
General Fund—Federal Appropriation	\$7,711,000
General Fund—Private/Local Appropriation	\$502,000
TOTAL APPROPRIATION	\$18,277,000

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

(a) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to adopt license and certification fees in fiscal years 2014 and 2015 to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower costs of licensing for these programs than for other organizations which are not accredited.

(b) \$74,000 of the general fund—state appropriation for fiscal year 2014, \$74,000 of the general fund—state appropriation for fiscal year 2015, and \$78,000 of the general fund—federal appropriation are provided solely for implementation of chapter 335, Laws of 2013 (ESSB 5480).

(c) \$160,000 of the general fund—state appropriation for fiscal year 2014 and \$80,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of chapter 284, Laws of 2013 (ESSB 5551).

(d) In developing the new medicaid managed care rates under which the public mental health managed care system will operate, the department must seek to estimate the reasonable and necessary cost of efficiently and effectively providing a comparable set of medically necessary mental health benefits to

persons of different acuity levels regardless of where in the state they live. The department must report to the office of financial management and to the relevant fiscal and policy committees of the legislature on its proposed new mental health managed care rate-setting approach by August 1, 2013, and again at least sixty days prior to implementation of new capitation rates.

(e) \$349,000 of the general fund—state appropriation for fiscal year 2014, \$212,000 of the general fund—state appropriation for fiscal year 2015, and \$302,000 of the general fund—federal appropriation are provided solely to implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (2SSB 5732).

(f) The department shall work cooperatively with the health care authority to explore the feasibility of incentivizing small, rural hospitals to convert, in part or fully, some of their beds to psychiatric treatment beds. No later than December 31, 2014, the department shall report to the appropriate fiscal committees of the legislature on the feasibility of such conversion. The report shall consider rate enhancements and the ability to claim federal medicaid matching funds on converted beds.

(g) \$75,000 of the general fund—state appropriation for fiscal year 2014 and \$21,000 of the general fund—federal appropriation are provided for implementation of section 9, chapter 197, Laws of 2013 (ESHB 1336). The department must utilize these funds for mental health first aid training targeted at teachers and educational staff in accordance with the training model developed by the department of psychology in Melbourne, Australia.

(h) Within the amounts appropriated in this section, funding is provided for the department to continue to develop the child adolescent needs and strengths assessment tool and build workforce capacity to provide evidence based wraparound services for children, consistent with the anticipated settlement agreement in *T.R. v. Dreyfus and Porter*.

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

(1) COMMUNITY SERVICES

General Fund—State Appropriation (FY 2014)	\$439,963,000
General Fund—State Appropriation (FY 2015)	\$458,131,000
General Fund—Federal Appropriation	\$820,769,000
General Fund—Private/Local Appropriation	\$21,000
TOTAL APPROPRIATION	\$1,718,884,000

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

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

(b) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and 43.135.055, the department is authorized to increase nursing facility, assisted living facility, and adult family home fees as necessary to fully support the actual costs of conducting the licensure, inspection, and regulatory programs. The license fees may not exceed the department's annual licensing and oversight

activity costs and shall include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(i) The current annual renewal license fee for adult family homes shall be increased to \$225 per bed beginning in fiscal year 2014 and \$225 per bed beginning in fiscal year 2015. A processing fee of \$2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

(ii) The current annual renewal license fee for assisted living facilities shall be increased to \$106 per bed beginning in fiscal year 2014 and \$106 per bed beginning in fiscal year 2015.

(iii) The current annual renewal license fee for nursing facilities shall be increased to \$359 per bed beginning in fiscal year 2014 and \$359 per bed beginning in fiscal year 2015.

(c) \$13,301,000 of the general fund—state appropriation for fiscal year 2014, \$20,607,000 of the general fund—state appropriation for fiscal year 2015, and \$33,910,000 of the general fund federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw through an interest arbitration decision under the provisions of chapters 74.39A and 41.56 RCW for the 2013-2015 fiscal biennium.

(d) \$6,244,000 of the general fund—state appropriation for fiscal year 2014 and \$6,244,000 of the general fund—state appropriation for fiscal year 2015 are appropriated solely for the individual and family support program. Within these amounts, the department shall expand the current number of clients receiving services and focus on extending services to individuals with developmental disabilities who are not otherwise receiving paid services from the department.

(e) No later than December 31, 2013, the department shall report to the appropriate fiscal committees of the legislature with a strategy to reduce the rate disparity between urban and suburban residential service providers. The report shall include a proposal for a rate component that recognizes differences in costs as they relate to the geographical location of the provider; however, the proposed component shall use a geographical variable that is more granular than the provider's county.

(f) \$1,547,000 of the general fund—state appropriation for fiscal year 2015, and \$4,790,000 of the general fund—federal appropriation are provided solely for a payment system that satisfies medicaid requirements regarding time reporting for W-2 providers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(g) \$1,707,000 of the general fund—state appropriation for fiscal year 2014, \$2,670,000 of the general fund—state appropriation for fiscal year 2015, and \$4,376,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the service employees international union healthcare 775nw arbitration award.

(h) The department is authorized to establish limited exemption criteria in rule to address RCW 74.39A.325 when a landline phone is not available to the employee.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2014)	\$85,261,000
General Fund—State Appropriation (FY 2015)	\$84,980,000
General Fund—Federal Appropriation	\$160,021,000
General Fund—Private/Local Appropriation	\$23,041,000
TOTAL APPROPRIATION	\$353,303,000

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

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

(b) \$721,000 of the general fund—state appropriation for fiscal year 2014 and \$721,000 of the general fund—state appropriation for fiscal year 2015 are for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers.

(3) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2014)	\$1,943,000
General Fund—State Appropriation (FY 2015)	\$1,993,000
General Fund—Federal Appropriation	\$1,957,000
TOTAL APPROPRIATION	\$5,893,000

(4) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2014)	\$1,400,000
General Fund—State Appropriation (FY 2015)	\$1,400,000
General Fund—Federal Appropriation	\$1,200,000
TOTAL APPROPRIATION	\$4,000,000

*Sec. 205 was partially vetoed. See message at end of chapter.

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

General Fund—State Appropriation (FY 2014)	\$869,628,000
General Fund—State Appropriation (FY 2015)	\$923,218,000
General Fund—Federal Appropriation	\$1,934,089,000
General Fund—Private/Local Appropriation	\$30,122,000
Traumatic Brain Injury Account—State Appropriation	\$3,393,000
Skilled Nursing Facility Safety Net Trust Account—State Appropriation	\$88,000,000
TOTAL APPROPRIATION	\$3,848,450,000

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed \$171.35 for fiscal year 2014 and shall not exceed \$171.58 for fiscal year 2015, including the rate add-ons described in (a) and (b) of this subsection. However, if the waiver requested from the federal centers for medicare and medicaid services in relation to the

safety net assessment is for any reason disapproved, the weighted average nursing facility payment rate shall not exceed \$162.43 for fiscal year 2014 and shall not exceed \$163.58 for fiscal year 2015. There will be no adjustments for economic trends and conditions in fiscal years 2014 and 2015. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

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

(b) The department shall do a comparative analysis of the facility-based payment rates calculated on July 1, 2013, using the payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the comparative add-on, acuity add-on, and safety net reimbursement, to the facility-based payment rates in effect June 30, 2010. If the facility-based payment rate calculated on July 1, 2013, is smaller than the facility-based payment rate on June 30, 2010, then the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(c) During the comparative analysis performed in subsection (b) of this section, if it is found that the direct care rate for any facility calculated using the payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the comparative add-on, acuity add-on, and safety net reimbursement, is greater than the direct care rate in effect on June 30, 2010, then the facility shall receive a ten percent direct care rate add-on to compensate that facility for taking on more acute clients than they have in the past.

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

(e) The rate add-on provided in (c) of this subsection is subject to the reconciliation and settlement process provided in RCW 74.46.022(6).

(f) If the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment is for any reason disapproved, (b), (c), and (d) of this subsection do not apply.

(2) In accordance with chapter 74.46 RCW, the department shall issue no additional certificates of capital authorization for fiscal year 2014 and no new certificates of capital authorization for fiscal year 2015 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal years 2014 and 2015.

(3) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and 43.135.055, the department is authorized to increase nursing facility, assisted living facility, and adult family home fees as necessary to fully support the actual costs of conducting the licensure, inspection, and regulatory programs. The license fees may not exceed the department's annual licensing and oversight activity costs and shall include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(a) The current annual renewal license fee for adult family homes shall be increased to \$225 per bed beginning in fiscal year 2014 and \$225 per bed beginning in fiscal year 2015. A processing fee of \$2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable.

(b) The current annual renewal license fee for assisted living facilities shall be increased to \$106 per bed beginning in fiscal year 2014 and \$106 per bed beginning in fiscal year 2015.

(c) The current annual renewal license fee for nursing facilities shall be increased to \$359 per bed beginning in fiscal year 2014 and \$359 per bed beginning in fiscal year 2015.

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

(5) \$30,640,000 of the general fund—state appropriation for fiscal year 2014, \$48,633,000 of the general fund—state appropriation for fiscal year 2015, and \$79,273,000 of the general fund—federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw through an interest arbitration decision under the provisions of chapters 74.39A and 41.56 RCW for the 2013-2015 fiscal biennium.

(6) \$1,840,000 of the general fund—state appropriation for fiscal year 2014 and \$1,877,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(7) \$4,894,000 of the general fund—state appropriation for fiscal year 2015, and \$15,150,000 of the general fund—federal appropriation are provided solely for a payment system that satisfies medicaid requirements regarding time reporting for W-2 providers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(8) The department is authorized to establish limited exemption criteria in rule to address RCW 74.39A.325 when a landline phone is not available to the employee.

(9) Within the amounts appropriated in this section, in a report to the appropriate fiscal committees of the legislature that must be submitted by December 1, 2013, the department of social and health services must describe the process for establishing medicaid rates for assisted living and adult family homes. The report must include information about licensing and physical plant standards, contracting provisions, and per capita and biennial expenditures for assisted living and adult family homes.

(10) \$10,800,000 of the general fund—state appropriation for fiscal year 2014, \$17,768,000 of the general fund—state appropriation for fiscal year 2015, and \$28,567,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the service employees international union healthcare 775nw arbitration award.

(11) \$33,000 of the general fund—state appropriation for fiscal year 2014, \$17,000 of the general fund—state appropriation for fiscal year 2015, and \$50,000 of the general fund—federal appropriation are provided solely for staffing and other expenses associated with the work of the joint legislative executive committee on planning for aging and disability issues that is established by this subsection.

(a) A joint legislative executive committee on aging and disability is established, with members as provided in this subsection.

(i) Four members of the senate, with the leaders of the two largest caucuses each appointing two members. Four members of the house of representatives, with the leaders of the two largest caucuses each appointing two members;

(ii) A member from the office of the governor, appointed by the governor;

(iii) The secretary of the department of social and health services or his or her designee;

(iv) The director of the health care authority or his or her designee; and

(v) The director of the department of retirement systems or his or her designee.

(b) The committee must convene by September 1, 2013. At the first meeting, the committee will select cochairs from among its members who are legislators. All meetings of the committee are open to the public.

(c) The purpose of the committee is to identify key strategic actions to prepare for the aging of the population in Washington, including state budget and policy options, by conducting at least, but not limited to, the following tasks:

(i) Establish a profile of Washington's current population of older people and people with disabilities and a projection of population growth through 2030;

(ii) Establish an inventory of services and supports currently available to older people and people with disabilities from the health care and long-term services and support systems and other community resources such as housing, transportation, income support, and protection for vulnerable adults;

(iii) Identify state budget and policy options to more effectively use state, federal and private resources to, over time, reduce the growth rate in state expenditures that would otherwise occur by continuing current policy in light of significant population growth;

(iv) Identify strategies to better serve the health care needs of an aging population and people with disabilities, and promote healthy living;

(v) Identify policy options to create financing mechanisms for long-term services and supports that will promote additional private responsibility for individuals and families to meet their needs for service;

(vi) Identify policies to promote financial security in retirement, support people who wish to stay in the workplace longer, and expand the availability of workplace retirement savings plans; and

(vii) Identify policy options to help communities adapt to the aging demographic in planning for housing, land use and transportation.

(d) The committee shall consult with the office of the insurance commissioner, the caseload forecast council, health care authority, and other appropriate entities with specialized knowledge of the needs and growth trends of the aging population and people with disabilities.

(e) Staff support for the committee shall be provided by the office of program research, senate committee services, the office of financial management, and the department of social and health services.

(f) Within existing appropriations, the cost of meetings must be paid jointly by the senate, house of representatives, and the office of financial management. Joint committee expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees. The joint committee members may be reimbursed for travel expenses as authorized under RCW 43.03.050 and 43.03.060, and chapter 44.04 RCW as appropriate. Advisory committee members may not receive compensation or reimbursement for travel and expenses.

(g) The committee shall issue an interim report to the legislature by December 10, 2013, and issue final recommendations to the governor and relevant standing committees of the legislature by December 10, 2014.

(12) \$240,000 of the general fund—state appropriation for fiscal year 2014, \$1,342,000 of the general fund—state appropriation for fiscal year 2015, and \$1,468,000 of the general fund—federal appropriation are provided solely to implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (2SSB 5732).

(13) The department shall review the capital add-on rate established by RCW 74.39A.320 for effectiveness in incentivizing assisted living facilities to serve Medicaid eligible clients. Upon completing its review, the department shall submit its findings along with recommendations for alternatives to the office of financial management and the fiscal committees of the legislature by December 1, 2013. The department is encouraged to engage stakeholders in developing alternatives.

(14) \$239,000 of the general fund—state appropriation for fiscal year 2014, \$160,000 of the general fund—state appropriation for fiscal year 2015, and \$398,000 of the general fund—federal appropriation are provided solely to implement chapter 300, Laws of 2013 (SSB 5630).

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

General Fund—State Appropriation (FY 2014)	\$402,504,000
General Fund—State Appropriation (FY 2015)	\$405,019,000
General Fund—Federal Appropriation	\$1,211,774,000
General Fund—Private/Local Appropriation	\$30,594,000

TOTAL APPROPRIATION \$2,049,891,000

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

(1)(a) \$178,757,000 of the general fund—state appropriation for fiscal year 2014, \$172,999,000 of the general fund—state appropriation for fiscal year 2015, and \$732,881,000 of the general fund—federal appropriation are provided solely for all components of the WorkFirst program. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. The department must create a WorkFirst budget structure that allows for transparent tracking of budget units and subunits of expenditures where these units and subunits are mutually exclusive from other department budget units. The budget structure must include budget units for the following: Cash assistance, child care, WorkFirst activities, and administration of the program. Within these budget units, the department must develop program index codes for specific activities and develop allotments and track expenditures using these codes. The department shall report to the office of financial management and the relevant fiscal and policy committees of the legislature prior to adopting the new structure. The secretary of the department of social and health services, working with WorkFirst partner agencies and in collaboration with the WorkFirst oversight task force, shall develop a plan for maximizing the following outcomes and shall report back to the legislature by November 1, 2013. The outcomes to be measured are: (i) Increased employment; (ii) completion of education or post-secondary training; (iii) completion of barrier removal activity including drug and alcohol or mental health treatment; (iv) housing stability; (v) child care or education stability for the children of temporary assistance for needy families recipients; (vi) reduced rate of return after exit from the WorkFirst program; and (vii) work participation requirements.

(b) \$406,818,000 of the amounts in (a) of this subsection are provided solely for assistance to clients, including grants, diversion cash assistance, and additional diversion emergency assistance including but not limited to assistance authorized under RCW 74.08A.210. The department may use state funds to provide support to working families that are eligible for temporary assistance for needy families but otherwise not receiving cash assistance.

(c) \$168,019,000 of the amounts in (a) of this subsection are provided solely for WorkFirst job search, education and training activities, barrier removal services, limited English proficiency services, and tribal assistance under RCW 74.08A.040. The department must allocate this funding based on client outcomes and cost effectiveness measures.

(d) \$367,676,000 of the amounts in (a) of this subsection are provided solely for the working connections child care program under RCW 43.215.135.

(e) \$142,124,000 of the amounts in (a) of this subsection are provided solely for WorkFirst and working connections child care administration and overhead.

(f) The amounts in (b) through (d) of this subsection shall be expended for the programs and in the amounts specified. However, the department may transfer up to 10 percent of funding between (b) through (d) of this subsection, but only if the funding is available or necessary to transfer solely due to utilization, caseload changes, or underperformance in terms of client outcomes.

The department shall provide notification prior to any transfer to the office of financial management and to the appropriate legislative committees and the legislative-executive WorkFirst oversight task force. The approval of the director of financial management is required prior to any transfer under this subsection.

(2) \$1,657,000 of the general fund—state appropriation for fiscal year 2014 and \$1,657,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for naturalization services.

(3) \$2,366,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for employment services for refugees and immigrants, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services; and \$2,366,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for employment services for refugees and immigrants, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services.

(4) On December 1, 2013, and annually thereafter, the department must report to the legislature on all sources of funding available for both refugee and immigrant services and naturalization services during the current fiscal year and the amounts expended to date by service type and funding source. The report must also include the number of clients served and outcome data for the clients.

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

(6) \$18,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of section 1, chapter 337, Laws of 2013 (2SSB 5595).

(7) \$4,729,000 of the general fund—state appropriation for fiscal year 2014 and \$4,729,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of the telephone assistance program and the Washington information network 211 organization pursuant to Substitute House Bill No. 1971 (communication services). Of these funds, \$500,000 of the general fund—state appropriation for fiscal year 2014 and \$500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for operational support of the Washington information network 211 organization. If Substitute House Bill No. 1971 (communication services) is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

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

(9) The department shall continue the interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veterans' services. This agreement must include out-stationing department of veterans' affairs staff in selected community service

office locations in King and Pierce counties to facilitate applications for veterans' services.

(10) \$500,000 of the general fund—state appropriation for fiscal year 2014 and \$1,500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Substitute House Bill No. 2069 (safety net benefits). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

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

General Fund—State Appropriation (FY 2014)	\$72,650,000
General Fund—State Appropriation (FY 2015)	\$61,855,000
General Fund—Federal Appropriation	\$277,248,000
General Fund—Private/Local Appropriation	\$13,554,000
Criminal Justice Treatment Account—State Appropriation	\$14,568,000
Problem Gambling Account—State Appropriation	\$1,450,000
TOTAL APPROPRIATION	\$441,325,000

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

(1) Within the amounts appropriated in this section, the department may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program or other specialized chemical dependency case management providers for pregnant, post-partum, and parenting women. For all contractors: (a) Service and other outcome data must be provided to the department by request; (b) program modifications needed to maximize access to federal medicaid matching funds will be phased in over the course of the 2013-2015 fiscal biennium; and (c) indirect charges for administering the program shall not exceed ten percent of the total contract amount.

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

(3) In accordance with RCW 70.96A.090 and 43.135.055, the department is authorized to adopt fees for the review and approval of treatment programs in fiscal years 2014 and 2015 as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited.

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

(5) \$2,600,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the department to transition 128 beds from settings that are considered institutions for mental diseases to facilities with no more than 16 beds that are able to claim federal match for services provided to medicaid clients or individuals covered under the department's section 1115 medicaid waiver. The department may conduct a request for proposal process to fulfill this requirement and adopt rates that are comparable to the pilot projects implemented in the 2011-13 fiscal biennium. The department may use these funds to assist with the costs of providers in setting up or converting to 16-bed facilities. This funding may also be used for providers that are developing new capacity for clients who will become eligible for services under the affordable care act medicaid expansion. The number of beds available for pregnant and parenting women must not be reduced.

(6) \$283,000 of the criminal justice treatment account appropriation is provided solely for transitional funding for the family drug court in Pierce county.

(7) Within the amounts appropriated in this section, the department shall contract with the Washington state institute for public policy for a long-term efficacy study of the chemical dependency treatment programs funded by the division of alcohol and substance abuse. The study shall focus on how many program participants successfully complete dependency programs and how long they abstain from use of drugs and alcohol.

*Sec. 208 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL REHABILITATION PROGRAM

General Fund—State Appropriation (FY 2014)	\$16,478,000
General Fund—State Appropriation (FY 2015)	\$16,459,000
General Fund—Federal Appropriation	\$99,413,000
TOTAL APPROPRIATION	\$132,350,000

The appropriations in this section are subject to the following conditions and limitations: \$5,006,000 of the general fund—state appropriation for fiscal year 2014 and \$5,094,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.

NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT PROGRAM

General Fund—State Appropriation (FY 2014)	\$36,420,000
General Fund—State Appropriation (FY 2015)	\$35,813,000
TOTAL APPROPRIATION	\$72,233,000

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

(1) The department of social and health services shall transfer the stewardship of McNeil Island to the department of corrections industries program, effective September 1, 2013. The transferred responsibilities shall include marine operations, waste water treatment, water treatment, road maintenance, and any other general island maintenance that is not site specific to the operations of the special commitment center or the Pierce county secure community transition facility. Facility maintenance within the perimeter of the special commitment center shall remain the responsibility of the department of social and health services. Capital repairs and maintenance necessary to maintain the special commitment center on McNeil Island shall be managed by the department of social and health services. The legislature directs both departments to enter into an interagency agreement by August 1, 2013. The office of financial management shall oversee the negotiations of the interagency agreement. The interagency agreement must describe equipment that will transfer between the departments, warehouse space that will be shared by the departments, and occupancy requirements for any shops outside the perimeter of the special commitment center. The office of financial management will make the final determination on any disagreements between the departments on the details of the interagency agreement.

(2) \$3,120,000 of the general fund—state appropriation for fiscal year 2014 and \$3,120,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for operational costs specific to island operations of the special commitment center and the Pierce county secure community transition facility. The department shall establish an accounting structure that enables it to track and report on costs specific to island operations.

(3) All employees of the department of social and health services engaged in performing the powers, functions, and duties transferred to the department of corrections industries program under this subsection, are transferred to the department of corrections.

(4) All classified employees of the department of social and health services assigned to the department of corrections under this subsection whose positions are within an existing bargaining unit description at the department of corrections shall become a part of the existing bargaining unit at the department of corrections and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund—State Appropriation (FY 2014)	\$30,127,000
General Fund—State Appropriation (FY 2015)	\$29,333,000
General Fund—Federal Appropriation	\$37,150,000
General Fund—Private/Local Appropriation	\$654,000
TOTAL APPROPRIATION	\$97,264,000

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

(1) \$395,000 of the general fund--state appropriation for fiscal year 2014, \$228,000 of the general fund—state appropriation for fiscal year 2015, and \$335,000 of the general fund—federal appropriation are provided solely to

implement chapter 320, Laws of 2013 (ESHB 1519) and chapter 338, Laws of 2013 (2SSB 5732).

(2) \$300,000 of the general fund—state appropriation for fiscal year 2014 and \$300,000 of the general fund—state appropriation for fiscal year 2015 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.

(3) \$82,000 of the general fund—state appropriation for fiscal year 2014, \$44,000 of the general fund—state appropriation for fiscal year 2015, and \$28,000 of the general fund—federal appropriation are provided solely to develop a report on state efforts to prevent and control diabetes. The department, the health care authority, and the department of health shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational diabetes that includes a range of actionable items for consideration by the legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (5).

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund—State Appropriation (FY 2014)	\$60,470,000
General Fund—State Appropriation (FY 2015)	\$60,511,000
General Fund—Federal Appropriation	\$55,264,000
TOTAL APPROPRIATION	\$176,245,000

***NEW SECTION. Sec. 213. FOR THE STATE HEALTH CARE AUTHORITY**

General Fund—State Appropriation (FY 2014)	\$2,131,026,000
General Fund—State Appropriation (FY 2015)	\$2,114,731,000
General Fund—Federal Appropriation	\$7,245,749,000
General Fund—Private/Local Appropriation	\$57,780,000
Emergency Medical Services and Trauma Care Systems	
Trust Account—State Appropriation	\$15,082,000
Hospital Safety Net Assessment Fund—State	
Appropriation	\$669,381,000
Health Benefit Exchange Account—State Appropriation	\$17,277,000
State Health Care Authority Administration Account—	
State Appropriation	\$34,809,000
Medical Aid Account—State Appropriation	\$528,000
Medicaid Fraud Penalty Account—State Appropriation	\$21,206,000
TOTAL APPROPRIATION	\$12,307,569,000

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

(1) \$1,143,994,000 of the general fund—federal appropriation is provided solely to implement the medicaid expansion as defined in the social security act, section 1902(a)(10)(A)(i)(VIII), subject to the conditions and limitations in this subsection. If the federal medical assistance percentage for the medicaid expansion falls below the percentages in section 1905(y) of the social security act as of July 1, 2013, the authority shall ensure that the state does not incur any additional state costs above what would have been incurred had the federal medical assistance percentages remained at the percentages in section 1905(y) as of July 1, 2013. The director is authorized to make any necessary program adjustments to comply with this requirement, including adding or adjusting premiums, modifying benefits, or reducing optional programs. To the extent a waiver is needed to accomplish this, the director shall promptly apply for such waiver. If a necessary waiver is not approved, the medicaid expansion program shall be terminated upon appropriate notification to the legislature and enrollees.

(2) The requirements of this subsection apply to the basic health plan. This subsection is null and void and has no further effect upon implementation of the medicaid expansion under subsection (1) of this section.

(a) Within amounts appropriated in this section and sections 205 and 206 of this act, the health care authority shall continue to provide an enhanced basic health plan subsidy for foster parents licensed under chapter 74.15 RCW and workers in state-funded home care programs. Under this enhanced subsidy option, foster parents eligible to participate in the basic health plan as subsidized enrollees and home care workers with family incomes below 200 percent of the

federal poverty level shall be allowed to enroll in the basic health plan at the minimum premium amount charged to enrollees with incomes below sixty-five percent of the federal poverty level.

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

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

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

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

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

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

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

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

(8) \$4,261,000 of the general fund—state appropriation for fiscal year 2014, \$4,261,000 of the general fund—state appropriation for fiscal year 2015, and \$8,522,000 of the general fund—federal appropriation are provided solely for low-income disproportionate share hospital payments.

(9) \$400,000 of the general fund—state appropriation for fiscal year 2014, \$400,000 of the general fund—state appropriation for fiscal year 2015, and \$800,000 of the general fund—federal appropriation are provided solely for disproportionate share hospital payments to rural hospitals certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011 that do not participate in the certified public expenditures program.

(10) \$100,000 of the general fund—state appropriation for fiscal year 2014 and \$100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for grants to rural hospitals in Clallam county that were certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011.

(11) Within the amounts appropriated in this section, the health care authority shall provide disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

(12) \$6,000,000 of the general fund—federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

(13) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2013-2015 fiscal biennium. The program

shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2013, and by November 1, 2014, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2014 and fiscal year 2015, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2013-2015 biennial operating appropriations act and in effect on July 1, 2013, (b) one-half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2013-2015 fiscal biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. \$3,860,000 of the general fund—state appropriation for fiscal year 2014 and \$1,137,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for state grants for the participating hospitals.

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

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

(16) \$170,000 of the general fund—state appropriation for fiscal year 2014, \$121,000 of the general fund—state appropriation for fiscal year 2015, and \$292,000 of the general fund—federal appropriation are provided solely to implement Engrossed Substitute House Bill No. 1519 (service coordination organizations) and Second Substitute Senate Bill No. 5732 (behavioral health services). If neither of the bills is enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(17) \$57,000 of the general fund—state appropriation for fiscal year 2014, \$40,000 of the general fund—state appropriation for fiscal year 2015, and \$55,000 of the general fund—federal appropriation are provided solely to develop a report on state efforts to prevent and control diabetes. The authority, the department of social and health services, and the department of health shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational

diabetes that includes a range of actionable items for consideration by the legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (17).

(18) Within the amounts appropriated in this section, the authority shall identify strategies to improve patient adherence to treatment plans for diabetes and implement these strategies as a pilot through one health home program to be identified by the authority. The authority shall report to the governor and the legislature in December 2014 on the progress of strategy implementation. The authority shall report to the governor and legislature in December 2015 on patient outcomes and cost savings derived from new adherence strategies in the health home model and make recommendations for improving the strategies.

(19) Effective January 1, 2014, managed care contracts must incorporate accountability measures that monitor patient health and improved health outcomes, and shall include an expectation that each patient receive a wellness examination that documents the baseline health status and allows for monitoring of health improvements and outcome measures.

(20) \$25,000 of the general fund—state appropriation for fiscal year 2014 and \$25,000 of the general fund—federal appropriation are provided solely for the development of recommendations for funding integrated school nursing and outreach services. The authority shall collaborate with the office of the superintendent of public instruction to develop recommendations for increasing federal financial participation for providing nursing services in schools with the goals of integrating nursing and outreach services and supporting one nurse for every four hundred fifty students in elementary schools and one nurse for every seven hundred fifty students in secondary schools. In developing these recommendations, the authority shall inquire with the federal centers for medicare and medicaid services about state plan amendment or waiver options for receiving additional federal matching funds for school nursing services provided to children enrolled in apple health for kids. The recommendations shall include proposals for funding training and reimbursement for nurses that provide outreach services to help eligible students enroll in apple health for kids and other social services programs. The authority and the office of the superintendent of public instruction shall provide these recommendations to the governor and the legislature by December 1, 2013.

(21) \$430,000 of the general fund—state appropriation for fiscal year 2014 and \$500,000 of the general fund—federal appropriation are provided solely to complete grant requirements for the health information exchange.

(22) \$143,000 of the medicaid fraud penalty account—state appropriation and \$423,000 of the general fund—federal appropriation are provided solely for the rebasing of outpatient and inpatient payment methods.

(23) \$1,163,000 of the medicaid fraud penalty account—state appropriation and \$9,710,000 of the general fund—federal appropriation are provided solely to

implement the conversion to the tenth version of the world health organization's international classification of diseases.

(24) \$111,000 of the general fund—state appropriation for fiscal year 2014, \$35,000 of the general fund—state appropriation for fiscal year 2015, and \$359,000 of the general fund—federal appropriation are provided solely to update the medicaid information technology architecture state self-assessment and to develop the five year road map for the medicaid information technology architecture architect.

(25) \$62,000 of the general fund—state appropriation for fiscal year 2014, \$62,000 of the general fund—state appropriation for fiscal year 2015, and \$126,000 of the general fund—federal appropriation are provided solely to support the Robert Bree collaborative's efforts to disseminate evidence-based best practices for preventing and treating health problems.

(26) Within the amounts appropriated in this section, the authority shall increase reimbursement rates for primary care services provided by independent nurse practitioners to medicare levels for the period from July 1, 2013, to December 31, 2014.

(27) The authority shall seek a medicaid state plan amendment to create a professional services supplemental payment managed care program for professional services delivered to managed care recipients by University of Washington medicine and other public professional providers. This program shall be effective as soon as administratively possible and shall operate concurrently with the existing professional services supplemental payment program. The authority shall apply federal rules for identifying the difference between average commercial rates and fee-for-service medicaid payments. This difference will be multiplied by the number of managed care encounters and incorporated into the managed care plan capitation rates by a certified actuary. The managed care plans will pay the providers the difference attributable to the increased capitation rate. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the authority in the development, implementation, and maintenance of this program shall be the responsibility of the participating providers. Participating providers shall retain the full amount of supplemental payments provided under this program, net of any costs related to the program that are disallowed due to audits or litigation against the state.

(28) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit beginning January 1, 2014.

(29) To the extent allowed under federal law, the authority shall require an adult client to enroll in full medicaid coverage instead of family planning-only coverage unless the client is at risk of domestic violence.

(30) The authority shall facilitate enrollment under the medicaid expansion for clients applying for or receiving state funded services from the authority and its contractors. Prior to open enrollment, the authority shall coordinate with the department of social and health services to provide referrals to the Washington health benefit exchange for clients that will be ineligible for the medicaid expansion but are enrolled in coverage that will be eliminated in the transition to the medicaid expansion.

(31) \$90,000 of the general fund—state appropriation for fiscal year 2014, \$90,000 of the general fund—state appropriation for fiscal year 2015, and

\$180,000 of the general fund—federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program.

(32) Within the amounts appropriated in this section, the authority shall reduce premiums for children with family incomes above 200 percent of the federal poverty level in the state-funded children's health program who are not eligible for coverage under the federal children's health insurance program. Premiums in the state and federal children's health insurance program shall be equal.

(33) The appropriations in this section reflect savings and efficiencies by transferring children receiving medical care provided through fee-for-service to medical care provided through managed care.

(34) \$150,000 of the general fund—state appropriation for fiscal year 2014, \$436,000 of the general fund—state appropriation for fiscal year 2015, and \$170,561,000 of the general fund—federal appropriation are provided solely for the provider incentive program and other initiatives related to the health information technology medicaid plan.

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

(36) The authority shall not subject antiretroviral drugs used to treat HIV/AIDS, anticancer medications used to kill or slow the growth of cancerous cells, antihemophilic drugs, or transplant drugs to any medicaid preferred drug list or formulary for the fee-for-service population.

(37) \$1,531,000 of the general fund—state appropriation for fiscal year 2014, \$280,000 of the general fund—state appropriation for fiscal year 2015, and \$10,803,000 of the general fund—federal appropriation are provided solely to implement phase two of the project to create a single provider payment system that consolidates medicaid medical and social services payments and replaces the social service payment system. The amounts provided in this subsection are conditioned on the authority satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

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

(39) The health care authority shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The health care authority may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the

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

(40) Within the amounts appropriated in this section, the authority shall reimburse for primary care services provided by naturopathic physicians.

(41) Within amounts appropriated, the health care authority shall conduct a review of its management and staffing structure to identify efficiencies and opportunities to reduce full time equivalent employees and other administrative costs. A report summarizing the review and the authority's recommendations to reduce costs and full time equivalent employees must be submitted to the governor and legislature by November 1, 2013.

(42) \$17,279,000 of the health benefit exchange account—state appropriation and \$2,721,000 of the general fund—federal appropriation are provided solely to support the operations of the Washington health benefit exchange from January 1, 2015, to June 30, 2015. The Washington state health insurance pool administrator shall transfer \$20,838,000 of pool contributions to the treasurer for deposit into the health benefit exchange account in calendar year 2014.

(43) Within the amounts appropriated in this section, the authority shall continue to provide coverage after December 31, 2013, for pregnant teens that qualify under existing pregnancy medical programs, but whose eligibility for pregnancy related services would otherwise end due to the application of the new modified adjusted gross income eligibility standard.

(44) Upon implementation of the medicaid expansion under subsection (1) of this section, the breast and cervical cancer treatment program is eliminated. To maintain continuity of coverage, the authority shall offer the option to stay in a fee-for-service program to clients that are already enrolled in the breast and cervical cancer treatment program and will be transitioned into the new adult group upon implementation of the medicaid expansion. The authority will continue to provide coverage to clients that are already enrolled in the breast and cervical cancer treatment program at the time of program elimination until their courses of treatment are completed.

(45) \$40,000 of the general fund—state appropriation for fiscal year 2014 and \$40,000 of the general fund—federal appropriation are provided solely for the authority to create a new position to provide adequate oversight and assistance to managed care organizations, rural health clinics, and federally qualified health centers under a new administratively streamlined payment methodology. Effective July 1, 2013, or upon obtaining any necessary federal approval, but in no case during the first quarter of a calendar year, the authority shall implement an administratively streamlined payment methodology for federally qualified health centers and rural health clinics. The authority's payments to managed care organizations shall include the full encounter payment comprised of both the standard and enhancement payments for

federally qualified health centers and rural health clinics as defined in the medicaid state plan and in accordance with section 1902(bb) of the social security act (42 U.S.C. 1396a(bb)). At no time will a managed care organization be at risk for or have any claim to the supplemental payment portion of the rate which will be reconciled to ensure accurate payment and full pass through of the obligated funds. For any services eligible for encounter payments, as defined in the medicaid state plan, managed care organizations shall be required to pay at least the full published encounter rates directly to each clinic or center, and payments will be reconciled on at least an annual basis between the managed care organization and the authority, with final review and approval by the authority. At the option of any clinic, the enhancement payment can be received from the managed care organization on a per member per month basis for all assigned managed care enrollees in an amount prescribed by the authority. Nothing in this section is intended to disrupt mutually agreeable contractual arrangements between managed care organizations and clinics that impact how the standard payment for services is paid. The authority will require participating managed care organizations to reimburse federally qualified health centers and rural health clinics for clean claims in strict adherence to the timeliness of payment standards established under contract and specified for the medicaid fee-for-service program in section 1902(a)(37) of the social security act (42 U.S.C. 1396a(a)(37)), 42 C.F.R. Sec. 447.46, and specified for health carriers in WAC 284-43-321. The authority shall exercise all necessary options under its existing sanctions policy to enforce timely payment of claims. The authority shall ensure necessary staff and resources are identified to actively monitor and enforce the timeliness and accuracy of payments to federally qualified health centers and rural health clinics. By January 1, 2014, and after collaboration with federally qualified health centers, rural health clinics, managed care plans, and the centers for medicare and medicaid services, the authority will produce a report that provides options for a new payment methodology that rewards innovation and outcomes over volume of services delivered, and which maintains the integrity of the rural health clinic and federally qualified health center programs as outlined under federal law. The report will detail necessary federal authority for implementation and provide the benefits and drawbacks of each option.

(46) \$3,605,000 of the general fund—state appropriation for fiscal year 2014 is provided solely to proportionally reduce the amounts that rural health clinics owe the state under the calendar year 2009 recoupment.

(47) Sufficient amounts are appropriated in this section to remove the mental health visit limit and to provide the shingles vaccine and screening, brief intervention, and referral to treatment benefits that are available in the medicaid alternative benefit plan in the current medicaid benefit plan beginning January 1, 2014. The authority shall monitor the costs of the habilitative benefit as part of the forecasting process but shall not provide this benefit in the current medicaid benefit plan without a direct appropriation in the omnibus appropriations act.

(48) The appropriations in this section reflect savings and efficiencies achieved by modifying dispensing methods of contraceptive drugs. The authority must make arrangements for all medicaid programs offered through managed care plans or fee-for-service programs to require dispensing of contraceptive drugs with a one-year supply provided at one time unless a patient

requests a smaller supply or the prescribing physician instructs that the patient must receive a smaller supply. Contracts with managed care plans must allow on-site dispensing of the prescribed contraceptive drugs at family planning clinics. Dispensing practices must follow clinical guidelines for appropriate prescribing and dispensing to ensure the health of the patient while maximizing access to effective contraceptive drugs.

(49)(a) \$75,000 of the general fund—state appropriation for fiscal year 2014 and \$75,000 of the general fund—federal appropriation are provided solely for preparing options with an expert consultant for possible implementation of a targeted premium assistance program and possible implementation of the federal basic health option. \$75,000 of the amounts appropriated in this subsection is provided solely for the development of options related to the targeted premium assistance program. The authority shall develop options for a waiver request to the federal centers for medicare and medicaid services to implement a targeted premium assistance program for the expansion adults, identified in section 1902(a)(10)(A)(i)(VIII) of the social security act, with incomes above one hundred percent of the federal poverty level, and for children covered in the children's health insurance program with incomes above two hundred percent of the federal poverty level, with a goal of providing seamless coverage through the health benefit exchange and improving opportunities for families to be covered in the same health plans. The options must include the possibility of applying premiums for individuals and cost-sharing that may exceed the five percent of family income cap under federal law, and the options must include recommendations to make the targeted premium assistance program cost neutral. The authority shall submit a report on the options to the legislature and the governor by January 1, 2014. The authority is encouraged to be creative, use subject matter experts, and exhaust all possible options to achieve cost neutrality. The report shall also include a detailed plan and timeline. \$75,000 of the amounts appropriated in this subsection is provided solely for the development of options related to the federal basic health option. The authority shall prepare options for implementing the federal basic health option as federal guidance becomes available. The authority shall submit a report on the options to the legislature and the governor by January 1, 2014, or ninety days following the release of federal guidance. The report must include a comparison of the premiums and cost-sharing under the federal basic health option with the premium assistance options described in this subsection, options for implementing the federal basic health option in combination with a premium assistance program, a detailed fiscal analysis for each coverage approach, including the estimated costs for system design and implementation, and information about impacted populations.

(b) Where possible, the authority shall leverage the same expert consultants to review each proposal and compare and contrast the approaches to ensure seamless coordination with the health benefit exchange.

(c) The authority shall collaborate with the joint select committee on health care oversight in the development of these options.

*Sec. 213 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 214. FOR THE HUMAN RIGHTS COMMISSION

General Fund—State Appropriation (FY 2014) \$2,077,000

General Fund—State Appropriation (FY 2015)	\$1,996,000
General Fund—Federal Appropriation	\$2,185,000
TOTAL APPROPRIATION	\$6,258,000

The appropriations in this section are subject to the following conditions and limitations: \$218,000 of the general fund—federal appropriation is provided for additional financial resources from the U.S. department of housing and urban development for the investigation of discrimination cases involving service animals.

NEW SECTION. Sec. 215. FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account—State Appropriation	\$10,000
Accident Account—State Appropriation	\$19,763,000
Medical Aid Account—State Appropriation	\$19,763,000
TOTAL APPROPRIATION	\$39,536,000

NEW SECTION. Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund—State Appropriation (FY 2014)	\$14,257,000
General Fund—State Appropriation (FY 2015)	\$14,159,000
General Fund—Private/Local Appropriation	\$3,059,000
Death Investigations Account—State Appropriation	\$148,000
Municipal Criminal Justice Assistance Account— State Appropriation	\$460,000
Washington Auto Theft Prevention Authority Account— State Appropriation	\$8,597,000
TOTAL APPROPRIATION	\$40,680,000

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

- (1) \$5,000,000 of the general fund—state appropriation for fiscal year 2014 and \$5,000,000 of the general fund—state appropriation for fiscal year 2015, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130.
- (2) \$340,000 of the general fund—local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.
- (3) The criminal justice training commission may not run a basic law enforcement academy class of fewer than 30 students.
- (4) \$100,000 of the general fund—state appropriation for fiscal year 2014 and \$100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a school safety program. The commission, in collaboration with the school safety center advisory committee, shall provide the school safety training for all school administrators and school safety personnel hired after the effective date of this section.

(5) \$96,000 of the general fund—state appropriation for fiscal year 2014 and \$96,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the school safety center within the commission. The safety center shall act as an information dissemination and resource center when an incident occurs in a school district in Washington or in another state, coordinate activities relating to school safety, and review and approve manuals and curricula used for school safety models and training. Through an interagency agreement, the commission shall provide funding for the office of the superintendent of public instruction to continue to develop and maintain a school safety information web site. The school safety center advisory committee shall develop and revise the training program, using the best practices in school safety, for all school safety personnel. The commission shall provide research-related programs in school safety and security issues beneficial to both law enforcement and schools.

(6) \$123,000 of the general fund—state appropriation for fiscal year 2014 and \$123,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the costs of providing statewide advanced driving training with the use of a driving simulator.

(7) \$165,000 of the general fund—state appropriation for fiscal year 2014 and \$165,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for crisis intervention training for peace officers. The commission shall incorporate eight hours of crisis intervention curriculum into its basic law enforcement academy and shall offer an eight-hour in-service crisis intervention training course.

***NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

General Fund—State Appropriation (FY 2014)	\$17,158,000
General Fund—State Appropriation (FY 2015)	\$17,733,000
General Fund—Federal Appropriation	\$11,876,000
Asbestos Account—State Appropriation	\$366,000
Electrical License Account—State Appropriation	\$37,124,000
Farm Labor Contractor Account—State Appropriation	\$28,000
Worker and Community Right-to-Know Account— State Appropriation	\$903,000
Public Works Administration Account—State Appropriation	\$6,252,000
Manufactured Home Installation Training Account— State Appropriation	\$353,000
Accident Account—State Appropriation	\$258,440,000
Accident Account—Federal Appropriation	\$13,626,000
Medical Aid Account—State Appropriation	\$278,697,000
Medical Aid Account—Federal Appropriation	\$3,186,000
Plumbing Certificate Account—State Appropriation	\$1,732,000
Pressure Systems Safety Account—State Appropriation	\$4,193,000
TOTAL APPROPRIATION	\$651,667,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase elevator fees by up to 13.1 percent during the 2013-2015 fiscal biennium. This increase is necessary to support expenditures authorized in this section, consistent with chapter 70.87 RCW.

(2) \$1,336,000 of the medical aid account—state appropriation is provided solely for implementation of Substitute Senate Bill No. 5362 (workers' compensation/vocational rehabilitation). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) \$279,000 of the public works administration account—state appropriation, \$4,000 of the medical aid account—state appropriation, and \$4,000 of the accident account—state appropriation are provided solely for implementation of Substitute House Bill No. 1420 (transportation improvement projects). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(4) \$104,000 of the general fund—state appropriation for fiscal year 2014 and \$104,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement Substitute Senate Bill No. 5123 (farm internships). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(5) The department of labor and industries must establish and perform, within existing funds, a formal review process of its existing rules. The goal of the review is to decrease the numbers of, simplify the process, and decrease the time required for obtaining licenses, permits, and inspections, as applicable, in order to reduce the regulatory burden on businesses without compromising public health and safety. Benchmarks must be adopted to assess the effectiveness of streamlining efforts. The department must establish a process for effectively applying sunset provisions to rules when applicable. The department must report to the applicable committees of the legislature with its review process and benchmarks by January 2014.

(6) \$210,000 of the medical aid account—state appropriation and \$630,000 of the accident account—state appropriation are provided solely for the contract costs and one staff position at the department for the purpose of implementing the logging safety initiative in an effort to reduce the frequency and severity of injuries in manual, or nonmechanized, logging. The department shall reduce \$840,000 of workers compensation funding used for the safety and health investment project to maintain cost neutrality. Additional costs for the implementation of the logging safety initiative shall be accomplished by the department within existing resources to include the assignment of two full-time auditors specifically for this purpose. The department is directed to include \$420,000 of these costs in its calculation of workers' compensation premiums for the forest products industry for 2014, 2015, and 2016 rates. The department shall report to the legislature by December 31, 2014, an approach for using a third party safety certification vendor, accomplishments of the taskforce, accomplishments on this effort to-date, and future plans. The report must identify options for future funding and make recommendations for permanent funding for this program.

***Sec. 217 was partially vetoed. See message at end of chapter.**

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund—State Appropriation (FY 2014)	\$1,996,000
General Fund—State Appropriation (FY 2015)	\$1,900,000
Charitable, Educational, Penal, and Reformatory Institutions Account—State Appropriation	\$10,000
TOTAL APPROPRIATION	\$3,906,000

(2) FIELD SERVICES

General Fund—State Appropriation (FY 2014)	\$5,340,000
General Fund—State Appropriation (FY 2015)	\$5,316,000
General Fund—Federal Appropriation	\$3,455,000
General Fund—Private/Local Appropriation	\$4,418,000
Veteran Estate Management Account—Private/Local Appropriation	\$1,104,000
TOTAL APPROPRIATION	\$19,633,000

The appropriations in this subsection are subject to the following conditions and limitations: \$300,000 of the general fund—state appropriation for fiscal year 2014 and \$300,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families in their communities through the veterans innovation program.

(3) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2014)	\$102,000
General Fund—State Appropriation (FY 2015)	\$20,000
General Fund—Federal Appropriation	\$68,981,000
General Fund—Private/Local Appropriation	\$39,355,000
TOTAL APPROPRIATION	\$108,458,000

***NEW SECTION. Sec. 219. FOR THE DEPARTMENT OF HEALTH**

General Fund—State Appropriation (FY 2014)	\$60,230,000
General Fund—State Appropriation (FY 2015)	\$59,198,000
General Fund—Federal Appropriation	\$536,074,000
General Fund—Private/Local Appropriation	\$139,455,000
Hospital Data Collection Account—State Appropriation	\$222,000
Health Professions Account—State Appropriation	\$104,722,000
Aquatic Lands Enhancement Account—State Appropriation	\$604,000
Emergency Medical Services and Trauma Care Systems Trust Account—State Appropriation	\$12,319,000
Safe Drinking Water Account—State Appropriation	\$5,267,000
Drinking Water Assistance Account—Federal Appropriation	\$14,806,000
Waterworks Operator Certification—State Appropriation	\$1,560,000
Drinking Water Assistance Administrative Account— State Appropriation	\$339,000
Site Closure Account—State Appropriation	\$159,000
Biotoxin Account—State Appropriation	\$1,323,000

State Toxics Control Account—State Appropriation	\$3,949,000
Medical Test Site Licensure Account—State Appropriation.	\$4,737,000
Youth Tobacco Prevention Account—State Appropriation	\$1,512,000
Public Health Supplemental Account—Private/Local Appropriation.	\$3,236,000
Accident Account—State Appropriation	\$304,000
Medical Aid Account—State Appropriation	\$50,000
Medicaid Fraud Penalty Account—State Appropriation.	\$987,000
TOTAL APPROPRIATION	\$951,053,000

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

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

(b) The joint administrative rules review committee shall review the new or amended rules pertaining to primary and secondary school facilities under (a) of this subsection. The review committee shall determine whether (i) the rules are within the intent of the legislature as expressed by the statute that the rule implements, (ii) the rule has been adopted in accordance with all applicable provisions of law, or (iii) that the agency is using a policy or interpretive statement in place of a rule. The rules review committee shall report to the appropriate policy and fiscal committees of the legislature the results of committee's review and any recommendations that the committee deems advisable.

(2) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish and raise fees in fiscal year 2014 as necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees required for newborn screening, and fees associated with the following professions: Agency affiliated counselors; certified counselors; and certified advisors.

(3) \$150,000 of the state toxics control account—state appropriation is provided solely to provide water filtration systems for low-income households with individuals at high public health risk from nitrate-contaminated wells in the lower Yakima basin.

(4)(a) \$64,000 of the medicaid fraud penalty account—state appropriation is provided solely for the department to integrate the prescription monitoring program into the coordinated care electronic tracking program developed in response to section 213, chapter 7, Laws of 2012, 2nd sp. sess., commonly referred to as the seven best practices in emergency medicine.

(b) The integration must provide prescription monitoring program data to emergency department personnel when the patient registers in the emergency department. Such exchange may be a private or public joint venture, including the use of the state health information exchange.

(c) As part of the integration, the department shall request insurers and third-party administrators that provide coverage to residents of Washington state to provide the following to the coordinated care electronic tracking program:

(i) Any available information regarding the assigned primary care provider, and the primary care provider's telephone and fax numbers. This information is to be used for real-time communication to an emergency department provider when caring for a patient; and

(ii) Information regarding any available care plans or treatment plans for patients with higher utilization of services on a regular basis. This information is to be provided to the treating provider.

(5) \$270,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the Washington autism alliance to assist autistic individuals and families with autistic children during the transition to federal health reform.

(6) \$6,000 of the general fund—state appropriation for fiscal year 2014 and \$5,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to convene a work group to study and recommend language for standardized clinical affiliation agreements for clinical placements associated with the education and training of physicians licensed under chapter 18.71 RCW, osteopathic physicians and surgeons licensed under chapter 18.57 RCW, and nurses licensed under chapter 18.79 RCW. The work group shall develop one recommended standardized clinical affiliation agreement for each profession or one recommended standardized clinical affiliation agreement for all three professions.

(a) When choosing members of the work group, the department shall consult with the health care personnel shortage task force and shall attempt to ensure that the membership of the work group is geographically diverse. The work group must, at a minimum, include representatives of the following:

(i) Two-year institutions of higher education;

(ii) Four-year institutions of higher education;

(iii) The University of Washington medical school;

(iv) The college of osteopathic medicine at the Pacific Northwest University of Health Sciences;

(v) The health care personnel shortage task force;

(vi) Statewide organizations representing hospitals and other facilities that accept clinical placements;

(vii) A statewide organization representing physicians;

(viii) A statewide organization representing osteopathic physicians and surgeons;

(ix) A statewide organization representing nurses;

(x) A labor organization representing nurses; and

(xi) Any other groups deemed appropriate by the department in consultation with the health care personnel shortage task force.

(b) The work group shall report its findings to the governor and the appropriate standing committees of the legislature no later than November 15, 2014.

(7) \$65,000 of the general fund—state appropriation for fiscal year 2014 and \$65,000 of the general fund—state appropriation for fiscal year 2015 are for the midwifery licensure and regulatory program to supplement revenue from fees. The department shall charge no more than five hundred twenty-five dollars annually for new or renewed licenses for the midwifery program.

(8) During the 2013-2015 fiscal biennium, each person subject to RCW 43.70.110(3)(c) is required to pay only one surcharge of up to twenty-five dollars annually for the purposes of RCW 43.70.112, regardless of how many professional licenses the person holds.

(9) \$654,000 of the health professions account—state appropriation is provided solely for the implementation of Engrossed Senate Bill No. 5206 (health sciences library). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) \$35,000 of the health professions account—state appropriation is provided solely for the implementation of House Bill No. 1003 (health professions licensees). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(11) \$10,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1270 (board of denturists). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(12) \$10,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1271 (denturism). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(13) \$11,000 of the health professions account—state appropriation is provided solely for the implementation of House Bill No. 1330 (dental hygienists, assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(14) \$1,008,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1343 (nurses surcharge). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(15) \$34,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1376 (suicide assessment training). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(16) \$10,000 of the health professions account—state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No.

1515 (medical assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(17) \$2,185,000 of the health professions account—state appropriation is provided solely for the implementation of Second Substitute House Bill No. 1518 (disciplinary authorities). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(18) \$141,000 of the general fund—private/local appropriation is provided solely for the implementation of Substitute House Bill No. 1525 (birth certificates). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(19) \$220,000 of the health professions account—state appropriation is provided solely for the implementation of House Bill No. 1534 (impaired dentist program). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(20) \$51,000 of the health professions account—state appropriation is provided solely for the implementation of House Bill No. 1609 (board of pharmacy). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(21) \$12,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1629 (home care aide continuing education). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(22) \$18,000 of the health professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1737 (physician assistants). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(23) \$77,000 of the general fund—state appropriation for fiscal year 2014 and \$38,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to develop a report on state efforts to prevent and control diabetes. The department, the health care authority, and the department of social and health services shall submit a coordinated report to the governor and the appropriate committees of the legislature by December 31, 2014, on the following:

(a) The financial impacts and reach that diabetes of all types and undiagnosed gestational diabetes are having on the programs administered by each agency and individuals, including children with mothers with undiagnosed gestational diabetes, enrolled in those programs. Items in this assessment must include: (i) The number of lives with diabetes and undiagnosed gestational diabetes impacted or covered by the programs administered by each agency; (ii) the number of lives with diabetes, or at risk for diabetes, and family members impacted by prevention and diabetes control programs implemented by each agency; (iii) the financial toll or impact diabetes and its complications, and undiagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs in comparison to other chronic diseases and conditions; and (iv) the financial toll or impact diabetes and its complications, and diagnosed gestational diabetes and the complications experienced during labor to children of mothers with gestational diabetes places on these programs;

(b) An assessment of the benefits of implemented and existing programs and activities aimed at controlling all types of diabetes and preventing the disease. This assessment must also document the amount and source for any funding directed to each agency for the programs and activities aimed at reaching those with diabetes of all types;

(c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all types of diabetes and its complications;

(d) The development or revision of detailed policy-related action plans and budget recommendations for battling diabetes and undiagnosed gestational diabetes that includes a range of actionable items for consideration by the legislature. The plans and budget recommendations must identify proposed action steps to reduce the impact of diabetes, prediabetes, related diabetes complications, and undiagnosed gestational diabetes. The plans and budget recommendations must also identify expected outcomes of the action steps proposed in the following biennium while also establishing benchmarks for controlling and preventing all types of diabetes; and

(e) An estimate of savings, efficiencies, costs, and budgetary savings and resources required to implement the plans and budget recommendations identified in (d) of this subsection (23).

(24) Within the general fund—state amounts appropriated in this section, the department of health will develop and administer the certified home care aide examination translated into at least seven languages in addition to the languages in which the examination is available on the effective date of this act. The purpose of offering the examination in additional languages is to encourage an adequate supply of certified home care aides to meet diverse long-term care client needs.

(25) The department of health must establish and perform, within existing funds, a formal review process of its existing rules. The goal of the review is to decrease the numbers of, simplify the process, and decrease the time required for obtaining licenses, permits, and inspections, as applicable, in order to reduce the regulatory burden on businesses without compromising public health and safety. Benchmarks must be adopted to assess the effectiveness of streamlining efforts. The department must establish a process for effectively applying sunset provisions to rules when applicable. The department must report to the applicable committees of the legislature with its review process and benchmarks by January 2014.

*Sec. 219 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 220. FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund—State Appropriation (FY 2014)	\$56,437,000
General Fund—State Appropriation (FY 2015)	\$54,779,000
Data Processing Revolving Account—State	
Appropriation	\$1,249,000
TOTAL APPROPRIATION	\$112,465,000

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

(a) \$35,000 of the general fund—state appropriation for fiscal year 2014 and \$35,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(b) \$150,000 of the general fund—state appropriation for fiscal year 2014 and \$75,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to contract with a consultant who can facilitate and provide project expertise on the implementation of community and prison based offender programming that follows the risk-needs-responsivity model.

(i) By September 1, 2013, the department shall provide to the consultant an inventory of all existing programming both in prisons and in community operations. The department shall consult with the Washington state institute for public policy (WSIPP) to determine whether programs are evidence-based or research-based using definitions provided by WSIPP and shall include this information on the inventory.

(ii) By October 1, 2013, the consultant shall report to the department, the office of financial management, and legislative fiscal committees on the department's current plans and processes for managing offender programming including processes for phasing-out ineffective programs and implementing evidence-based or research-based programs. All department programs should be considered by the consultant regardless of whether they are included on the most recent list of WSIPP approved identifiable evidence-based practices in (b)(i) of this subsection.

(iii) The WSIPP, in consultation with the department, shall systematically review selected programs to determine the effectiveness of these programs at reducing recidivism or other outcomes. The WSIPP shall conduct a benefit-cost analysis of these programs when feasible and shall report to the legislature by December 1, 2013.

(iv) Based on the report provided by the consultant and the WSIPP review of programs, the department shall work collaboratively with the consultant to develop and complete a written comprehensive implementation plan by January 15, 2014. The implementation plan must clearly identify the types of programs to be included, the recommended locations where the programs will be sited, an implementation timeline, and a phasing of the projected number of participants needed to meet the threshold of available program funds.

(v) Using the written implementation plan as a guide, the department must have programs in place and fully phased-in no later than June 30, 2015.

(vi) The department shall hold the consultant on retainer to assist the department as needed throughout the implementation process. The consultant shall review quarterly the actual implementation compared to the written implementation plan and shall provide a report to the secretary of the

department. The department shall provide reports to the office of financial management and legislative fiscal committees as follows:

(A) The written comprehensive implementation plan shall be provided by January 15, 2014; and

(B) Written progress updates shall be provided by July 1, 2014, and by December 1, 2014.

(2) CORRECTIONAL OPERATIONS

General Fund—State Appropriation (FY 2014)	\$605,039,000
General Fund—State Appropriation (FY 2015)	\$604,704,000
General Fund—Federal Appropriation	\$3,322,000
Washington Auto Theft Prevention Authority Account—	
State Appropriation	\$7,585,000
Environmental Legacy Stewardship Account—State	
Appropriation	\$105,000
County Criminal Justice Assistance Account—State	
Appropriation	\$390,000
TOTAL APPROPRIATION	\$1,221,145,000

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

(a) During the 2013-2015 fiscal biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

(b) \$501,000 of the general fund—state appropriation for fiscal year 2014 and \$501,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to maintain the facility, property, and assets at the institution formerly known as the maple lane school in Rochester. The department may not house incarcerated offenders at the maple lane site until specifically directed to do so by the legislature.

(c) By December 1, 2013, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's inmate intake processes and expenditures and makes recommendations for improvements. The evaluation must include an analysis of lean management processes that, if adopted, could improve the efficiency and cost effectiveness of inmate intake.

(d) By December 1, 2013, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's use of partial confinement and work release programs and makes recommendations for improving public safety and decreasing recidivism through increasing participation in partial confinement re-entry and work release programs. In making its recommendations, the department shall identify:

(i) Options for increasing the capacity of work release beds to meet the number of eligible offenders;

(ii) Potential cost savings to the state through contracting for or building new work release capacity;

(iii) Options for expanding eligibility for partial confinement, including creation of a structured re-entry program that includes stable housing, mandatory participation in evidence-based programs, and intensive supervision; and

(iv) Potential cost savings to the state from creation of a structured re-entry program.

(e) By December 1, 2013, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that evaluates the department's community parenting alternative program, and makes recommendations for increasing participation in the program with the goals of increasing public safety and decreasing recidivism. The evaluation shall include recommendations for increasing the placement of eligible offenders into the program and increasing eligibility to other populations. In making its recommendations, the department shall identify the percent of the eligible population currently entering the program, outcomes to-date for program participants, and potential cost savings from increasing placement of offenders into the program.

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

(g)(i) The legislature finds that it has taken several steps to mitigate the demand for prison capacity including funding evidence-based programming for offenders which is proven to reduce recidivism, funding evidence-based treatment alternatives to incarceration for drug-addicted offenders, standardizing inconsistencies in the drug sentencing grid, and authorizing the department to rent local jail beds. These steps will also assist the department's implementation of additional operational efficiencies by reducing costs related to offender intake, processing, and transportation.

(ii) Up to \$1,119,000 of the general fund—state appropriation for fiscal year 2014 and up to \$1,322,000 of the general fund—state appropriation for fiscal year 2015 may be used by the department to rent jail capacity for short-term offenders. In contracting for jail beds for short-term offenders, the department shall rent capacity from local and tribal governments to house offenders with an earned release date of less than one hundred twenty days remaining on his or her sentence at the time the offender would otherwise be transferred to a state correctional facility. The contracted daily costs for these offenders shall not exceed \$70 per offender including medical costs.

(h) The department of corrections shall issue a competitive solicitation by August 1, 2013, to contract with local jurisdictions for the use of inmate bed

capacity in lieu of prison beds operated by the state. The department may contract for up to 300 beds statewide to the extent that it is at no net cost to the department. The department shall calculate and report the average cost per offender per day, inclusive of all services, on an annual basis for a facility that is representative of average medium or lower offender costs. The duration of the contracts may be for up to four years. The department shall not pay a rate greater than \$65 per day per offender for all costs associated with the offender while in the local correctional facility to include programming and health care costs, or the equivalent of \$65 per day per bed including programming and health care costs for full units. The capacity provided at local correctional facilities must be for offenders whom the department of corrections defines as medium or lower security offenders. Programming provided for inmates held in local jurisdictions is included in the rate, and details regarding the type and amount of programming, and any conditions regarding transferring offenders will be negotiated with the department as part of any contract. Local jurisdictions must provide health care to offenders that meet standards set by the department. The local jail will provide all medical care including unexpected emergent care. The department must utilize a screening process to ensure that offenders with existing extraordinary medical/mental health needs are not transferred to local jail facilities. If extraordinary medical conditions develop for an inmate while at a jail facility the jail may transfer the offender back to the department, subject to terms of the negotiated agreement. Health care costs incurred prior to transfer will be the responsibility of the jail. The department will report to legislative fiscal committees and the office of financial management by November 1, 2013, to provide a status update on implementation.

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

(j) \$1,026,000 of the general fund—state appropriation for fiscal year 2014 and \$781,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to expand the piloted risk-needs-responsivity model to include the use of cognitive behavioral therapy with evidence-based programming at two minimum security prison facilities and at the Monroe correctional complex.

(k) \$23,653,000 of the general fund—state appropriation for fiscal year 2014 and \$24,919,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for offender programming. Pursuant to section 220(1) of this act, the department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(l) \$36,000 of the general fund—state appropriation for fiscal year 2014 and \$36,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Senate Bill No. 5484 (assault in the third-degree). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(m) \$48,000 of the general fund—state appropriation for fiscal year 2014 and \$48,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Substitute House Bill No. 1383 (stalking protection orders). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(n) \$36,000 of the general fund—state appropriation for fiscal year 2014 and \$36,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Senate Bill No. 5149 (crimes against pharmacies). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(o) \$24,000 of the general fund—state appropriation for fiscal year 2014 and \$24,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Substitute Senate Bill No. 5669 (trafficking). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(p) \$24,000 of the general fund—state appropriation for fiscal year 2014 and \$24,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of Engrossed Senate Bill No. 5053 (vehicle prowling). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(q) \$96,000 of the county criminal justice assistance—state appropriation is provided solely for implementation of Engrossed Senate Bill No. 5105 (rental vouchers for offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) COMMUNITY SUPERVISION

General Fund—State Appropriation (FY 2014)	\$130,568,000
General Fund—State Appropriation (FY 2015)	\$131,973,000
County Criminal Justice Assistance Account—State	\$2,249,000
Ignition Interlock Device Revolving Account—State	\$2,200,000
TOTAL APPROPRIATION	\$266,990,000

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

(a) \$1,906,000 of the county criminal justice assistance account—state appropriation and \$2,200,000 of the ignition interlock device revolving account—state appropriation are provided solely for the department to contract for additional residential drug offender sentencing alternative treatment slots. By December 1, 2013, the department shall provide a report to the appropriate fiscal committees of the house of representatives and the senate on the use of the additional treatment slots.

(b) \$4,186,000 of the general fund—state appropriation for fiscal year 2014 and \$6,362,000 of the general fund—state appropriation for fiscal year 2015 must be expended on evidence-based programs that follow the risk-needs-responsivity model. The department is authorized to use up to ten percent of

these funds as necessary to secure physical space as needed to maximize program delivery of evidence-based treatment to all high-risk, high-need offenders in community supervision. Funding may be prioritized by the department to any program recognized as evidence-based for adult offenders by the Washington state institute for public policy.

(c) \$16,513,000 of the general fund—state appropriation for fiscal year 2014 and \$16,527,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for offender programming. Pursuant to section 220 (1) of this act, the department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(d) \$107,000 of the county criminal justice—state appropriation is provided solely for implementation of Engrossed Senate Bill No. 5105 (rental vouchers for offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(4) CORRECTIONAL INDUSTRIES

General Fund—State Appropriation (FY 2014)	\$6,780,000
General Fund—State Appropriation (FY 2015)	\$7,182,000
TOTAL APPROPRIATION	\$13,962,000

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

(a) \$3,293,000 of the general fund—state appropriation for fiscal year 2014 and \$3,707,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the stewardship of McNeil island. The department shall assume responsibility of all island maintenance excluding site specific maintenance operations for the special commitment center and the Pierce county secure transitional facility. The department shall as part of its industries program provide job skills to offenders while providing the minimum maintenance and preservation necessary for the state to remain in compliance with the federal deed for McNeil island. The department shall report on efficiencies and potential cost reductions to the office of financial management and legislative fiscal committees by December 15, 2013.

(b)(i) The department of social and health services shall transfer the stewardship of McNeil Island to the department of corrections industries program, effective September 1, 2013. The transferred responsibilities shall include marine operations, waste water treatment, water treatment, road maintenance, and any other general island maintenance that is not site specific to the operations of the special commitment center or the Pierce county secure community transition facility. Facility maintenance within the perimeter of the special commitment center shall remain the responsibility of the department of social and health services. Capital repairs and maintenance necessary to maintain the special commitment center on McNeil Island shall be managed by the department of social and health services. The legislature directs both departments to enter into an interagency agreement by August 1, 2013. The office of financial management shall oversee the negotiations of the interagency agreement. The interagency agreement must describe equipment that will

transfer between the departments, warehouse space that will be shared by the departments, and occupancy requirements for any shops outside the perimeter of the special commitment center. The office of financial management will make the final determination on any disagreements between the departments on the details of the interagency agreement.

(ii) All employees of the department of social and health services engaged in performing the powers, functions, and duties transferred to the department of corrections industries program under this subsection, are transferred to the department of corrections.

(iii) All classified employees of department of social and health services assigned to the department of corrections under this subsection whose positions are within an existing bargaining unit description at the department of corrections shall become a part of the existing bargaining unit at the department of corrections and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

(5) INTERAGENCY PAYMENTS

General Fund—State Appropriation (FY 2014)	\$35,345,000
General Fund—State Appropriation (FY 2015)	\$32,115,000
TOTAL APPROPRIATION	\$67,460,000

The appropriations in this subsection are subject to the following conditions and limitations: The state prison medical facilities may use funds appropriated in this subsection to purchase goods and supplies through hospital or other group purchasing organizations when it is cost effective to do so.

NEW SECTION. Sec. 221. FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund—State Appropriation (FY 2014)	\$2,242,000
General Fund—State Appropriation (FY 2015)	\$2,197,000
General Fund—Federal Appropriation	\$21,060,000
General Fund—Private/Local Appropriation	\$60,000
TOTAL APPROPRIATION	\$25,559,000

NEW SECTION. Sec. 222. FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund—Federal Appropriation	\$269,977,000
General Fund—Private/Local Appropriation	\$34,206,000
Unemployment Compensation Administration Account—	
Federal Appropriation	\$320,006,000
Administrative Contingency Account—State	
Appropriation	\$22,728,000
Employment Service Administrative Account—State	
Appropriation	\$35,567,000
TOTAL APPROPRIATION	\$682,484,000

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

(1) \$5,000,000 of the unemployment compensation administration account—federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided

solely for continuing current unemployment insurance functions and department services to employers and job seekers.

(2) \$12,386,000 of the unemployment compensation administration account—federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for the replacement of the unemployment insurance tax information system for the employment security department. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(3) \$3,735,000 of the unemployment compensation account—federal appropriation is from amounts made available to the state by section 903(g) of the social security act (Reed act). This amount is provided solely for the replacement of call center technology to improve the integration of the telephone and computing systems to increase efficiency and improve customer service.

(4) \$182,000 of the employment services administrative account—state appropriation is provided for costs associated with the second stage of the review and evaluation of the training benefits program as directed in section 15(2), chapter 4, Laws of 2011 (unemployment insurance program). This second stage shall be developed and conducted by the joint legislative audit and review committee and shall consist of further work on the process study and net-impact/cost-benefit analysis components of the evaluation.

(5) \$240,000 of the administrative contingency account—state appropriation is provided solely for the employment security department to contract with a center for workers in King county. The amount appropriated in this subsection shall be used by the contracted center for workers to support initiatives that generate high-skill, high-wage jobs; improve workforce and training systems; improve service delivery for dislocated workers; and build alliances with community and environmental organizations.

(6) The department is prohibited from expending amounts appropriated in this section for implementation of chapter 49.86 RCW.

**PART III
NATURAL RESOURCES**

NEW SECTION. Sec. 301. FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund—State Appropriation (FY 2014)	\$445,000
General Fund—State Appropriation (FY 2015)	\$446,000
General Fund—Federal Appropriation	\$31,000
General Fund—Private/Local Appropriation	\$874,000
TOTAL APPROPRIATION	\$1,796,000

***NEW SECTION. Sec. 302. FOR THE DEPARTMENT OF ECOLOGY**

General Fund—State Appropriation (FY 2014)	\$25,929,000
General Fund—State Appropriation (FY 2015)	\$25,506,000
General Fund—Federal Appropriation	\$105,230,000
General Fund—Private/Local Appropriation	\$16,912,000
Reclamation Account—State Appropriation	\$3,735,000

Flood Control Assistance Account—State Appropriation	\$1,985,000
State Emergency Water Projects Revolving Account—State Appropriation	\$40,000
Waste Reduction/Recycling/Litter Control—State Appropriation.	\$9,722,000
State Drought Preparedness Account—State Appropriation	\$204,000
State and Local Improvements Revolving Account (Water Supply Facilities)—State Appropriation	\$426,000
Environmental Legacy Stewardship Account—State Appropriation.	\$43,748,000
Aquatic Algae Control Account—State Appropriation	\$513,000
Water Rights Tracking System Account—State Appropriation.	\$46,000
Site Closure Account—State Appropriation.	\$556,000
Wood Stove Education and Enforcement Account—State Appropriation.	\$612,000
Worker and Community Right-to-Know Account—State Appropriation.	\$1,701,000
Water Rights Processing Account—State Appropriation.	\$135,000
State Toxics Control Account—State Appropriation	\$124,238,000
State Toxics Control Account—Private/Local Appropriation.	\$979,000
Local Toxics Control Account—State Appropriation	\$3,774,000
Water Quality Permit Account—State Appropriation	\$40,982,000
Underground Storage Tank Account—State Appropriation.	\$3,347,000
Biosolids Permit Account—State Appropriation	\$1,848,000
Hazardous Waste Assistance Account—State Appropriation.	\$6,037,000
Air Pollution Control Account—State Appropriation	\$3,128,000
Oil Spill Prevention Account—State Appropriation	\$5,684,000
Air Operating Permit Account—State Appropriation	\$3,132,000
Freshwater Aquatic Weeds Account—State Appropriation	\$1,409,000
Oil Spill Response Account—State Appropriation	\$7,076,000
Water Pollution Control Revolving Account—State Appropriation.	\$356,000
Water Pollution Control Revolving Account—Federal Appropriation.	\$1,505,000
Water Pollution Control Revolving Administration Account—State Appropriation	\$1,021,000
Radioactive Mixed Waste Account—State Appropriation	\$13,800,000
TOTAL APPROPRIATION	\$455,316,000

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

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

(2) Pursuant to RCW 43.135.055, the department is authorized to increase the following fees as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Wastewater discharge permit, not more than 4.55 percent in fiscal year 2014 and 4.63 percent in fiscal year 2015; and reasonably available control technology fee.

(3) \$1,981,000 of the state toxics control account—state appropriation is for the department to provide training regarding the benefits of low-impact development including, but not limited to, when the use of low-impact development is appropriate and feasible, and the design, installation, maintenance, and best practices of low-impact development. The department will consult with Washington State University extension low-impact development technical center and others in the development of the low-impact technical training. As appropriate, the department may contract with the Washington State University extension low-impact development technical center, private sector vendors, associations, and others to deliver the technical training. The training must be provided free of cost to phase I and phase II permittees and the private development community including builders, engineers, and other industry professionals. The training must be sequenced geographically and provided in time for local jurisdictions to comply with RCW 90.48.260 and 36.70A.130(5). By August 1, 2013, the department of ecology shall provide the governor and appropriate legislative committees a plan for how low-impact development training funds will be spent during fiscal years 2014 through 2017.

(4) \$440,000 of the state toxics control account—state appropriation is provided solely for administering the water pollution control facilities financial assistance program authorized in chapter 90.50A RCW.

(5) \$350,000 of the state toxics control account—state appropriation is provided solely for the Spokane river regional toxics task force to support their efforts to address elevated levels of polychlorinated biphenyls in the Spokane river. Funding will be used to determine the extent of the cleanup required, implement cleanup actions to meet applicable water quality standards, and prevent recontamination.

(6) \$516,000 of the state toxics control account—state appropriation is provided solely for the department to support an ultrafine particulate study to determine how, if at all, the biomass cogeneration facilities in Port Townsend and Port Angeles may impact air quality and the health of citizens in the region.

(7) \$65,000 of the water quality permit account—state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1245 (derelict and abandoned vessels). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(8) The department of ecology shall establish and perform, within existing funds, a formal review process of its existing rules. The goal of the review is to decrease the numbers of, simplify the process, and decrease the time required for obtaining licenses, permits, and inspections, as applicable, in order to reduce the regulatory burden on businesses without compromising public health and safety. Benchmarks must be adopted to assess the effectiveness of streamlining efforts. The department must establish a process for effectively applying sunset provisions to rules when applicable. The department must

report to the applicable committees of the legislature with its review process and benchmarks by January 2014.

(9) The department shall collaborate with the middle snake river watershed, WRIA 35 planning unit in implementing its watershed plan.

(10)(a) \$14,000,000 of the general fund—state appropriation for fiscal year 2014 and \$14,000,000 of the general fund—state appropriation for fiscal year 2015 are for activities within the water resources program.

(b) Of the amounts provided in (a) of this subsection, \$500,000 of the general fund—state appropriation for fiscal year 2015 is provided solely for processing water right permit applications only if the department of ecology issues at least five hundred water right decisions in fiscal year 2014, and if the department of ecology does not issue at least five hundred water right decisions in fiscal year 2014 the amount provided in this subsection shall lapse and remain unexpended. The department of ecology shall submit a report to the office of financial management and the state treasurer by June 30, 2014, that documents whether five hundred water right decisions were issued in fiscal year 2014. For the purposes of this subsection, applications that are voluntarily withdrawn by an applicant do not count towards the five hundred water right decision requirement. For the purposes of water budget-neutral requests under chapter 173-539A WAC, multiple domestic connections authorized within a single water budget-neutral decision are considered one decision for the purposes of this subsection.

(11) The department of ecology, in consultation with the office of financial management, shall prepare a facilities plan to reduce the agency's facilities obligation and the agency's cost per FTE for its facilities by 2017 to align with comparable state agencies. The plan must be submitted to the office of financial management and the appropriate legislative fiscal committees by November 1, 2013. The plan must include: (a) An inventory of all currently owned and leased buildings, consistent with the data provided through the state's facilities inventory process prescribed by the office of financial management annually by September 1st; (b) a list of facilities solutions that will reduce costs with an emphasis on consolidation, collocation, and alternative space solutions such as shared workspace and mobile work; and (c) a department-wide coordinated process and plan for regularly evaluating facility needs.

*Sec. 302 was partially vetoed. See message at end of chapter.

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

General Fund—State Appropriation (FY 2014)	\$4,254,000
General Fund—State Appropriation (FY 2015)	\$4,254,000
General Fund—Federal Appropriation	\$6,014,000
Winter Recreation Program Account—State Appropriation	\$2,065,000
ORV and Nonhighway Vehicle Account—State Appropriation	\$215,000
Snowmobile Account—State Appropriation	\$4,859,000
Aquatic Lands Enhancement Account—State Appropriation	\$363,000
Parks Renewal and Stewardship Account—State Appropriation.	\$103,065,000
Parks Renewal and Stewardship Account—Private/Local Appropriation.	\$300,000

Waste Reduction/Recycling/Litter Control Account—State

Appropriation.....	\$1,700,000
TOTAL APPROPRIATION.....	\$127,089,000

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

(1) \$79,000 of the general fund—state appropriation for fiscal year 2014 and \$79,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a grant for the operation of the Northwest weather and avalanche center.

(2) Prior to closing any state park, the commission must notify all affected local governments and relevant nonprofit organizations of the intended closure and provide an opportunity for the notified local governments and nonprofit organizations to elect to acquire, or enter into, a maintenance and operating contract with the commission that would allow the park to remain open.

(3) The commission shall prepare a report on its efforts to increase revenue from all sources, including the discover pass. The report shall also include a status update on the fiscal health of the state parks system, and shall be submitted to the office of financial management and the appropriate committees of the legislature by October 28, 2013.

NEW SECTION. Sec. 304. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund—State Appropriation (FY 2014).....	\$823,000
General Fund—State Appropriation (FY 2015).....	\$815,000
General Fund—Federal Appropriation.....	\$3,425,000
General Fund—Private/Local Appropriation.....	\$24,000
Aquatic Lands Enhancement Account—State Appropriation.....	\$480,000
Firearms Range Account—State Appropriation.....	\$37,000
Recreation Resources Account—State Appropriation.....	\$3,086,000
NOVA Program Account—State Appropriation.....	\$964,000
TOTAL APPROPRIATION.....	\$9,654,000

NEW SECTION. Sec. 305. FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE

General Fund—State Appropriation (FY 2014).....	\$2,227,000
General Fund—State Appropriation (FY 2015).....	\$2,147,000
TOTAL APPROPRIATION.....	\$4,374,000

NEW SECTION. Sec. 306. FOR THE CONSERVATION COMMISSION

General Fund—State Appropriation (FY 2014).....	\$6,841,000
General Fund—State Appropriation (FY 2015).....	\$6,738,000
General Fund—Federal Appropriation.....	\$2,301,000
State Toxics Control Account—State Appropriation.....	\$1,000,000
TOTAL APPROPRIATION.....	\$16,880,000

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

(1) Within the amounts appropriated in this section, the conservation commission, in consultation with conservation districts, must submit to the office of financial management and legislative fiscal committees by December

10, 2013, a report outlining opportunities to minimize districts' overhead costs, including consolidation of conservation districts within counties in which there is more than one district. The report must include details on the anticipated future savings that could be expected from implementing these efficiencies starting on July 1, 2014.

(2) \$300,000 of the general fund—state appropriation for fiscal year 2014 and \$246,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement the voluntary stewardship program in Thurston and Chelan counties. These amounts may not be used to fund agency indirect and administrative expenses.

(3) \$1,000,000 of the general fund—federal appropriation is provided solely to implement the voluntary stewardship program statewide. The commission shall place the appropriation in this subsection in unallotted status, and may not allot any of these funds until the federal government has provided funding to the commission for the purpose of implementing the voluntary stewardship program.

(4) The conservation commission must evaluate the current system for the election of conservation district board supervisors and recommend improvements to ensure the highest degree of public involvement in these elections. The commission must engage with stakeholder groups and conservation districts to gather a set of options for improvement to district elections, which must include an option aligning district elections with state and local general elections. The commission must submit a report detailing the options to the office of financial management and appropriate committees of the legislature by December 10, 2013.

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

General Fund—State Appropriation (FY 2014)	\$30,321,000
General Fund—State Appropriation (FY 2015)	\$28,999,000
General Fund—Federal Appropriation	\$107,585,000
General Fund—Private/Local Appropriation	\$58,784,000
ORV and Nonhighway Vehicle Account—State Appropriation	\$397,000
Aquatic Lands Enhancement Account—State	
Appropriation	\$15,919,000
Recreational Fisheries Enhancement—State Appropriation	\$2,590,000
Environmental Legacy Stewardship Account—State	
Appropriation	\$1,224,000
Warm Water Game Fish Account—State Appropriation	\$2,507,000
Eastern Washington Pheasant Enhancement Account—State	
Appropriation	\$849,000
Aquatic Invasive Species Enforcement Account—State	
Appropriation	\$209,000
Aquatic Invasive Species Prevention Account—State	
Appropriation	\$737,000
State Wildlife Account—State Appropriation	\$103,460,000
Special Wildlife Account—State Appropriation	\$2,405,000
Special Wildlife Account—Federal Appropriation	\$500,000
Special Wildlife Account—Private/Local Appropriation	\$3,446,000
Wildlife Rehabilitation Account—State Appropriation	\$259,000

Hydraulic Project Approval Account—State Appropriation	\$674,000
Regional Fisheries Enhancement Salmonid Recovery Account—Federal Appropriation	\$5,001,000
Oil Spill Prevention Account—State Appropriation	\$917,000
Oyster Reserve Land Account—State Appropriation.	\$773,000
TOTAL APPROPRIATION	\$367,556,000

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

(1) \$130,000 of the general fund—state appropriation for fiscal year 2014 and \$130,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to pay for emergency fire suppression costs. These amounts may not be used to fund agency indirect and administrative expenses.

(2) Prior to submitting its 2015-2017 biennial operating and capital budget request related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review this request. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with their agency budget proposal.

(3) \$400,000 of the general fund—state appropriation for fiscal year 2014 and \$400,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

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

(5) During the 2013-2015 fiscal biennium, the department must retain ownership and continue to occupy the downtown Olympia office building at 600 Capitol Way.

(6) \$1,000,000 of the state wildlife account—state appropriation is provided solely to the department for resources that serve to promote and engage nonlethal deterrence methods relating to wolf and livestock interaction with a priority given to funding cooperative agreements with livestock producers, and of this amount, \$250,000 in fiscal year 2014 is provided solely for compensation for injury or loss of livestock caused by wolves as prescribed in chapter 77.36 RCW.

(7) \$100,000 of the state wildlife account—state appropriation is provided solely for the transfer of trout from the Clarks creek hatchery to the Lakewood hatchery.

(8) \$100,000 of the general fund—state appropriation for fiscal year 2014 and \$100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the production of steelhead, coho, and Chinook salmon at the Clarks creek hatchery.

(9) \$200,000 of the state wildlife account—state appropriation, \$50,000 of the general fund—state appropriation for fiscal year 2014, and \$50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the department to increase production of juvenile fall Chinook on the Cowlitz river. The funds provided may be used to match or leverage funds from private or public sources for the same purpose.

(10) \$596,000 of the general fund—state appropriation for fiscal year 2014 and \$596,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for weed assessments and for payments in lieu of real property taxes to counties that elect to receive the payments for department owned game lands within the county.

(11) \$10,000 of the aquatic lands enhancement account—state appropriation is provided solely for development of an aquatic invasive species passport program to improve the efficiency and effectiveness of watercraft inspections by expediting aquatic invasive species watercraft inspections for watercraft at low risk of transmitting invasive species and prioritizing the use of available resources for the inspection of high risk vessels.

(12) Within the amounts appropriated in this section, the department must deploy additional wildlife conflict specialists to provide landowner assistance and address wildlife conflicts, with at least one additional specialist primarily assigned to each of the following areas: Administrative region six of the department; Okanogan and Chelan counties in administrative region two of the department; and Whatcom and Skagit counties in administrative region four of the department.

(13) \$25,000 of the general fund—state appropriation for fiscal year 2014 and \$25,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1112 (science and public policy). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(14) Within the amounts appropriated in this section the department shall work with the regional fisheries enhancement groups to identify a revenue source or sources capable of providing long-term funding to support the community-based salmon restoration work of regional fisheries enhancement groups. The department shall work with the regional fisheries enhancement group coalition to submit a report to the office of financial management and the appropriate legislative committees by December 1, 2013, with the outcomes and recommendations.

(15) The director must submit a revised payment methodology to the office of financial management and the fiscal committees of the legislature by October 1, 2013, on the allocation to counties as payments in lieu of real property taxes under RCW 77.12.203 for those counties that elected to receive an amount in lieu of real property taxes equal to that amount paid on similar parcels of open space land taxable under chapter 83.34 RCW as of January 1, 2013. The revised payment methodology shall be designed to provide supplemental payments to the affected counties. The department shall not implement this methodology until it has been approved by the legislature and incorporated into the 2014 supplemental omnibus appropriations act.

*Sec. 307 was partially vetoed. See message at end of chapter.

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

General Fund—State Appropriation (FY 2014)	\$42,515,000
General Fund—State Appropriation (FY 2015)	\$45,092,000
General Fund—Federal Appropriation	\$26,963,000
General Fund—Private/Local Appropriation	\$2,372,000
Forest Development Account—State Appropriation	\$49,054,000
ORV and Nonhighway Vehicle Account—State Appropriation	\$4,494,000
Surveys and Maps Account—State Appropriation	\$2,170,000
Aquatic Lands Enhancement Account—State Appropriation	\$3,634,000
Snowmobile Account—State Appropriation	\$100,000
Environmental Legacy Stewardship Account—State Appropriation	\$3,948,000
Resources Management Cost Account—State Appropriation	\$111,073,000
Surface Mining Reclamation Account—State Appropriation	\$3,972,000
Disaster Response Account—State Appropriation	\$5,000,000
Forest and Fish Support Account—State Appropriation	\$11,759,000
Aquatic Land Dredged Material Disposal Site Account—State Appropriation	\$843,000
Natural Resources Conservation Areas Stewardship Account—State Appropriation	\$34,000
Marine Resources Stewardship Trust Account—State Appropriation	\$3,700,000
State Toxics Control Account—State Appropriation	\$80,000
Forest Practices Application Account—State Appropriation	\$1,697,000
Air Pollution Control Account—State Appropriation	\$785,000
NOVA Program Account—State Appropriation	\$950,000
Derelict Vessel Removal Account—State Appropriation	\$1,770,000
Agricultural College Trust Management Account—State Appropriation	\$2,712,000
TOTAL APPROPRIATION	\$324,717,000

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

(1) \$1,389,000 of the general fund—state appropriation for fiscal year 2014 and \$1,323,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) \$19,099,000 of the general fund—state appropriation for fiscal year 2014, \$19,099,000 of the general fund—state appropriation for fiscal year 2015, and \$5,000,000 of the disaster response account—state appropriation are provided solely for emergency fire suppression. None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly

report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

(3) \$5,000,000 of the forest and fish support account—state appropriation is provided solely for outcome-based, performance contracts with tribes to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect costs set at or below the rate in the contracting tribe's indirect cost agreement with the federal government. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) \$518,000 of the forest and fish support account—state appropriation is provided solely for outcome-based performance contracts with nongovernmental organizations to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect cost set at or below a rate of eighteen percent.

(5) \$717,000 of the forest and fish support account—state appropriation is provided solely to fund interagency agreements with the department of ecology and the department of fish and wildlife as part of the adaptive management process.

(6) \$440,000 of the state general fund—state appropriation for fiscal year 2014 and \$440,000 of the state general fund—state appropriation for fiscal year 2015 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of Naselle youth camp.

(7) \$2,382,000 of the resource management cost account—state appropriation is for addressing the growing backlog of expired aquatic leases and new aquatic lease applications. The department shall implement a Lean process to improve the lease review process and further reduce the backlog, and submit a report on its progress in addressing the backlog and implementation of the Lean process to the governor and the appropriate committees of the legislature by October 1, 2013.

(8) \$1,948,000 of the environmental legacy stewardship account—state appropriation is provided solely for the department to pay a portion of the costs to complete remedial investigation work at Whitmarsh landfill and Mill site A and perform final-year maintenance of the Olympic view triangle site in Commencement Bay.

(9) \$265,000 of the resources management cost account—state appropriation is provided solely for implementation of Second Substitute House Bill No. 1764 (geoduck diver licenses). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(10) \$425,000 of the derelict vessel removal account—state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 1245 (derelict and abandoned vessels). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(11) \$3,700,000 of the marine resources stewardship trust account—state appropriation is provided solely for implementation of priority marine management planning efforts including mapping activities, ecological assessment, data tools, stakeholder engagement, and all other work identified in

Engrossed Senate Bill No. 5603 (marine advisory councils) during the 2013-2015 fiscal biennium.

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

General Fund—State Appropriation (FY 2014)	\$15,300,000
General Fund—State Appropriation (FY 2015)	\$15,294,000
General Fund—Federal Appropriation	\$23,098,000
General Fund—Private/Local Appropriation	\$192,000
Aquatic Lands Enhancement Account—State Appropriation	\$2,837,000
State Toxics Control Account—State Appropriation	\$5,203,000
Water Quality Permit Account—State Appropriation	\$70,000
TOTAL APPROPRIATION	\$61,994,000

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 2014 and \$5,302,905 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementing the food assistance program as defined in RCW 43.23.290.

(2) Pursuant to RCW 43.135.055 and 16.57.220, the department is authorized to institute livestock inspection fees in the 2013-2015 fiscal biennium for calves less than thirty days old.

(3) Pursuant to RCW 43.135.055 and 16.36.150, the department is authorized to establish a fee for the sole purpose of purchasing and operating a database and any other technology or software needed to administer animal disease traceability activities for cattle sold or slaughtered in the state or transported out of the state.

(4) Within the amounts appropriated in this section, the department of agriculture must convene and facilitate a work group with appropriate stakeholders to review fees supporting programs within the department that are also supported with state general fund. In developing strategies to make the program work more self-supporting, the workgroup will consider, at minimum, the length of time since the last fee increase, similar fees that exist in neighboring states, and fee increases that will ensure reasonable competitiveness in the respective industries. The workgroup must submit a report containing recommendations that will make each of the fee supported programs within the department less reliant on state general fund to the office of financial management and legislative fiscal committees by December 1, 2013.

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

Pollution Liability Insurance Program Trust	
Account—State Appropriation	\$987,000

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

General Fund—State Appropriation (FY 2014)	\$2,416,000
General Fund—State Appropriation (FY 2015)	\$2,318,000
General Fund—Federal Appropriation	\$11,570,000
Aquatic Lands Enhancement Account—State Appropriation	\$1,920,000
State Toxics Control Account—State Appropriation	\$676,000

TOTAL APPROPRIATION \$18,900,000

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

(1) \$788,000 of the aquatic lands enhancement account—state appropriation is provided solely for coordinating a study of Puget Sound juvenile steelhead marine survival conducted by the department of fish and wildlife and based on a study plan developed in cooperation with federal, tribal, and nongovernmental entities.

(2) By October 1, 2014, the Puget Sound partnership shall provide the governor a single, prioritized list of state agency 2015-2017 capital and operating budget requests related to Puget Sound restoration.

**PART IV
TRANSPORTATION**

NEW SECTION. Sec. 401. FOR THE DEPARTMENT OF LICENSING

General Fund—State Appropriation (FY 2014)	\$1,103,000
General Fund—State Appropriation (FY 2015)	\$1,341,000
Architects' License Account—State Appropriation	\$902,000
Professional Engineers' Account—State Appropriation.	\$3,558,000
Real Estate Commission Account—State Appropriation	\$9,929,000
Uniform Commercial Code Account—State Appropriation.	\$3,154,000
Real Estate Education Account—State Appropriation	\$276,000
Real Estate Appraiser Commission Account—State Appropriation.	\$1,703,000
Business and Professions Account—State Appropriation.	\$17,454,000
Funeral and Cemetery Account—State Appropriation	\$5,000
Landscape Architects' License Account—State Appropriation	\$4,000
Appraisal Management Company Account—State Appropriation.	\$4,000
Real Estate Research Account—State Appropriation	\$415,000
Wildlife Account—State Appropriation	\$32,000
Geologists' Account—State Appropriation.	\$52,000
Derelict Vessel Removal Account—State Appropriation	\$31,000
TOTAL APPROPRIATION	\$39,963,000

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

(1) \$566,000 of the business and professions account—state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1552 (scrap metal theft reduction). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(2) \$166,000 of the business and professions account—state appropriation in fiscal year 2014 only is provided solely for the implementation of Substitute

House Bill No. 1779 (esthetics). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(3) \$592,000 of the business and professions account—state appropriation is provided solely for the implementation of Substitute House Bill No. 1822 (debt collection practices). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(4) \$32,000 of the state wildlife account—state appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5193 (wolf conflict management). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 402. FOR THE STATE PATROL

General Fund—State Appropriation (FY 2014)	\$34,653,000
General Fund—State Appropriation (FY 2015)	\$32,485,000
General Fund—Federal Appropriation	\$16,189,000
General Fund—Private/Local Appropriation	\$3,020,000
Death Investigations Account—State Appropriation	\$9,956,000
Enhanced 911 Account—State Appropriation	\$3,480,000
County Criminal Justice Assistance Account—State Appropriation	\$3,332,000
Municipal Criminal Justice Assistance Account—State Appropriation	\$1,351,000
Fire Service Trust Account—State Appropriation	\$131,000
Disaster Response Account—State Appropriation	\$8,000,000
Fire Service Training Account—State Appropriation	\$9,797,000
Aquatic Invasive Species Enforcement Account—State Appropriation	\$54,000
State Toxics Control Account—State Appropriation	\$516,000
Fingerprint Identification Account—State Appropriation	\$10,747,000
Vehicle License Fraud Account—State Appropriation	\$447,000
TOTAL APPROPRIATION	\$134,158,000

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

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

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

(3) \$700,000 of the fire service training account—state appropriation is provided solely for the firefighter apprenticeship training program.

(4) \$3,480,000 of the enhanced 911 account—state appropriation is provided solely for upgrades to the Washington state identification system and the Washington crime information center. Amounts provided in this subsection may not be expended until the office of the chief information officer approves a plan to move the Washington state patrol's servers and data center equipment into the state data center in the 1500 Jefferson building, and the office of the chief information officer certifies that the Washington state patrol has begun the move. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(5) \$154,000 of the fingerprint identification account—state appropriation is provided solely for implementation of Substitute House Bill No. 1612 (firearms offenders). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

**PART V
EDUCATION**

***NEW SECTION. Sec. 501. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

General Fund—State Appropriation (FY 2014)	\$27,264,000
General Fund—State Appropriation (FY 2015)	\$26,041,000
General Fund—Federal Appropriation	\$63,826,000
General Fund—Private/Local Appropriation	\$4,005,000
Performance Audits of Government Account—State Appropriation	\$200,000
TOTAL APPROPRIATION	\$121,336,000

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

(1) A maximum of \$16,881,000 of the general fund—state appropriation for fiscal year 2014 and \$16,602,000 of the general fund—state appropriation for fiscal year 2015 is for state agency operations.

(a) \$8,846,000 of the general fund—state appropriation for fiscal year 2014 and \$8,910,000 of the general fund—state appropriation for fiscal year 2015 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) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school, using a uniform definition of unexcused absence as established by the superintendent.

(iii) By September of each year, the office of the superintendent of public instruction shall produce an annual status report of the budget provisos in sections 501 and 513 of this act. The status report of each proviso shall include, but not be limited to, the following information: Purpose and objective, number of staff, number of contractors, status of proviso implementation, number of

beneficiaries by year, list of beneficiaries, and proviso outcomes and achievements.

(iv) The superintendent of public instruction shall update the program prepared and distributed under RCW 28A.230.150 for the observation of temperance and good citizenship day to include providing an opportunity for eligible students to register to vote at school.

(v) The office of the superintendent of public instruction shall review career and technical education and skill center programs' funding enhancement formulas, expenditure accounting systems, and reporting. The office will make recommendations for revising the funding formulas, including the possibility of conversion to a model that enhances basic education rates, potential revisions to accounting systems, and recommendations for improving reporting and transparency. The office shall submit recommendations to the appropriate fiscal committees of the legislature and the office of financial management by October 1, 2013.

(vi) Appropriations in this section are sufficient for the office of the superintendent of public instruction to conduct ongoing consolidated program reviews of alternative learning experience programs and dropout reengagement programs established under chapter 20, Laws of 2010. The office of the superintendent of public instruction shall include alternative learning education and dropout reengagement programs in their ongoing consolidated program reviews, as well as provide outreach and training to school districts regarding implementation of the programs. Findings from the program reviews will be used to support and prioritize office of the superintendent outreach and education efforts that assist school districts in implementing the programs in accordance with statute and legislative intent, as well as to support financial and performance audit work conducted by the office of the state auditor.

(b) \$1,017,000 of the general fund—state appropriation for fiscal year 2014 and \$1,017,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for activities associated with the implementation of new school finance systems required by chapter 236, Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009 (state's education system), including technical staff, systems reprogramming, and workgroup deliberations, including the quality education council and the data governance working group.

(c) \$1,012,000 of the general fund—state appropriation for fiscal year 2014 and \$1,012,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities. Of these amounts, \$161,000 of the general fund—state appropriation for fiscal year 2014 and \$161,000 of the general fund—state appropriation for fiscal year 2015 are provided for implementation of Initiative Measure No. 1240 (charter schools).

(d) \$1,325,000 of the general fund—state appropriation for fiscal year 2014 and \$1,325,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to the professional educator standards board for the following:

(i) \$1,050,000 in fiscal year 2014 and \$1,050,000 in fiscal year 2015 are for the operation and expenses of the Washington professional educator standards board;

(ii) \$250,000 of the general fund—state appropriation for fiscal year 2014 and \$250,000 of the general fund—state appropriation for fiscal year 2015 are

for mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board, including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(d)(ii) is also provided for the recruiting Washington teachers program; and

(iii) \$25,000 of the general fund—state appropriation for fiscal year 2014 and \$25,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the professional educator standards board to develop educator interpreter standards and identify interpreter assessments that are available to school districts. Interpreter assessments should meet the following criteria: (A) Include both written assessment and performance assessment; (B) be offered by a national organization of professional sign language interpreters and transliterators; and (C) be designed to assess performance in more than one sign system or sign language. The board shall establish a performance standard, defining what constitutes a minimum assessment result, for each educational interpreter assessment identified. The board shall publicize the standards and assessments for school district use.

(e) \$133,000 of the general fund—state appropriation for fiscal year 2014 and \$133,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights.

(f) \$50,000 of the general fund—state appropriation for fiscal year 2014 and \$50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the ongoing work of the education opportunity gap oversight and accountability committee.

(g) \$45,000 of the general fund—state appropriation for fiscal year 2014 and \$45,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).

(h) \$131,000 of the general fund—state appropriation for fiscal year 2014 and \$131,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of Initiative Measure No. 1240 (charter schools).

(i) \$1,826,000 of the general fund—state appropriation for fiscal year 2014 and \$1,802,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS).

(j) \$25,000 of the general fund—state appropriation for fiscal year 2014 and \$25,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(k) \$1,500,000 of the general fund—state appropriation for fiscal year 2014 and \$1,500,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for collaborative schools for innovation and success authorized under chapter 53, Laws of 2012. The office of the superintendent of public instruction shall award \$500,000 per year in funding for each collaborative

school for innovation and success selected for participation in the pilot program during 2012.

(l) \$123,000 of the general fund—state appropriation for fiscal year 2014 and \$123,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of chapter 163, Laws of 2012 (foster care outcomes). The office of the superintendent of public instruction shall annually report each December on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth.

(m) \$250,000 of the general fund—state appropriation for fiscal year 2014 and \$250,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of chapter 178, Laws of 2012 (open K-12 education resources).

(n) \$93,000 of the general fund—state appropriation for fiscal year 2014 and \$93,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for chapter 185, Laws of 2011 (bullying prevention, which requires the office of the superintendent of public instruction to convene an ongoing workgroup on school bullying and harassment prevention). Within the amounts provided, \$140,000 is for youth suicide prevention activities.

(o) \$138,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of House Bill No. 1336 (troubled youth in school). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(p) \$68,000 of the general fund—state appropriation for fiscal year 2014 and \$14,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of House Bill No. 1134 (state-tribal education compacts). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(q) \$62,000 of the general fund—state appropriation for fiscal year 2014 and \$62,000 of the general fund—state appropriation for fiscal year 2015 are for competitive grants to school districts to increase the capacity of high schools to offer AP computer science courses. In making grant allocations, the office of the superintendent of public instruction must give priority to schools and districts in rural areas, with substantial enrollment of low-income students, and that do not offer AP computer science. School districts may apply to receive either or both of the following grants:

(i) A grant to establish partnerships to support computer science professionals from private industry serving on a voluntary basis as coinstructors along with a certificated teacher, including via synchronous video, for AP computer science courses; or

(ii) A grant to purchase or upgrade technology and curriculum needed for AP computer science, as well as provide opportunities for professional development for classroom teachers to have the requisite knowledge and skills to teach AP computer science.

(r) \$27,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of House Bill No. 1556 (cardiac arrest education).

(s) \$50,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the development of recommendations for funding integrated

school nursing and outreach services. The office of the superintendent of public instruction shall collaborate with the health care authority to develop recommendations for increasing federal financial participation for providing nursing services in schools with the goals of integrating nursing and outreach services and supporting one nurse for every four-hundred fifty students in elementary schools and one nurse for every seven-hundred fifty students in secondary schools. The recommendations shall include proposals for funding training and reimbursement for nurses that provide outreach services to help eligible students enroll in apple health for kids and other social services programs. The authority and the office of the superintendent of public instruction shall provide these recommendations to the governor and the legislature by December 1, 2013.

(t) \$50,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the office of the superintendent of public instruction to contract with an organization to develop a model plan for evaluating the outcomes of state funded pilot education programs, including guidelines for standard data that must be gathered throughout any education pilot program, as well as guidance for data and evaluation methods depending on the design of the program and the target population. The contract must also include a provision to provide guidance for the evaluation of existing pilot programs.

(u) \$10,000 of the general fund—state appropriation for fiscal year 2014 and \$10,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the superintendent of public instruction to convene a committee for the selection and recognition of Washington innovative schools. The committee shall select and recognize Washington innovative schools based on the selection criteria established by the office of the superintendent of public instruction, in accordance with chapter 202, Laws of 2011 (innovation schools—recognition) and chapter 260, Laws of 2011 (innovation schools and zones).

(v) \$100,000 of the general fund—state appropriation for fiscal year 2014 and \$100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Mobius science center to expand mobile outreach of science, technology, engineering, and mathematics (STEM) education to students in rural, tribal, and low-income communities.

(2) \$200,000 of the performance audits of government account—state appropriation is provided solely for a one-time workload increase to address additional audit resolutions and appeals in the alternative learning experience programs.

(3) \$10,277,000 of the general fund—state appropriation for fiscal year 2014 and \$9,565,000 of the general fund—state appropriation for fiscal year 2015 are for statewide programs.

(a) HEALTH AND SAFETY

(i) \$2,541,000 of the general fund—state appropriation for fiscal year 2014 and \$2,541,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(ii) \$135,000 of the general fund—state appropriation for fiscal year 2014 and \$135,000 of the general fund—state appropriation for fiscal year 2015 are

provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

\$1,221,000 of the general fund—state appropriation for fiscal year 2014 and \$1,221,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(c) GRANTS AND ALLOCATIONS

(i) \$1,875,000 of the general fund—state appropriation for fiscal year 2014 and \$1,875,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

(ii) \$1,000,000 of the general fund—state appropriation for fiscal year 2014 and \$1,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(iii) \$1,000,000 of the general fund—state appropriation for fiscal year 2014 and \$1,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for dropout prevention, intervention, and reengagement programs, including the jobs for America's graduates (JAG) program and the building bridges statewide program.

(iv) \$2,112,000 of the general fund—state appropriation for fiscal year 2014 and \$1,400,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of chapter 340, Laws of 2011 and chapter 51, Laws of 2012. This includes the development and implementation of the Washington kindergarten inventory of developing skills (WaKIDS).

(v) \$100,000 of the general fund—state appropriation for fiscal year 2014 and \$100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to subsidize advanced placement exam fees and international baccalaureate class fees and exam fees for low-income students. To be eligible for the subsidy, a student must be either enrolled or eligible to participate in the federal free or reduced price lunch program, and the student must have maximized the allowable federal contribution. The office of the superintendent of public instruction shall set the subsidy in an amount so that the advanced placement exam fee does not exceed \$15.00 and the combined class and exam fee for the international baccalaureate does not exceed \$14.50.

(vi) \$293,000 of the general fund—state appropriation for fiscal year 2014 and \$293,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the office of the superintendent of public instruction to support the dissemination of the navigation 101 curriculum to all districts.

***Sec. 501 was partially vetoed. See message at end of chapter.**

NEW SECTION. Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT

General Fund—State Appropriation (FY 2014)	\$5,395,289,000
General Fund—State Appropriation (FY 2015)	\$5,581,336,000
Education Legacy Trust Account—State Appropriation	\$328,563,000
TOTAL APPROPRIATION	\$11,305,188,000

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

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

(b) For the 2013-14 and 2014-15 school years, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary schedules in sections 502 and 503 of this act, excluding (c) of this subsection.

(c) From July 1, 2013, to August 31, 2013, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 503, chapter 50, Laws of 2011 1st sp. sess., as amended.

(d) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the fourth day of school in September and on the first school day of each month October through June, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. Any school district concluding its basic education program in May must report the enrollment of the last school day held in May in lieu of a June enrollment.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2013-14 and 2014-15 school years are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260, except that the allocation for guidance counselors in a middle school shall be 1.216 and the allocation for guidance counselors in a high school shall be 2.009, which enhancements are within the program of basic education. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

General education class size:

Grade	RCW 28A.150.260	2013-14 School Year	2014-15 School Year
Grades K-3	25.23	25.23
Grade 4	27.00	27.00
Grades 5-6	27.00	27.00
Grades 7-8	28.53	28.53
Grades 9-12	28.74	28.74

The superintendent shall base allocations for career and technical education (CTE) and skill center programs average class size as provided in RCW 28A.150.260.

(ii) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year, the superintendent shall allocate funding based on the following average class size of full-time equivalent students per teacher:

(A) General education class size in high poverty schools:

Grade	RCW 28A.150.260
Grade 2	..... 24.10
Grade 3	..... 24.10
Grade 4	..... 27.00
Grades 5-6	..... 27.00
Grades 7-8	..... 28.53
Grades 9-12	..... 28.74

(B) For grades K-1, class size of 20.85 is provided for high poverty schools for the 2013-14 school year;

(C) For grades K through 1, the superintendent shall, at a minimum, allocate funding to high-poverty schools for the 2014-15 school year based on an average class size of 24.10 full-time equivalent students per teacher. The superintendent shall provide enhanced funding for class size reduction in grades K through 1 to the extent of, and proportionate to, the school's demonstrated actual average class size up to a class size of 20.30 full-time equivalent students per teacher. The office of the superintendent of public instruction shall develop rules to implement the enhanced funding authorized under (ii)(C) of this subsection and shall distribute draft rules for review no later than December 1, 2013. The office of the superintendent of public instruction shall report the draft rules and proposed methodology to the governor and the appropriate policy and fiscal committees of the legislature by December 1, 2013.

(D) The enhancement in this subsection (2)(c)(ii) is within the program of basic education.

(iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(iv) Laboratory science, advanced placement, and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and (a) of this subsection and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 students:

Career and Technical Education

students	2.02 per 1000 student FTE's
Skill Center students	2.36 per 1000 student FTE's

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2013-14 and 2014-15 school years for general education students are determined using the formula generated staff units calculated pursuant to this subsection. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent enrollment in each grade. The following prototypical school values shall determine the allocation for principals, assistance principals, and other certificated building level administrators:

Prototypical School Building:

Elementary School	1.253
Middle School	1.353
High School	1.880

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that are a multiple of the general education rate in (a) of this subsection by the following factors: Career and Technical Education students . .

.	1.025
Skill Center students	1.198

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2013-14 and 2014-15 school years are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade, except that the allocation for parent involvement coordinators in an elementary school shall be 0.0825, which enhancement is within the program of basic education.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2013-14 and 2014-15 school year for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 1.71 percent in the 2013-14 school year and 2.00 percent in the 2014-15 school year for career and technical education students, and 21.60 percent in the 2013-14 school year and 15.98 percent in the 2014-15 school year for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 18.68 percent in the 2013-14 school year and 18.68 percent in the 2014-15 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 20.95 percent in the 2013-14 school year and 20.95 percent in the 2014-15 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

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

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the materials, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a) MSOC funding for general education students are allocated at the following per student rates:

MSOC RATES/STUDENT FTE

MSOC Component	2013-14 SCHOOL YEAR	2014-15 SCHOOL YEAR
Technology	\$77.46	\$82.16
Utilities and Insurance	\$210.46	\$223.23
Curriculum and Textbooks	\$83.17	\$88.21
Other Supplies and Library Materials	\$176.56	\$187.27
Instructional Professional Development for Certificated and Classified Staff	\$12.86	\$13.64
Facilities Maintenance	\$104.27	\$110.59
Security and Central Office	\$72.24	\$76.62
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$737.02	\$781.72

(b) Students in approved skill center programs generate per student FTE MSOC allocations of \$1,244.25 for the 2013-14 school year and \$1,262.92 for the 2014-15 school year.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation of \$1,399.30 for the 2013-14 school year and \$1,420.29 for the 2014-15 school year.

(d) Students in laboratory science courses generate per student FTE MSOC allocations which equal the per student FTE rate for general education students established in (a) of this subsection.

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2013-14 and 2014-15 school years, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of \$151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(a) Amounts provided in this section from July 1, 2013, to August 31, 2013, are adjusted to reflect provisions of chapter 34, Laws of 2011 1st sp. sess. (allocation of funding for funding for students enrolled in alternative learning experiences).

(b) Amounts provided in this section beginning September 1, 2013, are adjusted to reflect modifications to alternative learning experience courses in Engrossed Substitute Senate Bill No. 5946 (student educational outcomes).

(c) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund voluntary full day kindergarten programs in qualifying high poverty schools, pursuant to RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls for the voluntary full-day program in a qualifying school shall count as one-half of one full-time equivalent student for purpose of making allocations under this section. Funding in this section provides full-day kindergarten programs for 43.75 percent of kindergarten enrollment in the 2013-14 school year and 43.75 percent in the 2014-15 school year, which enhancement is within the program of basic education.

(12) INCREASED INSTRUCTIONAL HOURS FOR GRADES SEVEN THROUGH TWELVE

(a) School districts shall implement the increased instructional hours for the instructional program of basic education required under the provisions of RCW 28A.150.220(2)(a) beginning with the 2014-15 school year, which enhancement is within the program of basic education.

(b) Amounts provided in this section are sufficient to fund increased instructional hours in grades seven through twelve. For the 2014-15 school year, the superintendent shall allocate funding to school districts for increased instructional hours. In calculating the allocations, the superintendent shall assume the following averages: (a) Additional instruction of 2.2222 hours per week per full-time equivalent student in grades seven through twelve in school year 2014-15; (b) the general education average class sizes specified in section 502(2)(c); (c) 36 instructional weeks per year; (d) 900 instructional hours per teacher; and (e) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the superintendent of public instruction, additional staff units are provided to ensure a minimum level of staffing support. Additional administrative and certificated instructional staff units provided to districts in this subsection shall be reduced by the general education staff units, excluding career and technical education and skills center enhancement units, otherwise provided in subsections (2) through (5) of this section on a per district basis.

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

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

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

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

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

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

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

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

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

(iii) Districts receiving staff units under this subsection shall add students enrolled in a district alternative high school and any grades nine through twelve alternative learning experience programs with the small high school enrollment for calculations under this subsection;

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

(e) For each nonhigh school district having an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty

students, operating a grades K-6 program or a grades 1-6 program, an additional one-half of a certificated instructional staff unit;

(f)(i) For enrollments generating certificated staff unit allocations under (a) through (e) of this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

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

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under this subsection (12) shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

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

(15) The superintendent may distribute funding for the following programs outside the basic education formula during fiscal years 2014 and 2015 as follows:

(a) \$605,000 of the general fund—state appropriation for fiscal year 2014 and \$614,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) \$436,000 of the general fund—state appropriation for fiscal year 2014 and \$436,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs.

(16) \$214,000 of the general fund—state appropriation for fiscal year 2014 and \$217,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for school district emergencies as certified by the superintendent of public instruction. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

(17) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(18) Students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment. In calculating the combined 1.2 FTE, the office of the superintendent of public instruction may average the participating student's September through June enrollment to account for

differences in the start and end dates for courses provided by the high school and higher education institution. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the student achievement council, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(19) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (12) of this section shall be reduced in increments of twenty percent per year.

(20)(a) Indirect cost charges by a school district to approved career and technical education middle and secondary programs shall not exceed 15 percent of the combined basic education and career and technical education program enhancement allocations of state funds. Middle and secondary career and technical education programs are considered separate programs for funding and financial reporting purposes under this section.

(b) Career and technical education program full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

NEW SECTION. Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE COMPENSATION

(1) The following calculations determine the salaries used in the state allocations for certificated instructional, certificated administrative, and classified staff units as provided in RCW 28A.150.280 and under section 502 of this act:

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

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

(2) For the purposes of this section:

(a) "LEAP Document 1" means the staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on June 1, 2013 at 08:06 hours; and

(b) "LEAP Document 2" means the school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on June 1, 2013 at 01:29 hours.

(3) Incremental fringe benefit factors are applied to salary adjustments at a rate of 18.04 percent for school year 2013-14 and 18.04 percent for school year 2014-15 for certificated instructional and certificated administrative staff and 17.45 percent for school year 2013-14 and 17.45 percent for the 2014-15 school year for classified staff.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2013-14

*** Education Experience ***

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR Ph.D.
0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860
1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332
2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802
3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276
4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765
5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256
6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723
7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
11				46,772	50,121	52,557	50,249	53,599	56,034
12				48,249	51,761	54,269	51,835	55,238	57,748
13					53,440	56,024	53,476	56,918	59,501
14					55,128	57,844	55,165	58,716	61,322
15					56,563	59,349	56,599	60,242	62,917
16 or more					57,693	60,535	57,731	61,447	64,174

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2014-15

*** Education Experience ***

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR Ph.D.
0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860
1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332
2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802
3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276
4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765
5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256
6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723
7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
11				46,772	50,121	52,557	50,249	53,599	56,034
12				48,249	51,761	54,269	51,835	55,238	57,748
13					53,440	56,024	53,476	56,918	59,501
14					55,128	57,844	55,165	58,716	61,322
15					56,563	59,349	56,599	60,242	62,917
16 or more					57,693	60,535	57,731	61,447	64,174

(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

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

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

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

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

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

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

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

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

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

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

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

(1)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act. Allocations for these salary adjustments shall be provided to all districts that are not grandfathered to receive salary allocations above the statewide salary allocation schedule, and to certain grandfathered districts to the extent necessary to ensure that salary allocations for districts that are currently grandfathered do not fall below the statewide salary allocation schedule.

(b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

(c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

(d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at 18.04 percent for the 2013-14 school year and 18.04 percent for the 2014-15 school year for certificated instructional and certificated administrative staff and 17.45 percent for the 2013-14 school year and 17.45 percent for the 2014-15 school year for classified staff.

(e) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 502 and 503 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 502 and 503 of this act.

(f) The appropriations in this section include no salary adjustments for substitute teachers.

(2) The maintenance rate for insurance benefit allocations is \$768.00 per month for the 2013-14 and 2014-15 school years. The appropriations in this section reflect the incremental change in cost of allocating rates of \$768.00 per month for the 2013-14 school year and \$768.00 per month for the 2014-15 school year.

(3) The rates specified in this section are subject to revision each year by the legislature.

NEW SECTION. Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION

General Fund—State Appropriation (FY 2014) \$365,120,000

General Fund—State Appropriation (FY 2015)	\$427,408,000
TOTAL APPROPRIATION	\$792,528,000

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

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

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for the transportation of students as provided in RCW 28A.160.192. Funding in this section for school year 2014-15 constitutes full implementation of RCW 28A.160.192, which enhancement is within the program of basic education.

(b) From July 1, 2013 to August 31, 2013, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) A maximum of \$892,000 of this fiscal year 2014 appropriation and a maximum of \$892,000 of the fiscal year 2015 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

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

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

(6) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

(7) The office of the superintendent of public instruction shall annually disburse payments for bus depreciation in August.

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

General Fund—State Appropriation (FY 2014)	\$7,111,000
General Fund—State Appropriation (FY 2015)	\$7,111,000
General Fund—Federal Appropriation	\$473,326,000
TOTAL APPROPRIATION	\$487,548,000

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

(1) \$7,111,000 of the general fund—state appropriation for fiscal year 2014 and \$7,111,000 of the general fund—state appropriation for fiscal year 2015 are

provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays for eligible public school students and lunch copays for eligible public school students in grades kindergarten through third grade who are eligible for reduced price lunch;

(b) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas;

(c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005; and

(d) Assistance to school districts in initiating and expanding school breakfast programs.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in (a), (b), and (c) of this subsection.

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

General Fund—State Appropriation (FY 2014)	\$702,149,000
General Fund—State Appropriation (FY 2015)	\$738,043,000
General Fund—Federal Appropriation	\$462,022,000
Education Legacy Trust Account—State Appropriation	\$46,151,000
TOTAL APPROPRIATION	\$1,948,365,000

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

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

(2)(a) The superintendent of public instruction shall ensure that:

(i) Special education students are basic education students first;

(ii) As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

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

(4)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390, except that the calculation of the base allocation also includes allocations for increased instructional hours for grades seven through twelve as provided under section 502(12)(b), which enhancement is within the program of basic education.

(b) From July 1, 2013 to August 31, 2013, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 50, Laws of 2011 1st sp. sess., as amended.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). Each district's general fund—state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(6) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with RCW 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(7) \$22,263,000 of the general fund—state appropriation for fiscal year 2014, \$34,392,000 of the general fund—state appropriation for fiscal year 2015, and \$29,574,000 of the general fund—federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2013-14 and 2014-15 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) The office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

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

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

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

(11) \$252,000 of the general fund—state appropriation for fiscal year 2014 and \$252,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(12) \$50,000 of the general fund—state appropriation for fiscal year 2014, \$50,000 of the general fund—state appropriation for fiscal year 2015, and \$100,000 of the general fund—federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

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

General Fund—State Appropriation (FY 2014)	\$8,143,000
General Fund—State Appropriation (FY 2015)	\$8,151,000
TOTAL APPROPRIATION	\$16,294,000

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

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

(2) Funding within this section is provided for regional professional development related to mathematics and science curriculum and instructional strategies. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.305.130, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

NEW SECTION. Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE

General Fund—State Appropriation (FY 2014)	\$311,174,000
General Fund—State Appropriation (FY 2015)	\$335,533,000
TOTAL APPROPRIATION	\$646,707,000

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 4.914 percent from the 2012-13 school year to the 2013-14

school year and 4.914 percent from the 2013-14 school year to the 2014-15 school year.

NEW SECTION. Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund—State Appropriation (FY 2014)	\$15,291,000
General Fund—State Appropriation (FY 2015)	\$15,493,000
TOTAL APPROPRIATION	\$30,784,000

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

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

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

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

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

(5) \$1,070,000 of the general fund—state appropriation for fiscal year 2014 and \$1,070,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

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

NEW SECTION. Sec. 511. FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund—State Appropriation (FY 2014)	\$9,555,000
General Fund—State Appropriation (FY 2015)	\$9,677,000
TOTAL APPROPRIATION	\$19,232,000

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

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

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) \$85,000 of the general fund—state appropriation for fiscal year 2014 and \$85,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the centrum program at Fort Worden state park.

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR MISCELLANEOUS—NO CHILD LEFT BEHIND ACT

General Fund—Federal Appropriation \$4,052,000

NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM PROGRAMS

General Fund—State Appropriation (FY 2014) \$121,840,000

General Fund—State Appropriation (FY 2015) \$104,524,000

General Fund—Federal Appropriation \$206,234,000

General Fund—Private/Local Appropriation \$4,002,000

Education Legacy Trust Account—State Appropriation \$1,599,000

TOTAL APPROPRIATION \$438,199,000

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

(1)(a) \$44,575,000 of the general fund—state appropriation for fiscal year 2014, \$27,134,000 of the general fund—state appropriation for fiscal year 2015, \$1,350,000 of the education legacy trust account—state appropriation, and \$15,868,000 of the general fund—federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (i) Development and implementation of retake assessments for high school students who are not successful in one or more content areas and (ii) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year. State funding to districts shall be limited to one collection of evidence payment per student, per content-area assessment.

(b) The superintendent of public instruction shall modify the statewide student assessment system and implement assessments developed with a multistate consortium beginning in the 2014-15 school year to assess student proficiency on the standards adopted under RCW 28A.655.071 and including the provisions of House Bill No. 1450.

(2) \$356,000 of the general fund—state appropriation for fiscal year 2014 and \$356,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) \$5,851,000 of the general fund—state appropriation for fiscal year 2014 and \$3,935,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of a new performance-based evaluation for certificated educators and other activities as provided in chapter 235, Laws of 2010 (education reform) and chapter 35, Laws of 2012 (certificated employee evaluations).

(4)(a) \$45,263,000 of the general fund—state appropriation for fiscal year 2014 and \$49,673,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of \$5,090 per teacher in the 2013-14 and 2014-15 school years;

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

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a prorated manner. All bonuses in (a)(i) and (ii) of this subsection will be paid in July of each school year. Bonuses in (a)(i) and (ii) of this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(iv) During the 2013-14 and 2014-15 school years, and within available funds, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional loan of two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The conditional loan is provided in addition to compensation received under a district's salary schedule and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the conditional loan. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees. To the extent

necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(5) \$477,000 of the general fund—state appropriation for fiscal year 2014 and \$477,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(6) \$950,000 of the general fund—state appropriation for fiscal year 2014 and \$950,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs.

(7) \$810,000 of the general fund—state appropriation for fiscal year 2014 and \$810,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to operate a state-of-the-art education leadership academy that will be accessible throughout the state. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(8) \$2,000,000 of the general fund—state appropriation for fiscal year 2014 and \$2,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(9) \$1,277,000 of the general fund—state appropriation for fiscal year 2014 and \$1,277,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, \$300,000 of the 2014 appropriation and \$300,000 of the 2015 appropriation shall be used to support FIRST robotics programs. Of the amounts in this subsection, \$100,000 of the fiscal year 2014 appropriation and \$100,000 of the fiscal year 2015 appropriation are provided solely for the purpose of statewide supervision activities for career and technical education student leadership organizations.

(10) \$125,000 of the general fund—state appropriation for fiscal year 2014 and \$125,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of \$2,500 to provide twenty middle and high school teachers each year with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(11) \$135,000 of the general fund—state appropriation for fiscal year 2014 and \$135,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(12) \$1,000,000 of the general fund—state appropriation for fiscal year 2014 and \$1,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together; and teacher observation time with accomplished peers. \$250,000 may be used to provide statewide professional development opportunities for mentors and beginning educators.

(13) \$250,000 of the general fund—state appropriation for fiscal year 2014 and \$250,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding in 2014, a high school must have offered a foundational project lead the way course during the 2012-13 school year. The 2014 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2013-14 school year. To be eligible for funding in 2015, a high school must have offered a foundational project lead the way course during the 2013-14 school year. The 2015 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2014-15 school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(14) \$300,000 of the general fund—state appropriation for fiscal year 2014 and \$300,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for annual start-up grants for aerospace and manufacturing technical programs housed at four skill centers. The grants are provided for start-up equipment and curriculum purchases. To be eligible for funding, the skill center must agree to provide regional high schools with access to a technology laboratory, expand manufacturing certificate and course offerings at the skill center, and provide a laboratory space for local high school teachers to engage in professional development in the instruction of courses leading to student employment certification in the aerospace and manufacturing industries. Once a skill center receives a start-up grant, it is ineligible for additional start-up funding in the following school year. The office of the superintendent of public instruction shall administer the grants in consultation with the center for excellence for aerospace and advanced materials manufacturing.

(15) \$150,000 of the general fund—state appropriation for fiscal year 2014 and \$150,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for annual start-up grants to six high schools to implement the aerospace assembler program. Participating high schools must agree to offer the aerospace assembler training program to students by spring semester of school

year 2013-14. Once a high school receives a start-up grant, it is ineligible for additional start-up funding in the following school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(16) \$10,000,000 of the general fund—state appropriation for fiscal year 2014 and \$5,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the provision of training for teachers in the performance-based teacher principal evaluation program. Of the amounts appropriated in this subsection, \$5,000,000 for fiscal year 2014 is a one-time appropriation.

(17) \$3,600,000 of the general fund—state appropriation for fiscal year 2014 and \$6,681,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5329 (persistently failing schools). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(18) \$100,000 of the general fund—state appropriation for fiscal year 2014 and \$100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to promote the financial literacy of students. The effort will be coordinated through the financial literacy public-private partnership.

(19) \$109,000 of the general fund—state appropriation for fiscal year 2014 and \$99,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the office of the superintendent of public instruction to implement a youth dropout prevention program that incorporates partnerships between community-based organizations, schools, food banks and farms or gardens. The office of the superintendent of public instruction shall select one school district that must partner with an organization that is operating an existing similar program and that also has the ability to serve at least 40 students. Of the amount appropriated in this subsection, up to \$10,000 may be used by the office of the superintendent of public instruction for administration of the program.

(20) \$2,399,000 of the general fund—state appropriation for fiscal year 2014 and \$2,035,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to implement Engrossed Substitute Senate Bill No. 5946 (strengthening student educational outcomes). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(21) \$1,110,000 of the general fund—state appropriation for fiscal year 2014 and \$1,061,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for chapter 184, Laws of 2013 (Second Substitute House Bill No. 1642) (academic acceleration). Of the amount appropriated in this section, forty-nine thousand is provided as one-time funding.

NEW SECTION. Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund—State Appropriation (FY 2014)	\$95,500,000
General Fund—State Appropriation (FY 2015)	\$106,120,000
General Fund—Federal Appropriation	\$71,016,000
TOTAL APPROPRIATION	\$272,636,000

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

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

(2)(a) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs under RCW 28A.180.010 through 28A.180.080, including programs for exited students, as provided in RCW 28A.150.260(10)(b) and the provisions of this section. In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student in grades kindergarten through twelve in school years 2013-14 and 2014-15; (ii) additional instruction of 3.0000 hours per week in school year 2013-14 for the head count number of students who have exited the transitional bilingual instruction program within the previous school year based on their performance on the English proficiency assessment; (iii) additional instruction of 3.0000 hours per week in school year 2014-15 for the head count number of students who have exited the transitional bilingual instruction program within the previous two years based on their performance on the English proficiency assessment; (iv) fifteen transitional bilingual program students per teacher; (v) 36 instructional weeks per year; (vi) 900 instructional hours per teacher; and (vii) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 50, Laws of 2011 1st sp. sess., as amended.

(3) The superintendent may withhold allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2) up to the following amounts: 1.76 percent for school year 2013-14 and 1.59 percent for school year 2014-15.

(4) The general fund—federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(5) \$35,000 of the general fund—state appropriation for fiscal year 2014 and \$35,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to track current and former transitional bilingual program students.

NEW SECTION. Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM

General Fund—State Appropriation (FY 2014)	\$196,356,000
General Fund—State Appropriation (FY 2015)	\$218,335,000
General Fund—Federal Appropriation	\$448,434,000
TOTAL APPROPRIATION	\$863,125,000

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

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

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

(b)(i) For the 2013-14 and 2014-15 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a), except that the allocation for the additional instructional hours shall be enhanced as provided in this section, which enhancements are within the program of the basic education. In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 2.3975 hours per week per funded learning assistance program student for the 2013-14 school year and the 2014-15 school year; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2013, to August 31, 2013, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 50, Laws of 2011 1st sp. sess., as amended.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund—federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund—state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

NEW SECTION. Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only, unless specified by part V of this act, and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education unless clearly stated by this act.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act.

PART VI HIGHER EDUCATION

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

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

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

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

(4)(a) For institutions receiving appropriations in section 605 of this act, the only allowable salary increases provided are those with normally occurring promotions and increases related to faculty and staff retention, except as provided in section 604(4) of this act. In fiscal year 2014 and fiscal year 2015, the state board for community and technical colleges may use salary and benefit savings from faculty turnover to provide salary increments and associated benefits for faculty who qualify through professional development and training.

(b) For employees under the jurisdiction of chapter 41.56 RCW, salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated.

(c) For each institution of higher education receiving appropriations under sections 606 through 611 of this act:

(i) The only allowable salary increases are those associated with normally occurring promotions and increases related to faculty and staff retention; and

(ii) Institutions may provide salary increases from other sources to instructional and research faculty at the universities and The Evergreen State College, exempt professional staff, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under chapter 41.80 RCW. Any salary increase granted under the authority of this subsection (4)(c)(ii) shall not be included in an

institution's salary base for future state funding. It is the intent of the legislature that state general fund support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (4)(c)(ii).

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

	2013-14 Annual Average	2014-15 Annual Average
University of Washington	37,162	37,162
Washington State University	22,228	22,228
Central Washington University	9,105	9,105
Eastern Washington University	8,734	8,734
The Evergreen State College	4,335	4,335
Western Washington University	12,710	12,710
State Board for Community & Technical Colleges		
Adult Students	139,237	139,237
Running Start Students	11,558	11,558

(2) In achieving or exceeding these enrollment targets, each institution shall seek to:

(a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;

(b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and

(c) Eliminate and consolidate programs of study for which there is limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

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

NEW SECTION. Sec. 603. PUBLIC BACCALAUREATE INSTITUTIONS

(1) In order to operate within the state funds appropriated in this act, the governing boards of the state research universities, the state regional universities, and The Evergreen State College are authorized to adopt and adjust tuition and fees for the 2013-14 and 2014-15 academic years as provided in this section.

(2) For the purposes of chapter 28B.15 RCW, the omnibus appropriations act assumes no increase of tuition levels for resident undergraduate students over the amounts charged to resident undergraduate students for the prior year.

(3) Appropriations in sections 606 through 611 of this act are sufficient to maintain resident undergraduate tuition levels at the levels charged to resident undergraduate students during the 2012-13 academic year. As a result, for the 2013-14 academic year, the institutions of higher education shall not adopt resident undergraduate tuition levels that are greater than the tuition levels assumed in subsection (2) of this section. For the 2014-15 academic year, the institutions of higher education are authorized to adopt tuition levels for resident undergraduate students that are less than, equal to, or greater than tuition levels assumed in the omnibus appropriations act in subsection (2) of this section. However, to the extent that tuition levels exceed the tuition levels assumed in subsection (2) of this section, the institution of higher education shall be subject to the conditions and limitations provided in RCW 28B.15.102.

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

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

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

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

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

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

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

(11) The state universities, the regional universities, and The Evergreen State College must accept the transfer of college-level courses taken by running start students if a student seeking a transfer of the college-level courses has been admitted to the state university, the regional university, or The Evergreen State College, and if the college-level courses are recognized as transferrable by the admitting institution of higher education.

(12) Appropriations in sections 606 through 611 of this act are sufficient to implement 2013-2015 collective bargaining agreements at institutions of higher education negotiated under chapter 41.80 RCW. The institutions may also use these funds for any other purpose including restoring prior compensation reductions, increasing compensation, and implementing other collective bargaining agreements.

NEW SECTION. Sec. 604. STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

(1) In order to operate within the state funds appropriated in this act, the state board is authorized to adopt and adjust tuition and fees for the 2013-14 and 2014-15 academic years as provided in this section.

(2) For the purposes of chapter 28B.15 RCW, appropriations in the omnibus appropriations act assumes no increase in tuition levels for resident undergraduate students over the amounts charged to resident undergraduate students for the prior year. For the 2014-15 academic year, the state board is authorized to adopt tuition levels for resident undergraduate students that are less than, equal to, or greater than tuition levels assumed in the omnibus appropriations act in this subsection. However, to the extent that tuition levels exceed the tuition levels assumed in this subsection, the state board shall retain an additional one percent of operating fees above what is already retained pursuant to RCW 28B.15.031 for the purposes of RCW 28B.15.820. For the 2013-2015 fiscal biennium, when expending this additional retained amount, the community and technical colleges are subject to the conditions and limitations in RCW 28B.15.102.

(3) For the 2013-14 and 2014-15 academic years, the state board may increase tuition fees charged to resident undergraduates enrolled in upper division applied baccalaureate programs as specified in subsection (2) of this section.

(4) Appropriations in section 605 include the restoration of the three percent reduction in compensation costs taken in the 2011-2013 fiscal biennium. This funding is sufficient to implement 2013-2015 collective bargaining agreements at institutions of higher education negotiated under chapter 41.80 RCW. The colleges may also use the restored funds for any other purpose including restoring prior compensation reductions, increasing compensation, and implementing other collective bargaining agreements.

(5) The state board may increase the tuition fees charged to nonresident students by amounts judged reasonable and necessary by the board.

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

(7) For academic years 2013-14 and 2014-15, the trustees of the technical colleges are authorized to increase building fees by an amount judged reasonable in order to progress toward parity with the building fees charged students attending the community colleges.

(8) The state board is authorized to increase the maximum allowable services and activities fees as provided in RCW 28B.15.069. The trustees of the community and technical colleges are authorized to increase services and activities fees up to the maximum level authorized by the state board.

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

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

(11) The trustees of the community and technical colleges are authorized to adopt or increase administrative fees such as but not limited to those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the trustees.

NEW SECTION. Sec. 605. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund—State Appropriation (FY 2014)	\$570,262,000
General Fund—State Appropriation (FY 2015)	\$568,999,000
Community/Technical College Capital Projects	
Account—State Appropriation	\$17,548,000
Education Legacy Trust Account—State	
Appropriation	\$95,373,000
TOTAL APPROPRIATION	\$1,252,182,000

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

(1) \$33,261,000 of the general fund—state appropriation for fiscal year 2014 and \$33,261,000 of the general fund—state appropriation for fiscal year 2015 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 7,170 full-time equivalent students in fiscal year 2014 and at least 7,170 full-time equivalent students in fiscal year 2015.

(2) \$5,450,000 of the education legacy trust account—state appropriation is provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) \$100,000 of the general fund—state appropriation for fiscal year 2014 and \$100,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the aerospace center of excellence currently hosted by Everett community college to:

(a) Increase statewide communications and outreach between industry sectors, industry organizations, businesses, K-12 schools, colleges, and universities;

(b) Enhance information technology to increase business and student accessibility and use of the center's web site; and

(c) Act as the information entry point for prospective students and job seekers regarding education, training, and employment in the industry.

(4) \$181,000 of the general fund—state appropriation for fiscal year 2014 and \$181,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the opportunity center for employment and education internet technology integration project at north Seattle community college.

(5) \$255,000 of the general fund—state appropriation for fiscal year 2014 and \$255,000 of the general fund—state appropriation for fiscal year 2015 are

provided solely for implementation of a maritime industries training program at south Seattle community college.

(6) \$5,250,000 of the general fund—state appropriation for fiscal year 2014 and \$5,250,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the student achievement initiative.

(7) \$500,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Second Substitute Senate Bill No. 5624 (STEM or career and tech ed). If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(8) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

(9) The state board for community and technical colleges shall not use funds appropriated in this section to support intercollegiate athletics programs.

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

General Fund—State Appropriation (FY 2014)	\$246,897,000
General Fund—State Appropriation (FY 2015)	\$245,200,000
Geoduck Aquaculture Research Account—State Appropriation	\$300,000
Education Legacy Trust Account—State Appropriation	\$13,998,000
Economic Development Strategic Reserve Account— State Appropriation	\$3,000,000
Biotoxin Account—State Appropriation	\$390,000
Accident Account—State Appropriation	\$6,741,000
Medical Aid Account—State Appropriation	\$6,546,000
Aquatic Land Enhancement Account—State Appropriation	\$700,000
State Toxics Control Account—State Appropriation	\$1,120,000
TOTAL APPROPRIATION	\$524,892,000

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

(1) \$300,000 of the geoduck aquaculture research account—state appropriation is provided solely for the University of Washington sea grant program to commission scientific research studies that examine possible negative and positive effects, including the cumulative effects and the economic contribution, of evolving shellfish aquaculture techniques and practices on Washington's economy and marine ecosystems. The research conducted for the studies is not intended to be a basis for an increase in the number of shellfish harvesting permits available and should be coordinated with any research efforts related to ocean acidification. The University of Washington must submit an annual report detailing any findings and outline the progress of the study, consistent with RCW 43.01.036, to the appropriate legislative committees by December 1st of each year.

(2) \$52,000 of the general fund—state appropriation for fiscal year 2014 and \$52,000 of the general fund—state appropriation for fiscal year 2015 are

provided solely for the center for international trade in forest products in the college of forest resources.

(3) \$4,459,000 of the general fund—state appropriation for fiscal year 2014 and \$4,459,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(4) \$3,000,000 of the general fund—state appropriation for fiscal year 2014 and \$3,000,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for creation of a clean energy institute. The institute shall integrate physical sciences and engineering with a research focus on energy storage and solar energy.

(5) \$3,000,000 of the economic development strategic reserve account appropriation is provided solely to support the joint center for aerospace innovation technology.

(6) Within existing resources the University of Washington may: (a) Form and implement an integrated innovation institute and research, planning, and outreach initiatives at the Olympic national resources center; and (b) accredit a four-year undergraduate forestry program from the society of American foresters. Accreditation may occur in conjunction with reaccreditation of the master of forest resources program.

(7) \$700,000 of the aquatic lands enhancement account—state appropriation and \$1,120,000 of the state toxics control account—state appropriation are provided solely for the center on ocean acidification and related work necessary to implement the recommendations of the governor's blue ribbon task force on ocean acidification. The university shall provide staffing for this purpose.

(8) The University of Washington shall not use funds appropriated in this section to support intercollegiate athletics programs.

NEW SECTION. Sec. 607. FOR WASHINGTON STATE UNIVERSITY

General Fund—State Appropriation (FY 2014)	\$156,616,000
General Fund—State Appropriation (FY 2015)	\$157,701,000
Education Legacy Trust Account—State Appropriation	\$33,995,000
TOTAL APPROPRIATION	\$348,312,000

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

(1) Within existing resources, Washington State University shall establish an accredited forestry program.

(2) \$2,856,000 of the general fund—state appropriation for fiscal year 2014 and \$2,857,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering

enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(3) \$25,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the Ruckelshaus center to collaborate with local governments, the media, and representatives of the public regarding public record requests made to local government. The center shall facilitate meetings and discussions and report to the appropriate committees of the legislature. The report shall include information on:

- (a) Recommendations related to balancing open public records with concerns of local governments related to interfering with the work of the local government;
- (b) Resources necessary to accommodate requests;
- (c) Potential harassment of government employees;
- (d) Potential safety concerns of people named in the record;
- (e) Potentially assisting criminal activity; and
- (f) Other issues brought forward by the participants.

The center shall report to the appropriate committees of the legislature by December 15, 2013.

(4) \$300,000 of the general fund—state appropriation for fiscal year 2014 and \$300,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington State University agricultural research center to conduct public outreach and education related to nonlethal methods of mitigating conflicts between livestock and large wild carnivores. Of the amounts provided in this subsection, \$200,000 of the general fund—state appropriation for fiscal year 2014 and \$200,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to the center to conduct a detailed analysis of such methods. The amounts appropriated in this subsection may not be subject to an administrative fee or charge, and must be used for costs directly associated with the research and analysis.

(5) \$2,400,000 of the general fund—state appropriation for fiscal year 2014 and \$3,600,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for expansion of medical education and biomedical research in Spokane.

(6) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.

NEW SECTION. Sec. 608. FOR EASTERN WASHINGTON UNIVERSITY

General Fund—State Appropriation (FY 2014)	\$31,674,000
General Fund—State Appropriation (FY 2015)	\$31,619,000
Education Legacy Trust Account—State Appropriation	\$15,470,000
TOTAL APPROPRIATION	\$78,763,000

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

(1) At least \$200,000 of the general fund—state appropriation for fiscal year 2014 and at least \$200,000 of the general fund—state appropriation for fiscal year 2015 shall be expended on the Northwest autism center.

(2) Eastern Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

NEW SECTION. Sec. 609. FOR CENTRAL WASHINGTON UNIVERSITY

General Fund—State Appropriation (FY 2014)	\$29,719,000
General Fund—State Appropriation (FY 2015)	\$29,533,000
Education Legacy Trust Account—State Appropriation	\$19,076,000
TOTAL APPROPRIATION	\$78,328,000

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

(1) \$25,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the college of education to conduct a study identifying the duties encompassed in a state-funded teacher's typical work day. The study must include an estimate of the percent of a teacher's typical day that is spent on teaching related duties and the percentage of the teacher's day that is spent on duties that are not directly related to teaching. The university shall submit a report to the appropriate committees of the legislature by December 1, 2013.

(2) Amounts appropriated in this section are sufficient for the university to develop a plan to create an online degree granting entity that awards degrees based on an alternative credit model. The university shall submit a final plan by December 1, 2013, to the higher education committees of the legislature.

(3) Central Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

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

General Fund—State Appropriation (FY 2014)	\$18,563,000
General Fund—State Appropriation (FY 2015)	\$17,911,000
Education Legacy Trust Account—State Appropriation	\$5,450,000
TOTAL APPROPRIATION	\$41,924,000

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

(1) \$77,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for Washington state institute for public policy to examine cases with extraordinary costs within the foster care system managed by the children's administration of the department of social and health services. This audit will examine the highest cost foster children to determine if the child's care could be provided in a more cost-effective manner and whether the cost for these placements is consistent across similarly acute children.

(2) \$85,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the Washington state institute for public policy to conduct an empirical study of the validity and reliability of the safety assessment tool currently used in child welfare cases by the children's administration of the

department of social and health services. In conducting this study, the institute must identify: (a) Whether other empirically based child welfare safety assessment tools exist and, if so, compare those tools to the tool used by the children's administration; (b) whether other factors or combination of factors not included in the current safety assessment tool should be included to help predict real outcomes; and (c) where possible, whether there is unnecessary duplication in the application of the family assessment tool used by the department. A report on the study is due to the appropriate policy committees of the legislature by December 15, 2013.

(3) \$100,000 of the general fund—state appropriation for fiscal year 2014 and \$50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to conduct a comprehensive retrospective outcome evaluation and return on investment analysis of the early learning childhood program pursuant to Senate Bill No. 5904 (high quality early learning). This evaluation is due December 15, 2014. If the bill is not enacted by June 30, 2013, the amount provided in this subsection shall lapse.

(4) \$50,000 of the general fund—state appropriation for fiscal year 2014 and \$50,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to develop a risk assessment instrument for patients committed for involuntary treatment in Washington state.

(5) \$58,000 of the general fund—state appropriation for fiscal year 2014 and \$27,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to prepare an inventory of evidence-based and research-based effective practices, activities, and programs for use by school districts in the learning assistance program pursuant to Engrossed Second Substitute Senate Bill No. 5946 (student educational outcomes). The initial inventory is due by August 1, 2014, and shall be updated every two years thereafter. If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(6) \$50,000 of the general fund—state appropriation for fiscal year 2014 are provided solely for the Washington state institute for public policy to provide expertise to the department of corrections on the implementation of programming that follows the risk needs responsiveness model. In consultation with the department of corrections, the institute will systematically review selected programs for outcome measures.

(7) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(8) \$166,000 of the general fund—state appropriation for fiscal year 2014 and \$84,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the Washington state institute for public policy to provide primary staff support for a K-12 funding task force established in this subsection.

(a) The task force shall be composed of the following members:

(i) Two members from each of the largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;

(ii) *Two members from each of the largest caucuses of the senate, appointed by the president of the senate;*

(iii) *The superintendent of public instruction or designee; and*

(iv) *Three members appointed by the governor.*

(b) *The task force shall be chaired or cochaired by legislative members selected by members of the task force.*

(c) *The purpose of the task force is to examine options and make recommendations to the legislature on the following topics:*

(i) *Revised salary allocation methodologies and models for administrative, classified, and certificated instructional staff in public schools. The salary allocation model for certificated instructional staff must address regional salary differentials;*

(ii) *Policies and funding to support career and technical education, including:*

(A) *A revised funding allocation methodology for career and technical education for middle schools, comprehensive high schools, and skill centers through the prototypical school funding formula;*

(B) *Recommended capital facilities policies related to the siting of skill center campuses, including skill centers colocated on comprehensive high school and higher education campuses; and*

(C) *The feasibility of establishing technical high schools as an alternative delivery model for integrated secondary career and academic education; and*

(iii) *The appropriate use of state and local property taxes to support the financing of public schools, modifications to property tax growth limitations, and strategies for improving the stability and transparency of such use.*

(d) *The task force shall submit an interim report to the education and fiscal committees of the legislature by December 1, 2013, and a final report by December 1, 2014.*

(e) *Additional staff support for the task force shall be provided as needed by the house office of program research, the senate committee services, and the office of financial management.*

(9) Notwithstanding other provisions in this section, the board of directors for the Washington state institute for public policy may adjust due dates for projects included on the institute's 2013-2015 work plan as necessary to efficiently manage workload.

(10) The Evergreen State College shall not use funds appropriated in this section to support intercollegiate athletics programs.

*Sec. 610 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 611. FOR WESTERN WASHINGTON UNIVERSITY

General Fund—State Appropriation (FY 2014)	\$44,542,000
General Fund—State Appropriation (FY 2015)	\$44,377,000
Education Legacy Trust Account—State	
Appropriation.	\$13,050,000
TOTAL APPROPRIATION	\$101,969,000

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

(1) \$1,497,000 of the general fund—state appropriation for fiscal year 2014 and \$1,498,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the expansion of computer science and engineering enrollments. The university will work with the education research and data center to establish program baselines and demonstrate enrollment increases. By September 1, 2014, and each September 1st thereafter, the university shall provide a report that provides the specific detail on how these amounts were spent in the preceding fiscal year, including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the college, and how many students are enrolled in computer science and engineering programs above the 2012-2013 academic year baseline.

(2) Western Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

NEW SECTION. Sec. 612. FOR THE STUDENT ACHIEVEMENT COUNCIL—POLICY COORDINATION AND ADMINISTRATION

General Fund—State Appropriation (FY 2014)	\$5,307,000
General Fund—State Appropriation (FY 2015)	\$5,318,000
General Fund—Federal Appropriation	\$4,817,000
TOTAL APPROPRIATION	\$15,442,000

The appropriations in this section are subject to the following conditions and limitations: The student achievement council is authorized to increase or establish fees for initial degree authorization, degree authorization renewal, degree authorization reapplication, new program applications, and new site applications pursuant to RCW 28B.85.060.

NEW SECTION. Sec. 613. FOR THE STUDENT ACHIEVEMENT COUNCIL—OFFICE OF STUDENT FINANCIAL ASSISTANCE

General Fund—State Appropriation (FY 2014)	\$245,122,000
General Fund—State Appropriation (FY 2015)	\$244,674,000
General Fund—Federal Appropriation	\$11,648,000
General Fund—Private/Local Appropriation	\$34,000
Education Legacy Trust Account—State Appropriation	\$36,036,000
Washington Opportunity Pathways Account—State Appropriation	\$147,000,000
TOTAL APPROPRIATION	\$684,514,000

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

(1) \$237,454,000 of the general fund—state appropriation for fiscal year 2014, \$237,455,000 of the general fund—state appropriation, and \$147,000,000 of the Washington opportunity pathways account—state appropriation are provided solely for student financial aid payments under the state need grant and state work study programs including up to four percent administrative allowance for the state work study program.

(2) Changes made to the state need grant program in the 2011-2013 fiscal biennium are continued in the 2013-2015 fiscal biennium including aligning increases in awards given to private institutions with the annual tuition increases for public research institutions or the private institution's average annual tuition

increase experience of 3.5 percent per year, whichever is less, and reducing the awards for students who first enrolled as a new student in for-profit institutions as of the 2011-2012 academic year or thereafter by fifty percent, except that one-half of the fifty percent reduction shall be restored on July 1, 2013, for students attending regionally accredited for-profit institutions.

(3) Changes made to the state work study program in the 2009-2011 and 2011-2013 fiscal biennia are continued in the 2013-2015 fiscal biennium including maintaining the increased required employer share of wages; adjusted employer match rates; discontinuation of nonresident student eligibility for the program; and revising distribution methods to institutions by taking into consideration other factors such as off-campus job development, historical utilization trends, and student need.

(4) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(5) Students who are eligible for the college bound scholarship shall be given priority for the state need grant program if the students have applied by the institution's priority financial aid deadline and have completed their financial aid file in a timely manner. These eligible college bound students whose family incomes are in the 0-65 median family income ranges shall be awarded the maximum state need grant for which they are eligible under state policies and may not be denied maximum state need grant funding due to institutional policies or delayed awarding of college bound scholarship students.

(6) \$36,036,000 of the education legacy trust account—state appropriation is provided solely for the college bound scholarship program. This amount assumes that college bound scholarship recipients will receive priority for state need grant awards in fiscal year 2014 and fiscal year 2015. If this policy of prioritization is not fully achieved, it is the intent of this legislation to provide supplemental appropriations in the 2014 supplemental operating budget.

(7) \$2,236,000 of the general fund—state appropriation for fiscal year 2014 and \$2,236,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for the passport to college program. The maximum scholarship award shall be \$5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract, provide a minimum of \$500,000 in fiscal years 2014 and 2015 for this purpose.

(8) In developing the skilled and educated workforce report pursuant to RCW 28B.77.080(3), the council shall use the bureau of labor statistics analysis

of the education and training requirements of occupations, in addition to any other method the council may choose to use, to assess the number and type of higher education and training credentials required to match employer demand for a skilled and educated workforce.

NEW SECTION. Sec. 614. FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund—State Appropriation (FY 2014)	\$1,582,000
General Fund—State Appropriation (FY 2015)	\$1,478,000
General Fund—Federal Appropriation	\$54,260,000
TOTAL APPROPRIATION	\$57,320,000

The appropriations in this section are subject to the following conditions and limitations: For the 2013-2015 fiscal biennium the board shall not designate recipients of the Washington award for vocational excellence or recognize them at award ceremonies as provided in RCW 28C.04.535.

NEW SECTION. Sec. 615. FOR THE DEPARTMENT OF EARLY LEARNING

General Fund—State Appropriation (FY 2014)	\$34,253,000
General Fund—State Appropriation (FY 2015)	\$48,689,000
General Fund—Federal Appropriation	\$293,652,000
Opportunity Pathways Account—State Appropriation	\$80,000,000
Home Visiting Services Account—State Appropriation	\$2,868,000
Home Visiting Services Account—Federal Appropriation	\$22,756,000
Children’s Trust Account—State Appropriation	\$180,000
TOTAL APPROPRIATION	\$482,398,000

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

(1) \$20,229,000 of the general fund—state appropriation for fiscal year 2014, \$36,474,000 of the general fund—state appropriation for fiscal year 2015, and \$80,000,000 of the opportunity pathways account appropriation are provided solely for the early childhood education assistance program services. Of these amounts, \$10,284,000 is a portion of the biennial amount of state maintenance of effort dollars required to receive federal child care and development fund grant dollars.

(2) \$638,000 of the general fund—state appropriation for fiscal year 2014, and \$638,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for child care resource and referral network services.

(3) \$200,000 of the general fund—state appropriation for fiscal year 2014 and \$200,000 of the general fund—state appropriation for fiscal year 2015 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

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

(5) \$1,434,000 of the general fund—state appropriation for fiscal year 2014, \$1,434,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for expenditure into the home visiting services account. This funding is intended to meet federal maintenance of effort requirements and to secure private matching funds.

(6)(a) \$153,717,000 of the general fund—federal appropriation is provided solely for the working connections child care program under RCW 43.215.135.

(b) In addition to groups that were given prioritized access to the working connections child care program effective March 1, 2011, the department shall also give prioritized access into the program to families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center.

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

(8) \$1,025,000 of the general fund—state appropriation for fiscal year 2014, \$1,025,000 of the general fund—state appropriation for fiscal year 2015, and \$13,424,000 of the general fund—federal appropriation are provided solely for the seasonal child care program. If federal sequestration cuts are realized, cuts to the seasonal child care program must be proportional to other federal reductions made within the department.

(9) \$3,572,000 of the general fund—state appropriation for fiscal year 2014, \$2,522,000 of the general fund—state appropriation for fiscal year 2015, and \$4,304,000 of the general fund—federal appropriation are provided solely for the medicaid treatment child care (MTCC) program. The department shall contract for MTCC services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration. In addition to referrals made by children's administration, the department shall authorize services for children referred to the MTCC program, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC program.

(a) Of the amounts appropriated in this subsection, \$60,000 per fiscal year may be used by the department for administering the MTCC program, if needed.

(b) Of the amounts provided in this subsection, \$1,050,000 of the general fund—state appropriation for fiscal year 2014 is provided solely to continue providing services in the event of losing federal funding for the MTCC program. To the extent that the moneys provided in this subsection (9)(b) are not necessary for this purpose, the amounts provided shall lapse.

(10) \$150,000 of the general fund—state appropriation for fiscal year 2014 and \$150,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.

(11) \$721,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for the department to complete development work of the electronic benefits transfer system.

(12) \$793,000 of the general fund—state appropriation for fiscal year 2014 and \$796,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for implementation of an electronic benefits transfer system. To the maximum extent possible, the department shall work to integrate this system with the department of social and health services payment system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer.

(13) \$32,000 of the general fund—state appropriation for fiscal year 2014 is provided solely for implementation of Second Substitute Senate Bill No. 5595 (child care reform). If the bill is not enacted by June 30, 2013, the amounts provided in this subsection shall lapse.

(14)(a)(i) The department of early learning is required to provide to the education research and data center, housed at the office of financial management, data on all state-funded early childhood programs. These programs include the early support for infants and toddlers, early childhood education and assistance program (ECEAP), and the working connections and seasonal subsidized childcare programs including license exempt facilities or family, friend, and neighbor care. The data provided by the department to the education research data center must include information on children who participate in these programs, including their name and date of birth, and dates the child received services at a particular facility.

(ii) The ECEAP early learning professionals must enter qualifications into the department's professional development registry during the 2013-14 school year. By October 2015, the department must provide ECEAP early learning professional data to the education research data center.

(iii) The department must request federally funded head start programs to voluntarily provide data to the department and the education research data center that is equivalent to what is being provided for state-funded programs.

(iv) The education research and data center must provide a report on early childhood program participation and K-12 outcomes to the house of representatives appropriations committee and the senate ways and means committee using available data by November 2013 for the school year ending in 2012 and again in March 2014 for the school year ending in 2013.

(b) The department, in consultation with the department of social and health services, must withhold payment for services to early childhood programs that do not report on the name, date of birth, and the dates a child received services at a particular facility.

NEW SECTION. Sec. 616. FOR THE STATE SCHOOL FOR THE BLIND

General Fund—State Appropriation (FY 2014)	\$6,032,000
General Fund—State Appropriation (FY 2015)	\$5,805,000
General Fund—Private/Local Appropriation	\$15,000
TOTAL APPROPRIATION	\$11,852,000

NEW SECTION. Sec. 617. FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

General Fund—State Appropriation (FY 2014)	\$8,615,000
General Fund—State Appropriation (FY 2015)	\$8,591,000
TOTAL APPROPRIATION	\$17,206,000

NEW SECTION. Sec. 618. FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund—State Appropriation (FY 2014)	\$1,125,000
General Fund—State Appropriation (FY 2015)	\$1,101,000
General Fund—Federal Appropriation	\$2,074,000
General Fund—Private/Local Appropriation	\$12,000
TOTAL APPROPRIATION	\$4,312,000

NEW SECTION. Sec. 619. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund—State Appropriation (FY 2014)	\$2,123,000
General Fund—State Appropriation (FY 2015)	\$2,150,000
TOTAL APPROPRIATION	\$4,273,000

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

General Fund—State Appropriation (FY 2014)	\$1,600,000
General Fund—State Appropriation (FY 2015)	\$1,530,000
TOTAL APPROPRIATION	\$3,130,000

**PART VII
SPECIAL APPROPRIATIONS**

NEW SECTION. Sec. 701. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund—State Appropriation (FY 2014)	\$741,362,000
General Fund—State Appropriation (FY 2015)	\$1,060,322,000
State Building Construction Account—State Appropriation	\$4,297,000
Columbia River Basin Water Supply Development Account—State Appropriation	\$269,000
State Taxable Building Construction Account—State Appropriation	\$211,000
Debt-Limit Reimbursable Bond Retire Account—State Appropriation	\$2,320,000
TOTAL APPROPRIATION	\$1,808,781,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund—state appropriation for fiscal year 2014 shall be expended into the debt-limit general fund bond retirement account by June 30, 2014.

NEW SECTION. Sec. 702. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND

REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

Accident Account—State Appropriation	\$4,138,000
Medical Aid Account—State Appropriation	\$4,138,000
TOTAL APPROPRIATION	\$8,276,000

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

General Fund—State Appropriation (FY 2014)	\$25,636,000
General Fund—State Appropriation (FY 2015)	\$16,102,000
Nondebt-Limit Reimbursable Bond Retirement Account—State Appropriation	\$140,215,000
TOTAL APPROPRIATION	\$181,953,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund—state appropriation for fiscal year 2014 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2014.

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

General Fund—State Appropriation (FY 2014)	\$1,726,000
General Fund—State Appropriation (FY 2015)	\$1,726,000
State Building Construction Account—State Appropriation	\$867,000
Columbia River Basin Water Supply Development Account—State Appropriation	\$57,000
State Taxable Building Construction Account—State Appropriation	\$45,000
TOTAL APPROPRIATION	\$4,421,000

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

General Fund—State Appropriation (FY 2014)	\$4,000,000
General Fund—State Appropriation (FY 2015)	\$4,000,000
TOTAL APPROPRIATION	\$8,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the disaster response account to be used for any Washington state fire service resource mobilization costs incurred by the Washington state patrol in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964.

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

General Fund—State Appropriation (FY 2014)	\$5,100,000
General Fund—State Appropriation (FY 2015)	\$2,500,000

TOTAL APPROPRIATION \$7,600,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the disaster response account for emergency fire suppression by the department of natural resources and to complete projects necessary to recover from previously declared disasters.

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

General Fund—State Appropriation (FY 2014) \$850,000
General Fund—State Appropriation (FY 2015) \$850,000
TOTAL APPROPRIATION \$1,700,000

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

NEW SECTION. Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT—EDUCATION TECHNOLOGY REVOLVING ACCOUNT

General Fund—State Appropriation (FY 2014) \$8,000,000
General Fund—State Appropriation (FY 2015) \$8,000,000
TOTAL APPROPRIATION \$16,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the education technology revolving account for the purpose of covering ongoing operational and equipment replacement costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

NEW SECTION. Sec. 709. FOR THE OFFICE OF FINANCIAL MANAGEMENT—O'BRIEN BUILDING IMPROVEMENT

General Fund—State Appropriation (FY 2014) \$2,948,000
General Fund—State Appropriation (FY 2015) \$2,942,000
TOTAL APPROPRIATION \$5,890,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the enterprise services account for payment of principal, interest, and financing expenses associated with the certificate of participation for the O'Brien building improvement, project number 20081007.

NEW SECTION. Sec. 710. FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE

General Fund—State Appropriation (FY 2014) \$36,386,000
General Fund—State Appropriation (FY 2015) \$36,386,000
TOTAL APPROPRIATION \$72,772,000

The appropriations in this section are subject to the following conditions and limitations: The state treasurer shall distribute the appropriations to the following counties and health districts in the amounts designated to support public health services, including public health nursing:

Health District	FY 2014	FY 2015	2013-15 Biennium
Adams County Health District	\$121,213	\$121,213	\$242,426
Asotin County Health District	\$159,890	\$159,890	\$319,780
Benton-Franklin Health District	\$1,614,337	\$1,614,337	\$3,228,674
Chelan-Douglas Health District	\$399,634	\$399,634	\$799,268
Clallam County Health and Human Services Department	\$291,401	\$291,401	\$582,802
Clark County Health District	\$1,767,341	\$1,767,341	\$3,534,682
Skamania County Health Department	\$111,327	\$111,327	\$222,654
Columbia County Health District	\$119,991	\$119,991	\$239,982
Cowlitz County Health Department	\$477,981	\$477,981	\$955,962
Garfield County Health District	\$93,154	\$93,154	\$186,308
Grant County Health District	\$297,761	\$297,762	\$595,523
Grays Harbor Health Department	\$335,666	\$335,666	\$671,332
Island County Health Department	\$255,224	\$225,224	\$510,448
Jefferson County Health and Human Services	\$184,080	\$184,080	\$368,160
Seattle-King County Department of Public Health	\$10,558,598	\$10,558,598	\$21,117,196
Bremerton-Kitsap County Health District	\$997,476	\$997,476	\$1,994,952
Kititas County Health Department	\$198,979	\$198,979	\$397,958
Klickitat County Health Department	\$153,784	\$153,784	\$307,568
Lewis County Health Department	\$263,134	\$263,134	\$526,268
Lincoln County Health Department	\$113,917	\$113,917	\$227,834
Mason County Department of Health Services	\$227,448	\$227,448	\$454,896
Okanogan County Health District	\$169,882	\$169,882	\$339,764
Pacific County Health Department	\$169,075	\$169,075	\$338,150
Tacoma-Pierce County Health Department	\$4,143,169	\$4,143,169	\$8,286,338
San Juan County Health and Community Services	\$2,253,493	\$2,253,493	\$4,506,986
Skagit County Health Department	\$449,745	\$449,745	\$899,490
Snohomish Health District	\$3,433,291	\$3,433,291	\$6,866,582
Spokane County Health District	\$2,877,318	\$2,877,318	\$5,754,636

Northeast Tri-County Health District	\$249,303	\$249,303	\$498,606
Thurston County Health Department	\$1,046,897	\$1,046,897	\$2,093,794
Wahkiakum County Health Department	\$93,181	\$9,180	\$186,361
Walla Walla County-City Health Department	\$302,173	\$302,173	\$604,346
Whatcom County Health Department	\$1,214,301	\$1,214,301	\$2,428,602
Whitman County Health Department	\$189,355	\$189,355	\$378,710
Yakima Health District	\$1,052,482	\$1,052,482	\$2,104,964
 TOTAL APPROPRIATIONS	 \$36,386,001	 \$36,386,001	 \$72,772,002

NEW SECTION. Sec. 711. BELATED CLAIMS

The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

NEW SECTION. Sec. 712.

**FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—
CONTRIBUTIONS TO RETIREMENT SYSTEMS**

The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and firefighters' retirement system:

General Fund—State Appropriation (FY 2014)	\$58,700,000
General Fund—State Appropriation (FY 2015)	\$61,600,000
TOTAL APPROPRIATION	\$120,300,000

(2) There is appropriated for contributions to the judicial retirement system:

General Fund—State Appropriation (FY 2014)	\$10,600,000
General Fund—State Appropriation (FY 2015)	\$10,600,000
TOTAL APPROPRIATION	\$21,200,000

**NEW SECTION. Sec. 713. FOR THE OFFICE OF FINANCIAL
MANAGEMENT—STATE EFFICIENCY AND RESTRUCTURING
REPAYMENT**

General Fund—State Appropriation (FY 2014)	\$4,981,000
General Fund—State Appropriation (FY 2015)	\$4,981,000
TOTAL APPROPRIATION	\$9,962,000

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

expenditure into the cleanup settlement account on July 1, 2013, and July 1, 2014, as repayment of moneys that were transferred to the state efficiency and restructuring account.

NEW SECTION. Sec. 714. FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEAN MANAGEMENT STRATEGIES EFFICIENCY SAVINGS

General Fund—State Appropriation (FY 2015) (\$30,000,000)

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

(1) The legislature is committed to promoting a state government culture that makes sustained improvement a habitual behavior from front-line staff to agency leadership.

(2) The office of financial management must develop a strategic lean management action plan to drive efficiencies in state spending and to increase productivity of state employees while improving and increasing state services for taxpayers. The action plan must determine the specific agencies and programs that would benefit most from application of the action plan, and the plan must target resources accordingly.

(3) The office of financial management must integrate lean principles into all performance management efforts.

(4) The office of financial management and the office of the chief information officer must integrate lean principles into all major information technology initiatives.

(5) The office of financial management must develop and implement a lean practitioner fellowship program to train state agency staff. Agency staff participating in the fellowship will be assigned to work on statewide efforts that streamline and improve processes across agencies.

(6) Agencies must report to the office of financial management at least twice per fiscal year process improvements and efficiencies gained through tools such as the lean strategy. The office of financial management must compile and transmit these reports to the appropriate fiscal committees of the legislature at least every six months, beginning January 1, 2014.

(7) The office of financial management must report to the legislature by December 2014 on the viability of the lean/performance management program becoming a self-funding program.

(8) The office of financial management must reduce allotments for affected state agencies by \$30,000,000 from the state general fund for fiscal year 2015 in this act to reflect fiscal year 2015 savings resulting from application of the lean management and performance management strategies required by this section.

NEW SECTION. Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT—INFORMATION TECHNOLOGY EXPENDITURES

General Fund—State Appropriation (FY 2014) (\$2,500,000)

General Fund—State Appropriation (FY 2015) (\$2,500,000)

TOTAL APPROPRIATION (\$5,000,000)

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

(1) The office of the chief information officer and the office of financial management shall work to drive efficiency in state procurement, maintenance, and operations of information technology.

(2) Agencies must report to the office of the chief information officer and the office of financial management at least annually on efficiencies gained through these efforts. The office of financial management must compile and transmit these reports to the appropriate fiscal committees of the legislature at least every year, beginning January 1, 2014.

(3) The office of financial management shall reduce allotments for all affected state agencies by \$2,500,000 from fiscal year 2014 general fund—state appropriations and \$2,500,000 from fiscal year 2015 general fund—state appropriations in this act to reflect savings resulting from efficiencies in information technology expenditures statewide.

NEW SECTION. Sec. 716. FOR THE OFFICE OF THE INSURANCE COMMISSIONER—HEALTH BENEFIT EXCHANGE ACCOUNT

General Fund—State Appropriation (FY 2014) \$676,000

The appropriations in this section are subject to the following conditions and limitations: The amounts in this section are provided solely for expenditure into the health benefit exchange account—state and are provided as a loan to be repaid with amounts from the health benefit exchange account—state by July 30, 2015.

NEW SECTION. Sec. 717. FOR THE OFFICE OF FINANCIAL MANAGEMENT—COMMUNICATION SERVICES REFORM

General Fund—State Appropriation (FY 2014) \$47,000
General Fund—State Appropriation (FY 2015) \$4,953,000
TOTAL APPROPRIATION \$5,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the universal communications services fund to implement Substitute House Bill No. 1971 (communications services). If the bill is not enacted by June 30, 2013, the appropriations provided in this section shall lapse.

NEW SECTION. Sec. 718. FOR THE OFFICE OF FINANCIAL MANAGEMENT—AGENCY EFFICIENCIES

General Fund—State Appropriation (FY 2014) (\$2,500,000)
General Fund—State Appropriation (FY 2015) (\$2,500,000)
TOTAL APPROPRIATION (\$5,000,000)

The appropriations in this section are subject to the following conditions and limitations: The office of financial management shall reduce allotments for all agencies by \$2,500,000 from fiscal year 2014 general fund—state appropriations and \$2,500,000 from fiscal year 2015 general fund—state appropriations in this act to reflect (1) available fund balances in dedicated revolving funds used for central services to state agencies and (2) more efficient delivery of consolidated central services to state agencies.

NEW SECTION. Sec. 719. FOR THE LEGISLATIVE TASK FORCE ON CAREER EDUCATION OPPORTUNITIES

(1) The legislature finds that for too long, there has been a perception that career readiness and college readiness represent two separate and unequal tracks. The importance of providing high quality opportunities for applied learning, work-integrated learning, cross-disciplinary curriculum, career exploration and planning, and career and technical equivalence often appears subsumed by an emphasis on theoretical academics. The legislature intends to create a vision for the integration of career education alongside academic education.

(2)(a) A legislative task force on career education opportunities is established with the following members:

(i) Two members from each of the largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;

(ii) Two members from each of the largest caucuses of the senate, appointed by the president of the senate;

(iii) The superintendent of public instruction or a designee;

(iv) One representative each from the workforce training and education coordinating board, state board of education, the student achievement council, and the Washington association of career and technical education; and

(v) One member appointed by the governor.

(b) The task force shall be cochaired by one house and one senate member, selected by the members of the task force.

(3) The purpose of the task force is to identify strategies for how education that supports career readiness, including but not limited to career and technical education, may be better integrated into secondary education opportunities for all students. The strategies to be considered by the task force include state laws and policies, graduation requirements, and state funding for instructional programs. The task force must examine the barriers, incentives and disincentives, costs, and cost-effectiveness of current policies and practices.

(4) The office of the superintendent of public instruction shall identify a recommended list of course equivalencies for career and technical education courses and submit the list to the task force under this section by October 1, 2013.

(5) The task force shall examine at least the following:

(a) An analysis of the career and college ready graduation requirements proposed by the state board of education and any recommendations regarding graduation requirements;

(b) Options for expanding career education and career exploration and planning into middle school;

(c) Options for increasing student and parent awareness of the multiple education and career pathways available for students;

(d) Strategies for enhancing and supporting work-integrated learning opportunities for students;

(e) Recommended policies that both support and provide appropriate state oversight and strategic planning for career and technical education offered in middle schools, comprehensive high schools, and skill centers; and

(f) Recommendations for how to maximize statewide use of the list of career and technical education course equivalencies identified by the office of the superintendent of public instruction.

(6) A preliminary report from the task force is due December 15, 2013, to include initial analysis and a plan for completion of the final report. A final report is due September 1, 2014.

(7) The task force shall coordinate its analysis and recommendations with other studies of career and technical education delivery models and financing, including financing of capital facilities.

(8) Staff support for the task force must be provided by senate committee services and the house of representatives office of program research, with assistance from the office of the superintendent of public instruction, the student achievement council, and the workforce training and education coordinating board as necessary.

(9) Legislative members of the task force may be reimbursed for travel expenses in accordance with RCW 44.04.120. The expenses of the task force must be paid jointly by the senate and the house of representatives. Task force expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee.

NEW SECTION. Sec. 720. FOR THE OFFICE OF FINANCIAL MANAGEMENT—FEDERAL PATIENT PROTECTION AND AFFORDABLE CARE ACT SAVINGS AND OTHER HEALTH CARE SAVINGS

General Fund—State Appropriation (FY 2015) (\$10,000,000)

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

(1) The appropriation in this section is provided solely to reduce appropriations or allocations in this budget related to providing health benefits to reflect savings that may be achieved through greater efficiencies and/or coordinating publicly provided health insurance benefits with the federal patient protection and affordable care act programs. The office of financial management shall work with other agencies to prepare a plan that identifies savings under this subsection (1) and reduces allotments or allocations accordingly to achieve any savings identified in the plan.

(2) To facilitate the transfer of moneys to agencies from dedicated other funds and accounts, the state treasurer shall transfer sufficient moneys from dedicated funds or accounts from which savings are achieved in accordance with schedules developed by the office of financial management consistent with the savings identified under subsection (1) of this section. The office shall reduce allotments for all agencies to reflect these savings.

**PART VIII
OTHER TRANSFERS AND APPROPRIATIONS**

NEW SECTION. Sec. 801. FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance	
premium distributions	\$8,248,000
General Fund Appropriation for public utility	
district excise tax distributions	\$50,894,000

General Fund Appropriation for prosecuting attorney distributions	\$6,068,000
General Fund Appropriation for boating safety and education distributions	\$4,000,000
General Fund Appropriation for other tax distributions	\$65,000
General Fund Appropriation for habitat conservation program distributions	\$3,000,000
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies	\$3,158,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution	\$146,000
Timber Tax Distribution Account Appropriation for distribution to "timber" counties	\$72,120,000
County Criminal Justice Assistance Appropriation	\$78,983,000
Municipal Criminal Justice Assistance Appropriation	\$30,550,000
City-County Assistance Account Appropriation for local government financial assistance distribution	\$17,134,000
Liquor Excise Tax Account Appropriation for liquor excise tax distribution	\$24,744,000
Streamlined Sales and Use Tax Mitigation Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes	\$50,488,000
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation	\$7,760,000
Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians	\$5,025,000
Liquor Revolving Account Appropriation for liquor profits distribution	\$98,876,000
TOTAL APPROPRIATION	\$434,259,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 802. FOR THE STATE TREASURER—FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation	\$2,469,000
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The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2013-2015 fiscal biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock

violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 803. FOR THE STATE TREASURER—MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation \$1,646,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2013-2015 fiscal biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 804. FOR THE STATE TREASURER—FEDERAL REVENUES FOR DISTRIBUTION

General Fund Appropriation for federal flood control funds distribution \$66,000
General Fund Appropriation for federal grazing fees distribution \$1,706,000
Forest Reserve Fund Appropriation for federal forest reserve fund distribution \$5,636,000
TOTAL APPROPRIATION \$7,408,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 805. FOR THE STATE TREASURER—TRANSFERS

State Treasurer's Service Account: For transfer to the state general fund, \$10,100,000 for fiscal year 2014 and \$10,100,000 for fiscal year 2015 \$20,200,000
Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account \$32,000,000
General Fund: For transfer to the streamlined sales and use tax account, \$25,284,000 for fiscal year 2014 and \$25,204,000 for fiscal year 2015 \$50,488,000

Public Works Assistance Account: For transfer to the education legacy trust account, \$138,622,000 for fiscal year 2014 and \$138,622,000 for fiscal year 2015	\$277,244,000
Local Toxics Control Account: For transfer to the state general fund, \$9,000,000 for fiscal year 2014 and \$9,000,000 for fiscal year 2015	\$18,000,000
State Taxable Building Construction Account: For transfer to the Columbia River basin taxable bond water supply development account, an amount not to exceed	\$32,000,000
Employment Training Finance Account: For transfer to the state general fund, \$1,000,000 for fiscal year 2014 and \$1,000,000 for fiscal year 2015	\$2,000,000
Tuition Recovery Trust Account: For transfer to the state general fund, \$1,250,000 for fiscal year 2014 and \$1,250,000 for fiscal year 2015	\$2,500,000
General Fund: For transfer to the child and family reinvestment account, \$3,800,000 for fiscal year 2014 and \$2,691,000 for fiscal year 2015	\$6,491,000
Flood Control Assistance Account: For transfer to the state general fund, \$1,000,000 for fiscal year 2014 and \$1,000,000 for fiscal year 2015	\$2,000,000
Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed the actual amount of the annual base payment to the tobacco settlement account	\$157,221,000
Tobacco Settlement Account: For transfer to the state general fund from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2014	\$17,000,000
Tobacco Settlement Account: For transfer to the state general fund from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2015	\$17,000,000
Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2014	\$9,515,000
Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2015	\$9,515,000

The transfer to the life sciences discovery fund is subject to the following conditions:

(1) The life sciences discovery fund authority board of trustees shall begin preparing to become a self-sustaining entity capable of operating without direct state subsidy by the time the tobacco strategic contribution supplemental payments end in fiscal year 2017.

(2) \$250,000 of the appropriation in fiscal year 2014 and \$250,000 of the appropriation in fiscal year 2015 are provided solely to promote the development and delivery of global health technologies and products.

(a) The life sciences discovery fund authority must either administer a grant application, review, and reward process, or contract with a qualified nonprofit organization for these services. State moneys must be provided for grants to entities for the development, production, promotion, and delivery of global health technologies and products. Grant award criteria must include:

(i) The quality of the proposed research or the proposed technical assistance in product development or production process design. Any grant funds awarded for research activities must be awarded for nonbasic research that will assist in the commercialization or manufacture of global health technologies;

(ii) The potential for the grant recipient to improve global health outcomes;

(iii) The potential for the grant to leverage additional funding for the development of global health technologies and products;

(iv) The potential for the grant to stimulate, or promote technical skills training for, employment in the development of global health technologies in the state; and

(v) The willingness of the grant recipient, when appropriate, to enter into royalty or licensing income agreements with the authority.

(b) The authority, or the contractor of the authority, must report information including the types of products and research funded, the funding leveraged by the grants, and the number and types of jobs created as a result of the grants, to the economic development committees of the legislature by December 1, 2014.

Aquatic Lands Enhancement Account: For transfer to the geoduck aquaculture research account, \$150,000 for fiscal year 2014 and \$150,000 for fiscal year 2015	\$300,000
Health Benefit Exchange Account: For transfer to the state general fund for fiscal year 2015	\$21,514,000
Criminal Justice Treatment Account: For transfer to the state general fund, \$437,000 for fiscal year 2014 and \$2,746,000 for fiscal year 2015	\$3,183,000
Resources Management Cost Account—Aquatics: For transfer to the marine resources stewardship trust account, \$1,850,000 for fiscal year 2014 and \$1,850,000 for fiscal year 2015	\$3,700,000
Legal Services Revolving Account: For transfer to the state general fund, \$976,000 for fiscal year 2014 and \$1,477,000 for fiscal year 2015	\$2,453,000
Personnel Service Account: For transfer to the state general fund, \$733,000 for fiscal year 2014 and \$733,000 for fiscal year 2015	\$1,466,000
Data Processing Revolving Account: For transfer to the state general fund, \$4,069,000 for fiscal year 2014 and \$4,070,000 for fiscal year 2015	\$8,139,000

Home Security Fund Account: For transfer to the transitional housing operating and rent account	\$7,500,000
Professional Engineers' Account: For transfer to the state general fund, \$956,000 for fiscal year 2014 and \$957,000 for fiscal year 2015	\$1,913,000
Electrical License Account: For transfer to the state general fund, \$1,700,000 for fiscal year 2014 and \$1,700,000 for fiscal year 2015	\$3,400,000
Business and Professions Account: For transfer to the state general fund, \$1,838,000 for fiscal year 2014 and \$1,800,000 for fiscal year 2015	\$3,638,000
Energy Freedom Account: For transfer to the state general fund, \$1,000,000 for fiscal year 2014 and \$1,000,000 for fiscal year 2015	\$2,000,000
Pollution Liability Insurance Program Trust Account: For transfer to the state general fund, \$2,500,000 for fiscal year 2014 and \$2,500,000 for fiscal year 2015	\$5,000,000
Real Estate Commission Account: For transfer to the state general fund, \$1,700,000 for fiscal year 2014 and \$1,700,000 for fiscal year 2015	\$3,400,000
State Lottery Account: For transfer to the education legacy trust account, \$6,050,000 for fiscal year 2014 and \$6,050,000 for fiscal year 2015	\$12,100,000
State Toxics Control Account: For transfer to the radioactive mixed waste account, \$2,000,000 for fiscal year 2014	\$2,000,000

**PART IX
MISCELLANEOUS**

NEW SECTION. Sec. 901. EXPENDITURE AUTHORIZATIONS

The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2011-2013 fiscal biennium.

NEW SECTION. Sec. 902. EMERGENCY FUND ALLOCATIONS

Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. An appropriation is not necessary to effect such repayment.

NEW SECTION. Sec. 903. STATUTORY APPROPRIATIONS

In addition to the amounts appropriated in this act for revenues for distribution, and bond retirement and interest including ongoing bond

registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapters 39.94 and 39.96 RCW or any proper bond covenant made under law.

NEW SECTION. Sec. 904. BOND EXPENSES

In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

NEW SECTION. Sec. 905. VOLUNTARY RETIREMENT, SEPARATION, AND DOWNSHIFTING INCENTIVES

As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may implement a voluntary retirement and/or separation, program that is cost neutral or results in cost savings (including costs to the state pension systems) over a two-year period following the commencement of the program, provided that such a program is approved by the director of financial management. Agencies participating in this authorization may offer voluntary retirement and/or separation incentives and options according to procedures and guidelines established by the office of financial management, in consultation with the office of the state human resources director and the department of retirement systems. The options may include, but are not limited to, financial incentives for voluntary separation or retirement. An employee does not have a contractual right to a financial incentive offered under this section. Offers shall be reviewed and monitored jointly by the office of the state human resources director and the department of retirement systems. Agencies are required to submit a report by July 30, 2015, to the legislature and the office of financial management on the outcome of their approved incentive program. The report should include information on the details of the program including the incentive payment amount for each participant, the total cost to the state, and the projected or actual net dollar savings over the two year period.

The department of retirement systems may collect from employers the actuarial cost of any incentive provided under this program, or any other incentive to retire provided by employers to members of the state's pension systems, for deposit in the appropriate pension account.

NEW SECTION. Sec. 906. COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED

Nothing in this act prohibits the expenditure of any funds by an agency or institution of the state for benefits guaranteed by any collective bargaining agreement in effect on the effective date of this section.

NEW SECTION. Sec. 907. COLLECTIVE BARGAINING AGREEMENTS

The following sections represent the results of the 2013-2015 collective bargaining process required under the provisions of chapters 41.80, 41.56 and 74.39A RCW. Provisions of the collective bargaining agreements contained in sections 908 through 938 of this act are described in general terms. Only major

economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements. The collective bargaining agreements or the continuation of terms and conditions of the 2011-2013 agreements contained in Part IX of this act may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

NEW SECTION. Sec. 908. COLLECTIVE BARGAINING AGREEMENT—WFSE

An agreement has been reached between the governor and the Washington federation of state employees general government under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step and for backfill costs for a personal leave day. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 909. COLLECTIVE BARGAINING AGREEMENT—WPEA

An agreement has been reached between the governor and the Washington public employees association general government under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 910. COLLECTIVE BARGAINING AGREEMENT—COALITION OF UNIONS

An agreement has been reached between the governor and the coalition of unions under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 911. COLLECTIVE BARGAINING AGREEMENT—WAFWP

An agreement has been reached between the governor and the Washington association of fish and wildlife professionals under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 912. COLLECTIVE BARGAINING AGREEMENT—PTE LOCAL 17

An agreement has been reached between the governor and the professional and technical employees local 17 under the provisions of chapter 41.80 RCW for

the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 913. COLLECTIVE BARGAINING AGREEMENT—SEIU 1199NW

An agreement has been reached between the governor and the service employees international union healthcare 1199nw under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step and for backfill costs for a personal leave day. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 914. COLLECTIVE BARGAINING AGREEMENT—TEAMSTERS LOCAL 117

An agreement has been reached between the governor and the international brotherhood of teamsters local 117 under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 915. COLLECTIVE BARGAINING AGREEMENT—WFSE HIGHER EDUCATION COMMUNITY COLLEGE COALITION

An agreement has been reached between the governor and the Washington federation of state employees community college coalition under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 916. COLLECTIVE BARGAINING AGREEMENT—WPEA HIGHER EDUCATION COMMUNITY COLLEGE COALITION

An agreement has been reached between the governor and the Washington public employees association community college coalition under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes a one percent salary increase for all bargaining unit members effective July 1, 2014, through June 30, 2015, contingent on the state collecting \$200,000,000 or more in unanticipated general fund-state revenue from increased economic activity.

NEW SECTION. Sec. 917. COLLECTIVE BARGAINING AGREEMENT—WSP TROOPERS ASSOCIATION

An agreement has been reached between the governor and the Washington state patrol troopers association through an interest arbitration decision under the

provisions of chapter 41.56 RCW for the 2013-2015 fiscal biennium. Funding is provided for the awarded three percent salary increase for all bargaining unit members effective July 1, 2013, and a one percent increase to longevity pay for years five through nine effective July 1, 2014.

NEW SECTION. Sec. 918. COLLECTIVE BARGAINING AGREEMENT—WSP LIEUTENANTS ASSOCIATION

An agreement has been reached between the governor and the Washington state patrol lieutenants association through an interest arbitration decision under the provisions of chapter 41.56 RCW for the 2013-2015 fiscal biennium. Funding is provided for the awarded three percent salary increase for all bargaining unit members effective July 1, 2014, and for parking of department issued vehicles for employees assigned vehicles at the general administration building or capital campus.

NEW SECTION. Sec. 919. COLLECTIVE BARGAINING AGREEMENT—YAKIMA VALLEY COMMUNITY COLLEGE—WPEA

An agreement has been reached between Yakima Valley Community College and the Washington public employees association under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes that economic terms and conditions replicate those specified in the agreement executed by and between the Washington state higher education coalition and the Washington public employees association under RCW 41.80.010 for the term July 1, 2013, to June 30, 2015.

NEW SECTION. Sec. 920. COLLECTIVE BARGAINING AGREEMENT—THE EVERGREEN STATE COLLEGE—WFSE

An agreement has been reached between The Evergreen State College and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step and a personal leave day. Funding is also provided for a one percent salary increase for all bargaining unit members beginning July 1, 2014.

NEW SECTION. Sec. 921. COLLECTIVE BARGAINING AGREEMENT—WESTERN WASHINGTON UNIVERSITY—WFSE

An agreement has been reached between the Western Washington University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes compensation equal to any compensation increase approved, implemented, and funded by the state for general government classified represented staff through the general service salary schedule.

NEW SECTION. Sec. 922. COLLECTIVE BARGAINING AGREEMENT—WESTERN WASHINGTON UNIVERSITY—PSE

An agreement has been reached between the Western Washington University and the public schools employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement also includes compensation equal to any compensation increase approved, implemented, and funded by the state for general government classified represented staff through the general service salary schedule.

NEW SECTION. Sec. 923. COLLECTIVE BARGAINING AGREEMENT—EASTERN WASHINGTON UNIVERSITY—WFSE

An agreement has been reached between Eastern Washington University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. Funding is also provided for a one percent salary increase for all bargaining unit members beginning July 1, 2013, and a one percent salary increase for all bargaining unit members beginning July 1, 2014.

NEW SECTION. Sec. 924. COLLECTIVE BARGAINING AGREEMENT—CENTRAL WASHINGTON UNIVERSITY—WFSE

An agreement has been reached between Central Washington University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step and for a one percent salary increase for all bargaining unit members beginning July 1, 2014. The agreement also includes additional one-time payments each November of each fiscal year for members continually employed during the preceding twelve months in an amount up to three percent of member's gross wages contingent on the university's achievement of the goals contained in its student success incentive program.

NEW SECTION. Sec. 925. COLLECTIVE BARGAINING AGREEMENT—CENTRAL WASHINGTON UNIVERSITY—PSE

An agreement has been reached between Central Washington University and the public schools employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step. The agreement includes a one percent salary increase for all bargaining unit members beginning July 1, 2014, and in the event classified employees bargaining at the general government's higher education tables receive a general wage increase greater than one percent, salary ranges will increase by the higher amount. The agreement also includes additional one-time payments each November each fiscal year for members continually employed during the preceding twelve months in an amount up to three percent of member's gross wages contingent on the university's achievement of the goals contained in its student success incentive program.

NEW SECTION. Sec. 926. COLLECTIVE BARGAINING AGREEMENT—UNIVERSITY OF WASHINGTON—WFSE

An agreement has been reached between the University of Washington and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided for additional premium pay, preceptor pay, and professional development increases. Funding is also provided for a two percent wage increase for all bargaining unit members beginning July 1, 2013, and a two percent wage increase for all bargaining unit members beginning July 1, 2014. The agreement also provides that if the university agrees to across-the-board salary increases for any SEIU 925 bargaining unit that are more favorable than those negotiated with WFSE, the university will grant the same salary increase to WFSE-represented employees.

NEW SECTION. Sec. 927. COLLECTIVE BARGAINING AGREEMENT—UNIVERSITY OF WASHINGTON—SEIU 925

An agreement has been reached between the University of Washington and the service employees Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided for additional step increases, a two percent salary increase for all bargaining unit members beginning July 1, 2013, and a two percent salary increase for all bargaining unit members beginning July 1, 2014. The agreement also provides that if the university agrees to across-the-board salary increases or general increases for a SEIU 1199 or Washington state nurse association bargaining unit that are more favorable than those negotiated with SEIU 925, the university will grant the same salary increase to SEIU 925-represented employees.

NEW SECTION. Sec. 928. COLLECTIVE BARGAINING AGREEMENT—UNIVERSITY OF WASHINGTON—TEAMSTERS 117 (UW POLICE OFFICERS)

An agreement has been reached between the University of Washington and the teamsters 117 under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided for a two percent salary increase for all bargaining unit members beginning July 1, 2013, and a two percent salary increase for all bargaining unit members beginning July 1, 2014.

NEW SECTION. Sec. 929. COLLECTIVE BARGAINING AGREEMENT—WASHINGTON STATE UNIVERSITY—WFSE

An agreement has been reached between the Washington State University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. The agreement provides that if a general salary increase, implementation of a salary survey, or a longevity step (Step M) is approved and funded by the state for university nonbargaining unit covered classified staff, WFSE bargaining unit members will receive the same.

NEW SECTION. Sec. 930. COLLECTIVE BARGAINING AGREEMENT—WASHINGTON STATE UNIVERSITY—PSE

An agreement has been reached between the Washington State University and the public schools employees under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. The agreement provides that the bargaining unit members have a "me-too" agreement regarding cost of living increases with university classified staff utilizing the general service higher education salary schedule should the university request and receive funding to provide an across-the-board salary increase for classified staff.

NEW SECTION. Sec. 931. COLLECTIVE BARGAINING AGREEMENT—WASHINGTON STATE UNIVERSITY—WSU POLICE GUILD

An agreement has been reached between the Washington State University and the WSU Police Guild under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Funding is provided to add a longevity step.

NEW SECTION. Sec. 932. COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE BENEFITS

No agreement was reached between the governor and the health care super coalition under the provisions of chapter 41.80 RCW for the 2013-2015 fiscal biennium. Appropriations in this act for state agencies, including institutions of

higher education are sufficient to continue the provisions of the 2011-2013 collective bargaining agreement, and are subject to the following conditions and limitations: (1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed \$763 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to \$150 per month.

NEW SECTION. Sec. 933. COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed \$763 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the

spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to \$150 per month.

NEW SECTION. Sec. 934. COLLECTIVE BARGAINING AGREEMENTS

For collective bargaining agreements negotiated with the state for the 2013-2015 fiscal biennium under chapter 41.80 RCW, the governor may request funds to implement the terms and conditions of any agreement negotiated by an institution of higher education and submitted to the office of financial management after October 1, 2012, but before December 20, 2012, if that agreement is determined to be financially feasible to the state by the director of financial management.

NEW SECTION. Sec. 935. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—LANGUAGE ACCESS PROVIDERS WFSE

An agreement has been reached between the governor and the Washington federation of state employees for the language access providers under the provisions of chapter 41.56 RCW for the 2013-2015 fiscal biennium. Funding is provided for a rate increase of 50 cents per hour effective July 1, 2013, and rate increase of 50 cents per hour effective July 1, 2014. Funding is also provided to accommodate a change to the no-show payment rules.

NEW SECTION. Sec. 936. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—SEIU HEALTHCARE 775NW HOMECARE WORKERS

An agreement has been reached between the governor and the service employees international union healthcare 775nw through an interest arbitration decision under the provisions of chapter 74.39A and 41.56 RCW for the 2013-2015 fiscal biennium. Funding is provided for increases to wages and pay differentials, mileage allowance, and healthcare contributions. Funding is also provided for a paid holiday and payment of certification and testing fees.

NEW SECTION. Sec. 937. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—SEIU LOCAL 925 CHILDCARE WORKERS

An agreement has been reached between the governor and the service employees international union local 925 under the provisions of chapter 41.56

RCW for the 2013-2015 fiscal biennium. Funding is provided for increases to health care, scholarship funding and non-standard hours bonus.

NEW SECTION. Sec. 938. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—WSRCC ADULT FAMILY HOMES

An agreement has been reached between the governor and the Washington state residential care council under the provisions of chapter 41.56 RCW for the 2013-2015 fiscal biennium. Funding is provided for a specialty adult family home contract for community placement of clients currently in western state hospital and an increase in the daily bed hold rate (days eight through twenty).

NEW SECTION. Sec. 939. COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$782 per eligible employee for fiscal year 2014. For fiscal year 2015 the monthly employer funding rate shall not exceed \$763 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require or make any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. The subsidy provided for calendar years 2014 and 2015 shall be up to \$150 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, \$64.40 per month beginning September 1, 2013, and \$70.39 beginning September 1, 2014; and

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, \$64.40 each month beginning September 1, 2013, and \$70.39 beginning September 1, 2014, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection (3) shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

NEW SECTION. Sec. 940. COMPENSATION—REVISE PENSION CONTRIBUTION RATES

The appropriations for school districts and state agencies, including institutions of higher education are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to agency appropriations to reflect pension contribution rates adopted by the pension funding council and the law enforcement officers' and firefighters' retirement system plan 2 board.

NEW SECTION. Sec. 941. NONREPRESENTED EMPLOYEE LONGEVITY STEP

For classified state employees, except those within the Washington management service and except those represented by a bargaining unit under chapters 41.80, 41.56, or 47.64 RCW, funding is provided within agency appropriations for implementation of a longevity step, in accordance with rules adopted under RCW 41.06.133.

NEW SECTION. Sec. 942. COMPENSATION—CONTINGENT INCREASE IN SALARIES AND WAGES

(1) If the director of the office of financial management determines that the February 2014 economic and revenue forecast council forecast for general fund—state revenues for fiscal year 2015 is \$200,000,000 or more than the September 2012 economic and revenue forecast council forecast for general fund—state revenues for fiscal year 2015 as a result of increased economic activity, effective July 1, 2014, appropriations to state agencies will increase in the amounts specified in LEAP Document 2013-H01 to fund a one percent salary increase effective July 1, 2014, through June 30, 2015, for the following state employees:

- (a) All classified employees;
- (b) Employees in the Washington management service;
- (c) Except as provided in subsection (2) of this section, employees exempt from merit system rules in the executive, legislative, and judicial branches;

(d) Employees of the marine division of the department of transportation represented by the office and professional employees international union local eight and service employees international union local six.

(2) The salary increase in this section is not provided to the following state employees:

(a) Commissioned officers of the Washington state patrol represented by the Washington state patrol troopers association and the Washington state patrol lieutenants association;

(b) Employees of the marine division of the department of transportation represented by:

(i) The ferry agents, supervisors, project administrators association;

(ii) The Pacific northwest regional council of carpenters;

(iii) The Puget Sound metal trades council;

(iv) The marine engineers' beneficial association unlicensed engine room employees;

(v) The marine engineers' beneficial association licensed engineer officers;

(vi) The masters, mates and pilots - mates;

(vii) The masters, mates and pilots – masters;

(viii) The masters, mates and pilots - watch supervisors; and

(ix) The inlandboatmen's union of the pacific.

(c) Employees whose maximum salaries are set by the commission on salaries for elected officials; and

(d) Faculty employees and employees exempt from merit system rules at institutions of higher education.

(3) For purposes of this section, "increased economic activity" means additional revenue derived from taxable business and consumer activity and does not include revenue changes from changes in state or federal law or revenue changes characterized by the economic and revenue forecast council as a noneconomic change.

NEW SECTION. Sec. 943. ACQUISITION OF INFORMATION TECHNOLOGY PROJECTS THROUGH FINANCIAL CONTRACTS

(1) Financial contracts for the acquisition of the information technology projects authorized in this section must be approved jointly by the office of the financial management and the office of the chief information officer. Information technology projects funded under this section shall meet the following requirements:

(a) The project reduces costs and achieves economies of scale by leveraging statewide investments in systems and data and other common or enterprise-wide solutions within and across state agencies;

(b) The project begins or continues replacement of legacy information technology systems and replacing these systems with modern and more efficient information technology systems;

(c) The project improves the ability of an agency to recover from major disaster;

(d) The project provides future savings and efficiencies for an agency through reduced operating costs, improved customer service, or increased revenue collections; and

(e) Preference for project approval must be given to an agency that has prior approval from the office of the chief information officer, an approved business plan, and where the primary hurdle to project funding is the lack of funding capacity.

(2) The following state agencies may enter into financial contracts to finance expenditures for the acquisition and implementation of the following

information technology projects for up to the respective amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW:

(a) Subject to subsection (4) of this section, \$10,000,000 for the department of enterprise services time, leave, and attendance pilot project;

(b) \$3,867,000 for the Washington state patrol for continuation of the mobile office platform;

(c) \$8,500,000 for the department of social and health services conversion to the tenth version of the world health organization's international classification of diseases;

(d) \$5,558,000 for the department of early learning system implementation of electronic benefit transfers;

(e) \$4,323,000 for the department of corrections for radio infrastructure upgrades.

(3) The office of financial management with assistance from the office of the chief information officer will report to the governor and fiscal committees of the legislature by November 1st of each year on the status of distributions and expenditures on information technology projects and improved statewide or agency performance results achieved by project funding.

(4) If the Washington state department of transportation enters into financial contracts pursuant to chapter 39.94 RCW for the acquisition and implementation of a time, leave, and labor distribution system, the authorization provided to the department of enterprise services in subsection (2)(a) of this section expires.

NEW SECTION. Sec. 944. INFORMATION TECHNOLOGY PROJECTS

(1) The office of the chief information officer, in coordination with the technology services board, must evaluate existing state technology policies on technology investment planning and project implementation to determine whether these policies reflect current industry leading practices. Where necessary, the office of the chief information officer shall develop revisions to these policies designed to incorporate leading practices, and to incorporate appropriate reporting mechanisms designed to improve the transparency of agency compliance with these policies. All revisions must be submitted to the technology services board for approval no later than September 30, 2013. The technology services board may create a subcommittee responsible for the ongoing review and oversight of state technology policy development.

(2) The office of the chief information officer shall improve the transparency of agency technology planning and development activities by implementing a publicly facing web-based reporting tool for centralized reporting and posting of these documents. The office of the chief information officer shall develop and implement a policy requiring that all critical planning documents, including but not limited to feasibility studies, project management plans, and quality assurance plans for all major projects, and all quality assurance status reports. The reporting tool should be in place no later than September 30, 2013.

NEW SECTION. Sec. 945. PERSONAL COMPUTER ACQUISITION AND REPLACEMENT

(1) The legislature finds that the state must achieve reduced costs in the acquisition and deployment of new and replacement personal computers. The

office of the chief information officer of the state must develop a policy on the procurement of personal computers with the goal of reducing the total life cycle cost of ownership. The policy must be effective no later than September 1, 2013.

(2) At a minimum, the policy must address frequency of replacement, identify a preferred financing method, and identify one or more preferred equipment configurations. Financing methods examined in developing the policy must include leasing, lease purchasing, purchasing using certificates of participation and cash purchase. In determining total life cycle costs, the office of the chief information officer must consider the cost of acquisition, deployment, financing, maintenance, and decommissioning of personal computers including any residual software licensing costs. The office of the chief information officer may include any other criteria deemed appropriate in developing the policy.

(3) The office of the attorney general shall participate in a pilot acquisition program. Key elements of the pilot will include a regular replacement cycle that ensures reliable equipment and is acquired by lease. Deployment of the replacement computer and decommissioning of the old computer must also be part of the acquisition contract. The office of the attorney general must work with the office of the chief information officer to determine the costs and benefits of this approach relative to cash procurement and agency deployment and decommissioning. The office of the chief information officer shall report on the findings of the pilot not later than January 1, 2015.

(4) While judicial, legislative, and higher education agencies are exempt from this policy, they are encouraged to adhere to the policy to the maximum extent practicable in meeting the goal of lowering the total life cycle cost of ownership for personal computers.

NEW SECTION. Sec. 946. INFORMATION TECHNOLOGY SECURITY PROGRAMS AND TRAINING

(1) The office of the chief information officer has developed information technology security policies and standards to assist state agencies in implementing an information technology security program. Before any agency may expend amounts appropriated in this act on information technology equipment, the agency must adopt the information technology security policies and standards and the state chief information officer must approve an agency's information technology security program.

(2) Every agency shall submit to the office of the chief information officer a schedule for employee information technology security training, in accordance with technology security policies, no later than September 1, 2013. In the event an agency has not complied with this requirement, the chief information officer may request the office of financial management to embargo all or part of the amounts appropriated to the agency in this act for information technology equipment purchases until the agency training schedule is received.

Sec. 947. 2013 c 306 s 517 (uncodified) is amended to read as follows:

**COMPENSATION—REPRESENTED EMPLOYEES—SUPER
COALITION—INSURANCE BENEFITS**

No agreement has been reached between the governor and the health care super coalition under chapter 41.80 RCW for the 2013-2015 fiscal biennium.

Appropriations in this act for state agencies, including institutions of higher education, are sufficient to continue the provisions of the 2011-2013 collective bargaining agreement and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed (~~(\$809)~~) \$782 per eligible employee for fiscal year 2014. For fiscal year 2015, the monthly employer funding rate must not exceed (~~(\$820)~~) \$763 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board must require any of the following: Employee premium copayments; increases in point-of-service cost sharing; the implementation of managed competition; or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2014 and 2015, the subsidy must be \$150.00 per month.

Sec. 948. 2013 c 306 s 518 (uncodified) is amended to read as follows:

COMPENSATION—REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION—INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed (~~(\$809)~~) \$782 per eligible employee for fiscal year 2014. For fiscal year 2015, the monthly employer funding rate must not exceed (~~(\$820)~~) \$763 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any of the following: Employee premium copayments; increases in point-of-service cost sharing; the implementation of managed competition; or other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per

month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2014 and 2015, the subsidy must be \$150.00 per month.

Sec. 949. 2013 c 306 s 519 (uncodified) is amended to read as follows:

**COMPENSATION—NONREPRESENTED EMPLOYEES—
INSURANCE BENEFITS**

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed (~~(\$809)~~ \$782 per eligible employee for fiscal year 2014. For fiscal year 2015, the monthly employer funding rate must not exceed (~~(\$820)~~ \$763 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any of the following: Employee premium copayments; increases in point-of-service cost sharing; the implementation of managed competition; or make other changes to benefits consistent with RCW 41.05.065. Beginning July 1, 2014, the board shall add a \$25 per month surcharge to the premiums due from members who use tobacco products and a surcharge of not less than \$50 per month to the premiums due from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in other employer-based group health insurance that has benefits and premiums with an actuarial value not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts must not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2014 and 2015, the subsidy must be \$150.00 per month.

Sec. 950. RCW 2.68.020 and 2012 2nd sp.s. c 7 s 913 are each amended to read as follows:

There is created an account in the custody of the state treasurer to be known as the judicial information system account. The administrative office of the courts shall maintain and administer the account, in which shall be deposited all moneys received from in-state noncourt users and any out-of-state users of the judicial information system and moneys as specified in RCW 2.68.040 for the purposes of providing judicial information system access to noncourt users and providing an adequate level of automated services to the judiciary. The legislature shall appropriate the funds in the account for the purposes of the judicial information system. The account shall be used for the acquisition of equipment, software, supplies, services, and other costs incidental to the acquisition, development, operation, and administration of information services, telecommunications, systems, software, supplies, and equipment, including the payment of principal and interest on items paid in installments. During the 2011-2013 fiscal biennium, the judicial information system(~~(s-[system])~~) account may be appropriated to support the state law library. During the 2013-2015 fiscal biennium, the judicial information system account may be appropriated to support the information systems and other activities in the administrative office of the courts.

Sec. 951. RCW 2.28.170 and 2009 c 445 s 2 are each amended to read as follows:

(1) Counties may establish and operate drug courts.

(2) For the purposes of this section, "drug court" means a court that has special calendars or dockets designed to achieve a reduction in recidivism and substance abuse among nonviolent, substance abusing felony and nonfelony offenders, whether adult or juvenile, by increasing their likelihood for successful rehabilitation through early, continuous, and intense judicially supervised treatment; mandatory periodic drug testing; and the use of appropriate sanctions and other rehabilitation services.

(3)(a) Any jurisdiction that seeks a state appropriation to fund a drug court program must first:

(i) Exhaust all federal funding that is available to support the operations of its drug court and associated services; and

(ii) Match, on a dollar-for-dollar basis, state moneys allocated for drug court programs with local cash or in-kind resources. Moneys allocated by the state must be used to supplement, not supplant, other federal, state, and local funds for drug court operations and associated services. However, from July 26, 2009, until June 30, (~~(2013)~~) 2015, no match is required for state moneys expended for the administrative and overhead costs associated with the operation of a drug court pursuant to RCW 70.96A.350.

(b) Any county that establishes a drug court pursuant to this section shall establish minimum requirements for the participation of offenders in the

program. The drug court may adopt local requirements that are more stringent than the minimum. The minimum requirements are:

- (i) The offender would benefit from substance abuse treatment;
- (ii) The offender has not previously been convicted of a serious violent offense or sex offense as defined in RCW 9.94A.030; and
- (iii) Without regard to whether proof of any of these elements is required to convict, the offender is not currently charged with or convicted of an offense:
 - (A) That is a sex offense;
 - (B) That is a serious violent offense;
 - (C) During which the defendant used a firearm; or
 - (D) During which the defendant caused substantial or great bodily harm or death to another person.

Sec. 952. RCW 2.28.170 and 2013 c 257 s 5 are each amended to read as follows:

(1) Jurisdictions may establish and operate drug courts.

(2) For the purposes of this section, "drug court" means a court that has special calendars or dockets designed to achieve a reduction in recidivism and substance abuse among nonviolent, substance abusing felony and nonfelony offenders, whether adult or juvenile, by increasing their likelihood for successful rehabilitation through early, continuous, and intense judicially supervised treatment; mandatory periodic drug testing; and the use of appropriate sanctions and other rehabilitation services.

(3)(a) Any jurisdiction that seeks a state appropriation to fund a drug court program must first:

(i) Exhaust all federal funding that is available to support the operations of its drug court and associated services; and

(ii) Match, on a dollar-for-dollar basis, state moneys allocated for drug court programs with local cash or in-kind resources. Moneys allocated by the state must be used to supplement, not supplant, other federal, state, and local funds for drug court operations and associated services. However, from July 26, 2009, until June 30, ((2013)) 2015, no match is required for state moneys expended for the administrative and overhead costs associated with the operation of a drug court pursuant to RCW 70.96A.350.

(b) Any jurisdiction that establishes a drug court pursuant to this section shall establish minimum requirements for the participation of offenders in the program. The drug court may adopt local requirements that are more stringent than the minimum. The minimum requirements are:

- (i) The offender would benefit from substance abuse treatment;
- (ii) The offender has not previously been convicted of a serious violent offense or sex offense as defined in RCW 9.94A.030; and
- (iii) Without regard to whether proof of any of these elements is required to convict, the offender is not currently charged with or convicted of an offense:
 - (A) That is a sex offense;
 - (B) That is a serious violent offense;
 - (C) During which the defendant used a firearm; or
 - (D) During which the defendant caused substantial or great bodily harm or death to another person.

Sec. 953. RCW 13.40.466 and 2006 c 304 s 4 are each amended to read as follows:

(1) The reinvesting in youth account is created in the state treasury. Moneys in the account shall be spent only after appropriation. Expenditures from the account may be used to reimburse local governments for the implementation of the reinvesting in youth program established in RCW 13.40.462 and 13.40.464. During the 2013-2015 fiscal biennium, the legislature may appropriate moneys from the reinvesting in youth account for juvenile rehabilitation purposes.

(2) Revenues to the reinvesting in youth account consist of revenues appropriated to or deposited in the account.

(3) The department of social and health services juvenile rehabilitation administration shall review and monitor the expenditures made by any county or group of counties that is funded, in whole or in part, with funds provided through the reinvesting in youth account. Counties shall repay any funds that are not spent in accordance with RCW 13.40.462 and 13.40.464.

Sec. 954. RCW 18.43.150 and 1991 c 277 s 2 are each amended to read as follows:

All fees collected under the provisions of RCW 18.43.050, 18.43.060, 18.43.080, 18.43.100, and 18.43.130 and fines collected under RCW 18.43.110 shall be paid into the professional engineers' account, which account is hereby established in the state treasury to be used to carry out the purposes and provisions of RCW 18.43.050, 18.43.060, 18.43.080, 18.43.100, 18.43.110, 18.43.120, 18.43.130(~~(-18.43.140)~~), and all other duties required for operation and enforcement of this chapter. During the 2013-2015 fiscal biennium, the legislature may transfer moneys from the professional engineers' account to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 955. RCW 18.85.061 and 2008 c 23 s 29 are each amended to read as follows:

All fees required under this chapter shall be set by the director in accordance with RCW 43.24.086 and shall be paid to the state treasurer. All fees paid under the provisions of this chapter shall be placed in the real estate commission account in the state treasury. All money derived from fines imposed under this chapter shall be deposited in the real estate education program account created in RCW 18.85.321. During the 2013-2015 fiscal biennium, the legislature may transfer to the state general fund such amounts as reflect the excess fund balance in the real estate commission account.

Sec. 956. RCW 19.28.351 and 2003 1st sp.s. c 25 s 910 are each amended to read as follows:

All sums received from licenses, permit fees, or other sources, herein shall be paid to the state treasurer and placed in a special fund designated as the "electrical license fund," and paid out upon vouchers duly and regularly issued therefor and approved by the director of labor and industries or the director's designee following determination by the board that the sums are necessary to accomplish the intent of chapter 19.28 RCW. The treasurer shall keep an accurate record of payments into, or receipts of, the fund, and of all disbursements therefrom.

During the (~~2003-2005~~) 2013-2015 biennium, the legislature may transfer moneys from the electrical license fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 957. RCW 28A.500.020 and 2010 c 237 s 5 are each amended to read as follows:

(1) Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(a) "Prior tax collection year" means the year immediately preceding the year in which the local effort assistance shall be allocated.

(b) "Statewide average fourteen percent levy rate" means fourteen percent of the total levy bases as defined in RCW 84.52.0531 (3) through (5) for calendar years 2014 and 2015, and as defined in RCW 84.52.0531 (3) and (4) in calendar years 2016 and thereafter, summed for all school districts, and divided by the total assessed valuation for excess levy purposes in the prior tax collection year for all districts as adjusted to one hundred percent by the county indicated ratio established in RCW 84.48.075.

(c) The "district's fourteen percent levy amount" means the school district's maximum levy authority after transfers determined under RCW 84.52.0531(2) (a) through (c) divided by the district's maximum levy percentage determined under RCW 84.52.0531(~~(5))~~ (6) multiplied by fourteen percent.

(d) The "district's fourteen percent levy rate" means the district's fourteen percent levy amount divided by the district's assessed valuation for excess levy purposes for the prior tax collection year as adjusted to one hundred percent by the county indicated ratio.

(e) "Districts eligible for local effort assistance" means those districts with a fourteen percent levy rate that exceeds the statewide average fourteen percent levy rate.

(2) Unless otherwise stated all rates, percents, and amounts are for the calendar year for which local effort assistance is being calculated under this chapter.

Sec. 958. RCW 28B.15.067 and 2012 2nd sp.s. c 7 s 914 and 2012 c 228 s 6 are each reenacted and amended to read as follows:

(1) Tuition fees shall be established under the provisions of this chapter.

(2) Beginning in the 2011-12 academic year, reductions or increases in full-time tuition fees shall be as provided in the omnibus appropriations act for resident undergraduate students at community and technical colleges. The governing boards of the state universities, regional universities, and The Evergreen State College; and the state board for community and technical colleges may reduce or increase full-time tuition fees for all students other than resident undergraduates, including nonresident students, summer school students, and students in other self-supporting degree programs. Percentage increases in full-time tuition may exceed the fiscal growth factor. Except during the (~~2011-2013~~) 2013-2015 fiscal biennium, the state board for community and technical colleges may pilot or institute differential tuition models. The board may define scale, scope, and rationale for the models.

(3)(a) Beginning with the 2011-12 academic year and through the end of the 2014-15 academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College may reduce or increase

full-time tuition fees for all students, including summer school students and students in other self-supporting degree programs. Percentage increases in full-time tuition fees may exceed the fiscal growth factor. Reductions or increases may be made for all or portions of an institution's programs, campuses, courses, or students; however, during the ~~((2011-2013))~~ 2013-2015 fiscal biennium, reductions or increases in tuition must be uniform among resident undergraduate students.

(b) Prior to reducing or increasing tuition for each academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College shall consult with existing student associations or organizations with student undergraduate and graduate representatives regarding the impacts of potential tuition increases. Each governing board shall make public its proposal for tuition and fee increases twenty-one days before the governing board of the institution considers adoption and allow opportunity for public comment. However, the requirement to make public a proposal for tuition and fee increases twenty-one days before the governing board considers adoption shall not apply if the omnibus appropriations act has not passed the legislature by May 15th. Governing boards shall be required to provide data regarding the percentage of students receiving financial aid, the sources of aid, and the percentage of total costs of attendance paid for by aid.

(c) Prior to reducing or increasing tuition for each academic year, the state board for community and technical college system shall consult with existing student associations or organizations with undergraduate student representation regarding the impacts of potential tuition increases. The state board for community and technical colleges shall provide data regarding the percentage of students receiving financial aid, the sources of aid, and the percentage of total costs of attendance paid for by aid.

(4) Beginning with the 2015-16 academic year through the 2018-19 academic year, the governing boards of the state universities, regional universities, and The Evergreen State College may set tuition for resident undergraduates as follows:

(a) If state funding for a college or university falls below the state funding provided in the operating budget for fiscal year 2011, the governing board may increase tuition up to the limits set in (d) of this subsection, reduce enrollments, or both;

(b) If state funding for a college or university is at least at the level of state funding provided in the operating budget for fiscal year 2011, the governing board may increase tuition up to the limits set in (d) of this subsection and shall continue to at least maintain the actual enrollment levels for fiscal year 2011 or increase enrollments as required in the omnibus appropriations act;

(c) If state funding is increased so that combined with resident undergraduate tuition the sixtieth percentile of the total per-student funding at similar public institutions of higher education in the global challenge states under RCW 28B.15.068 is exceeded, the governing board shall decrease tuition by the amount needed for the total per-student funding to be at the sixtieth percentile under RCW 28B.15.068; and

(d) The amount of tuition set by the governing board for an institution under this subsection (4) may not exceed the sixtieth percentile of the resident

undergraduate tuition of similar public institutions of higher education in the global challenge states.

(5) The tuition fees established under this chapter shall not apply to high school students enrolling in participating institutions of higher education under RCW 28A.600.300 through 28A.600.400.

(6) The tuition fees established under this chapter shall not apply to eligible students enrolling in a dropout reengagement program through an interlocal agreement between a school district and a community or technical college under RCW 28A.175.100 through 28A.175.110.

(7) The tuition fees established under this chapter shall not apply to eligible students enrolling in a community or technical college participating in the pilot program under RCW 28B.50.534 for the purpose of obtaining a high school diploma.

(8) Beginning in the 2019-20 academic year, reductions or increases in full-time tuition fees for resident undergraduates at four-year institutions of higher education shall be as provided in the omnibus appropriations act.

(9) The legislative advisory committee to the committee on advanced tuition payment established in RCW 28B.95.170 shall:

(a) Review the impact of differential tuition rates on the funded status and future unit price of the Washington advanced college tuition payment program; and

(b) No later than January 14, 2013, make a recommendation to the appropriate policy and fiscal committees of the legislature regarding how differential tuition should be addressed in order to maintain the ongoing solvency of the Washington advanced college tuition payment program.

Sec. 959. RCW 28B.15.069 and 2012 c 229 s 701 are each amended to read as follows:

(1) The building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the office of financial management and be based on the actual percentage the building fee is of total tuition for each tuition category in the 1994-95 academic year, rounded up to the nearest half percent.

(2) The governing boards of each institution of higher education, except for the technical colleges, shall charge to and collect from each student a services and activities fee. A governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in student tuition fees for resident undergraduate students: **PROVIDED**, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. These rate adjustments may exceed the fiscal growth factor. ~~((For the 2003-04 academic year, the services and activities fee shall be based upon the resident undergraduate services and activities fee in 2002-03))~~ For the 2013-2015 fiscal biennium, each governing board is authorized to increase the services and activities fees by amounts judged reasonable and necessary by the services and activities fee committee and the governing board consistent with the budgeting procedures set forth in RCW 28B.15.045. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.

(3) Tuition and services and activities fees consistent with subsection (2) of this section shall be set by the state board for community and technical colleges for community college summer school students unless the community college charges fees in accordance with RCW 28B.15.515.

(4) Subject to the limitations of RCW 28B.15.910, each governing board of a community college may charge such fees for ungraded courses, noncredit courses, community services courses, and self-supporting courses as it, in its discretion, may determine, consistent with the rules of the state board for community and technical colleges.

(5) The governing board of a college offering an applied baccalaureate degree program under RCW 28B.50.810 may charge tuition fees for those courses above the associate degree level at rates consistent with rules adopted by the state board for community and technical colleges, not to exceed tuition fee rates at the regional universities.

Sec. 960. RCW 28B.20.476 and 2007 c 216 s 2 are each amended to read as follows:

The geoduck aquaculture research account is created in the custody of the state treasurer. All receipts from any legislative appropriations, the aquaculture industry, or any other private or public source directed to the account must be deposited in the account. Expenditures from the account may only be used by the sea grant program for the geoduck research projects identified by RCW 28B.20.475. Only the president of the University of Washington or the president's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. During the 2013-2015 fiscal biennium, amounts available in the geoduck aquaculture research account may also be appropriated for the sea grant program at the University of Washington to conduct research examining the possible negative and positive effects of evolving shellfish aquaculture techniques and practices on Washington's economy and marine ecosystems.

Sec. 961. RCW 28B.67.030 and 2012 c 46 s 2 are each amended to read as follows:

(1) All payments received from a participant in the Washington customized employment training program created in RCW 28B.67.020 must be deposited into the employment training finance account, which is hereby created in the custody of the state treasurer. Only the state board for community and technical colleges may authorize expenditures from the account and no appropriation is required for expenditures. The money in the account must be used solely for training allowances under the Washington customized employment training program created in RCW 28B.67.020 and for providing up to seventy-five thousand dollars per year for training, marketing, and facilitation services to increase the use of the program. The deposit of payments under this section from a participant ceases when the board specifies that the participant has met the monetary obligations of the program. During the ((2007-2009)) 2013-2015 fiscal biennium, the legislature may transfer from the employment training finance account to the state general fund such amounts as reflect the excess fund balance in the account.

(2) All revenue solicited and received under the provisions of RCW 28B.67.020(4) must be deposited into the employment training finance account to provide training allowances.

(3) The definitions in RCW 28B.67.010 apply to this section.

(4) This section expires July 1, 2017.

Sec. 962. RCW 28B.95.160 and 2011 1st sp.s. c 11 s 173 are each amended to read as follows:

Ownership of tuition units purchased by the office for the GET ready for math and science scholarship program under RCW 28B.105.070 shall be in the name of the state of Washington and may be redeemed by the state of Washington on behalf of recipients of GET ready for math and science scholarship program scholarships for tuition and fees except that during the 2013-2015 fiscal biennium any unused tuition units may be used for the college bound scholarship program established in chapter 28B.118 RCW.

Sec. 963. RCW 28B.105.110 and 2011 1st sp.s. c 11 s 188 are each amended to read as follows:

(1) The GET ready for math and science scholarship account is created in the custody of the state treasurer.

(2) The office shall deposit into the account all money received for the GET ready for math and science scholarship program from appropriations and private sources. The account shall be self-sustaining.

(3) Expenditures from the account shall be used for scholarships to eligible students and for purchases of GET units. Purchased GET units shall be owned and held in trust by the office. Expenditures from the account shall be an equal match of state appropriations and private funds raised by the program administrator. During the 2009-2011 fiscal biennium, expenditures from the account not to exceed five percent may be used by the program administrator to carry out the provisions of RCW 28B.105.090.

(4) With the exception of the operating costs associated with the management of the account by the treasurer's office as authorized in chapter 43.79A RCW, the account shall be credited with all investment income earned by the account.

(5) Disbursements from the account are exempt from appropriations and the allotment provisions of chapter 43.88 RCW.

(6) Disbursements from the account shall be made only on the authorization of the office.

(7) During the ~~((2009-2014))~~ 2013-2015 fiscal biennium, ~~((the legislature may transfer from))~~ appropriated state funds available in the GET ready for math and science scholarship account and GET units owned by the office and not used for the GET ready for math and science scholarship ((account to the state general fund such amounts as have not been donated from or matched by private contributions)) program may be used for the college bound scholarship program created in chapter 28B.118 RCW.

Sec. 964. RCW 28C.04.535 and 2011 1st sp.s. c 50 s 930 are each amended to read as follows:

Except for the ~~((2011-12 and 2012-13))~~ 2013-14 and 2014-15 school years, the Washington award for vocational excellence shall be granted annually. The workforce training and education coordinating board shall notify the students

receiving the award, their vocational instructors, local chambers of commerce, the legislators of their respective districts, and the governor, after final selections have been made. The workforce training and education coordinating board, in conjunction with the governor's office, shall prepare appropriate certificates to be presented to the selected students. Awards shall be presented in public ceremonies at times and places determined by the workforce training and education coordinating board in cooperation with the office of the governor.

Sec. 965. RCW 28C.10.082 and 1991 sp.s. c 13 s 85 are each amended to read as follows:

The tuition recovery trust fund is hereby established in the custody of the state treasurer. The agency shall deposit in the fund all moneys received under RCW 28C.10.084. Moneys in the fund may be spent only for the purposes under RCW 28C.10.084. Disbursements from the fund shall be on authorization of the agency. During the 2013-2015 fiscal biennium, the legislature may transfer from the tuition recovery trust fund to the state general fund such amounts as reflect the excess fund balance in the fund. The fund is subject to the allotment procedure provided under chapter 43.88 RCW, but no appropriation is required for disbursements.

Sec. 966. RCW 38.52.540 and 2012 2nd sp.s. c 7 s 915 are each amended to read as follows:

(1) The enhanced 911 account is created in the state treasury. All receipts from the state enhanced 911 excise taxes imposed by RCW 82.14B.030 must be deposited into the account. Moneys in the account must be used only to support the statewide coordination and management of the enhanced 911 system, for the implementation of wireless enhanced 911 statewide, for the modernization of enhanced 911 emergency communications systems statewide, and to help supplement, within available funds, the operational costs of the system, including adequate funding of counties to enable implementation of wireless enhanced 911 service and reimbursement of radio communications service companies for costs incurred in providing wireless enhanced 911 service pursuant to negotiated contracts between the counties or their agents and the radio communications service companies. ~~((For the 2011-2013 fiscal biennium, the account may be used for modernizing narrowband radio capability in the department of corrections.))~~ For the 2013-2015 fiscal biennium, the account may be used for a criminal history system upgrade in the Washington state patrol and for activities and programs in the military department. A county must show just cause, including but not limited to a true and accurate accounting of the funds expended, for any inability to provide reimbursement to radio communications service companies of costs incurred in providing enhanced 911 service.

(2) Funds generated by the enhanced 911 excise tax imposed by RCW 82.14B.030(5) may not be distributed to any county that has not imposed the maximum county enhanced 911 excise tax allowed under RCW 82.14B.030(1). Funds generated by the enhanced 911 excise tax imposed by RCW 82.14B.030(6) may not be distributed to any county that has not imposed the maximum county enhanced 911 excise tax allowed under RCW 82.14B.030(2).

(3) The state enhanced 911 coordinator, with the advice and assistance of the enhanced 911 advisory committee, is authorized to enter into statewide

agreements to improve the efficiency of enhanced 911 services for all counties and shall specify by rule the additional purposes for which moneys, if available, may be expended from this account.

Sec. 967. RCW 41.06.280 and 2011 1st sp.s. c 43 s 419 are each amended to read as follows:

There is hereby created a fund within the state treasury, designated as the "personnel service fund," to be used by the office of financial management and the department of enterprise services as a revolving fund for the payment of salaries, wages, and operations required for the administration of the provisions of this chapter, applicable provisions of chapter 41.04 RCW, and chapter 41.60 RCW. An amount not to exceed one and one-half percent of the salaries and wages for all positions in the classified service in each of the agencies subject to this chapter, except the institutions of higher education, shall be charged to the operations appropriations of each agency and credited to the personnel service fund as the allotments are approved pursuant to chapter 43.88 RCW. Subject to the above limitations, the amount shall be charged against the allotments pro rata, at a rate to be fixed by the director from time to time which, together with income derived from services rendered under RCW 41.06.080, will provide the office of financial management and the department of enterprise services with funds to meet its anticipated expenditures during the allotment period, including the training requirements in RCW 41.06.500 and 41.06.530.

The director shall fix the terms and charges for services rendered by the department of enterprise services and the office of financial management pursuant to RCW 41.06.080, which amounts shall be credited to the personnel service fund and charged against the proper fund or appropriation of the recipient of such services on a monthly basis. Payment for services so rendered under RCW 41.06.080 shall be made on a monthly basis to the state treasurer and deposited in the personnel service fund.

Moneys from the personnel service fund shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the office of financial management and the department of enterprise services.

During the 2013-2015 fiscal biennium, the legislature may transfer from the personnel service fund to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 968. RCW 41.06.280 and 2013 c 251 s 1 are each amended to read as follows:

There is hereby created a fund within the state treasury, designated as the "personnel service fund," to be used by the office of financial management as a revolving fund for the payment of salaries, wages, and operations required for the administration of the provisions of this chapter, applicable provisions of chapter 41.04 RCW, and chapter 41.60 RCW. An amount not to exceed one and one-half percent of the salaries and wages for all positions in the classified service in each of the agencies subject to this chapter, except the institutions of higher education, shall be charged to the operations appropriations of each agency and credited to the personnel service fund as the allotments are approved pursuant to chapter 43.88 RCW. Subject to the above limitations, the amount shall be charged against the allotments pro rata, at a rate to be fixed by the director from time to time which, together with income derived from services

rendered under RCW 41.06.080, will provide the office of financial management with funds to meet its anticipated expenditures during the allotment period, including the training requirements in RCW 41.06.500 and 41.06.530. All revenues, net of expenditures, previously derived from services provided by the department of enterprise services under RCW 41.06.080 must be transferred to the enterprise services account.

The director shall fix the terms and charges for services rendered by the office of financial management pursuant to RCW 41.06.080, which amounts shall be credited to the personnel service fund and charged against the proper fund or appropriation of the recipient of such services on a monthly basis. Payment for services so rendered under RCW 41.06.080 shall be made on a monthly basis to the state treasurer and deposited in the personnel service fund.

Moneys from the personnel service fund shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the office of financial management.

During the 2013-2015 fiscal biennium, the legislature may transfer from the personnel service fund to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 969. RCW 41.26.802 and 2008 c 99 s 4 are each amended to read as follows:

(1) By September 30, 2011, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer five million dollars to the local public safety enhancement account.

~~(2) ((By September 30, 2013, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer ten million dollars to the local public safety enhancement account.~~

~~(3))~~ By September 30, 2015, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer twenty million dollars to the local public safety enhancement account.

~~((4))~~ (3) By September 30, 2017, and by September 30 of each odd-numbered year thereafter, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer the lesser of one-third of the increase, or fifty million dollars, to the local public safety enhancement account.

Sec. 970. RCW 41.60.050 and 2011 1st sp.s. c 50 s 937 and 2011 1st sp.s. c 43 s 473 are each reenacted and amended to read as follows:

The legislature shall appropriate from the personnel service fund for the payment of administrative costs of the productivity board. However, during the 2011-2013 and 2013-2015 fiscal ~~((biennium))~~ biennia, the operations of the productivity board shall be suspended.

Sec. 971. RCW 41.80.010 and 2011 1st sp.s. c 50 s 938 and 2011 c 344 s 1 are each reenacted and amended to read as follows:

(1) For the purpose of negotiating collective bargaining agreements under this chapter, the employer shall be represented by the governor or governor's

designee, except as provided for institutions of higher education in subsection (4) of this section.

(2)(a) If an exclusive bargaining representative represents more than one bargaining unit, the exclusive bargaining representative shall negotiate with each employer representative as designated in subsection (1) of this section one master collective bargaining agreement on behalf of all the employees in bargaining units that the exclusive bargaining representative represents. For those exclusive bargaining representatives who represent fewer than a total of five hundred employees each, negotiation shall be by a coalition of all those exclusive bargaining representatives. The coalition shall bargain for a master collective bargaining agreement covering all of the employees represented by the coalition. The governor's designee and the exclusive bargaining representative or representatives are authorized to enter into supplemental bargaining of agency-specific issues for inclusion in or as an addendum to the master collective bargaining agreement, subject to the parties' agreement regarding the issues and procedures for supplemental bargaining. This section does not prohibit cooperation and coordination of bargaining between two or more exclusive bargaining representatives.

(b) This subsection (2) does not apply to exclusive bargaining representatives who represent employees of institutions of higher education, except when the institution of higher education has elected to exercise its option under subsection (4) of this section to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(c) If five hundred or more employees of an independent state elected official listed in RCW 43.01.010 are organized in a bargaining unit or bargaining units under RCW 41.80.070, the official shall be consulted by the governor or the governor's designee before any agreement is reached under (a) of this subsection concerning supplemental bargaining of agency specific issues affecting the employees in such bargaining unit.

(3) The governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(a) Have been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the requests are to be considered; and

(b) Have been certified by the director of the office of financial management as being feasible financially for the state.

The legislature shall approve or reject the submission of the request for funds as a whole. The legislature shall not consider a request for funds to implement a collective bargaining agreement unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 41.80.090.

(4)(a)(i) For the purpose of negotiating agreements for institutions of higher education, the employer shall be the respective governing board of each of the universities, colleges, or community colleges or a designee chosen by the board to negotiate on its behalf.

(ii) A governing board of a university or college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section, except that:

(A) The governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of a university or college that the representative represents; or

(B) If the parties mutually agree, the governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of more than one university or college that the representative represents.

(iii) A governing board of a community college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(b) Prior to entering into negotiations under this chapter, the institutions of higher education or their designees shall consult with the director of the office of financial management regarding financial and budgetary issues that are likely to arise in the impending negotiations.

(c)(i) In the case of bargaining agreements reached between institutions of higher education other than the University of Washington and exclusive bargaining representatives agreed to under the provisions of this chapter, if appropriations are necessary to implement the compensation and fringe benefit provisions of the bargaining agreements, the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in (c)(iii) of this subsection.

(ii) In the case of bargaining agreements reached between the University of Washington and exclusive bargaining representatives agreed to under the provisions of this chapter, if appropriations are necessary to implement the compensation and fringe benefit provisions of a bargaining agreement, the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in this subsection (4)(c)(ii) and as provided in (c)(iii) of this subsection.

(A) If appropriations of less than ten thousand dollars are necessary to implement the provisions of a bargaining agreement, a request for such funds shall not be submitted to the legislature by the governor unless the request has been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the request is to be considered.

(B) If appropriations of ten thousand dollars or more are necessary to implement the provisions of a bargaining agreement, a request for such funds shall not be submitted to the legislature by the governor unless the request:

(I) Has been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the request is to be considered; and

(II) Has been certified by the director of the office of financial management as being feasible financially for the state.

(C) If the director of the office of financial management does not certify a request under (c)(ii)(B) of this subsection as being feasible financially for the state, the parties shall enter into collective bargaining solely for the purpose of reaching a mutually agreed upon modification of the agreement necessary to address the absence of those requested funds. The legislature may act upon the compensation and fringe benefit provisions of the modified collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(iii) In the case of a bargaining unit of employees of institutions of higher education in which the exclusive bargaining representative is certified during or after the conclusion of a legislative session, the legislature may act upon the compensation and fringe benefit provisions of the unit's initial collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(5) There is hereby created a joint committee on employment relations, which consists of two members with leadership positions in the house of representatives, representing each of the two largest caucuses; the chair and ranking minority member of the house appropriations committee, or its successor, representing each of the two largest caucuses; two members with leadership positions in the senate, representing each of the two largest caucuses; and the chair and ranking minority member of the senate ways and means committee, or its successor, representing each of the two largest caucuses. The governor shall periodically consult with the committee regarding appropriations necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreements, and upon completion of negotiations, advise the committee on the elements of the agreements and on any legislation necessary to implement the agreements.

(6) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(7) After the expiration date of a collective bargaining agreement negotiated under this chapter, all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

(8) For the ~~((2011-2013))~~ 2013-2015 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee shall be a separate agreement for which the governor may request funds necessary to implement the agreement. ~~((If such an agreement is negotiated and funded by the legislature,~~

~~this agreement will supersede any terms and conditions of an expired 2009-2011 biennial master collective bargaining agreement under this chapter regarding health care benefits.)~~ The legislature may act upon a 2013-2015 collective bargaining agreement related to employee health care benefits if an agreement is reached and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating appropriations act by the sitting legislature.

Sec. 972. RCW 41.80.020 and 2011 1st sp.s. c 50 s 939 and 2011 1st sp.s. c 43 s 445 are each reenacted and amended to read as follows:

(1) Except as otherwise provided in this chapter, the matters subject to bargaining include wages, hours, and other terms and conditions of employment, and the negotiation of any question arising under a collective bargaining agreement.

(2) The employer is not required to bargain over matters pertaining to:

(a) Health care benefits or other employee insurance benefits, except as required in subsection (3) of this section;

(b) Any retirement system or retirement benefit; or

(c) Rules of the human resources director, the director of enterprise services, or the Washington personnel resources board adopted under RCW 41.06.157.

(3) Matters subject to bargaining include the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits. However, except as provided otherwise in this subsection for institutions of higher education, negotiations regarding the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits shall be conducted between the employer and one coalition of all the exclusive bargaining representatives subject to this chapter. The exclusive bargaining representatives for employees that are subject to chapter 47.64 RCW shall bargain the dollar amount expended on behalf of each employee for health care benefits with the employer as part of the coalition under this subsection. Any such provision agreed to by the employer and the coalition shall be included in all master collective bargaining agreements negotiated by the parties. For institutions of higher education, promotional preferences and the number of names to be certified for vacancies shall be bargained under the provisions of RCW 41.80.010(4). For agreements covering the ~~((2011-2013))~~ 2013-2015 fiscal biennium, any agreement between the employer and the coalition regarding the dollar amount expended on behalf of each employee for health care benefits is a separate agreement and shall not be included in the master collective bargaining agreements negotiated by the parties.

(4) The employer and the exclusive bargaining representative shall not agree to any proposal that would prevent the implementation of approved affirmative action plans or that would be inconsistent with the comparable worth agreement that provided the basis for the salary changes implemented beginning with the 1983-1985 biennium to achieve comparable worth.

(5) The employer and the exclusive bargaining representative shall not bargain over matters pertaining to management rights established in RCW 41.80.040.

(6) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.

(7) This section does not prohibit bargaining that affects contracts authorized by RCW 41.06.142.

Sec. 973. RCW 43.08.190 and 2011 1st sp.s. c 50 s 941 are each amended to read as follows:

There is hereby created a fund within the state treasury to be known as the "state treasurer's service fund." Such fund shall be used solely for the payment of costs and expenses incurred in the operation and administration of the state treasurer's office.

Moneys shall be allocated monthly and placed in the state treasurer's service fund equivalent to a maximum of one percent of the trust and treasury average daily cash balances from the earnings generated under the authority of RCW 43.79A.040 and 43.84.080 other than earnings generated from investment of balances in funds and accounts specified in RCW 43.79A.040(4)(c). The allocation shall precede the distribution of the remaining earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer shall establish a uniform allocation rate for all funds and accounts; except that the state treasurer may negotiate a different allocation rate with any state agency that has independent authority over funds not statutorily required to be held in the state treasury or in the custody of the state treasurer. In no event shall the rate be less than the actual costs incurred by the state treasurer's office. If no rate is separately negotiated, the default rate for any funds held shall be the rate set for funds held pursuant to statute.

During the 2009-2011 fiscal biennium and the 2011-2013 and 2013-2015 fiscal ~~((biennium))~~ biennia, the legislature may transfer from the state treasurer's service fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 974. RCW 43.09.475 and 2011 1st sp.s. c 50 s 942 are each amended to read as follows:

The performance audits of government account is hereby created in the custody of the state treasurer. Revenue identified in RCW 82.08.020(5) and 82.12.0201 shall be deposited in the account. Money in the account shall be used to fund the performance audits and follow-up performance audits under RCW 43.09.470 and shall be expended by the state auditor in accordance with chapter 1, Laws of 2006. Only the state auditor or the state auditor's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. ~~((During the 2009-2011 fiscal biennium, the legislature may transfer from the performance audits of government account to the state general fund such amounts as deemed to be appropriate or necessary.))~~ During ~~((the))~~ the 2011-2013 and the 2013-2015 fiscal ~~((biennium))~~ biennia, the performance audits of government account may be appropriated for fraud investigations in the state auditor's office and the department of social and health

services, audit and collection functions in the department of revenue, the joint legislative audit and review committee, the office of financial management, the superintendent of public instruction and audits of school districts. In addition, during the 2011-2013 and 2013-2015 fiscal (~~(biennium)~~) biennia the account may be used to fund the office of financial management's contract for the compliance audit of the state auditor.

Sec. 975. RCW 43.10.150 and 1974 ex.s. c 146 s 1 are each amended to read as follows:

A legal services revolving fund is hereby created in the state treasury for the purpose of a centralized funding, accounting, and distribution of the actual costs of the legal services provided to agencies of the state government by the attorney general. During the 2013-2015 fiscal biennium, the legislature may transfer from the legal services revolving account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 976. RCW 43.19.791 and 2011 2nd sp.s. c 9 s 906 are each amended to read as follows:

There is created a revolving fund to be known as the data processing revolving fund in the custody of the state treasurer. The revolving fund shall be used for the acquisition of equipment, software, supplies, and services and the payment of salaries, wages, and other costs incidental to the acquisition, development, operation, and administration of information services, telecommunications, systems, software, supplies and equipment, including the payment of principal and interest on bonds issued for capital projects, by the department, Washington State University's computer services center, the department of enterprise services' personnel information systems group and financial systems management group, and other users as determined by the office of financial management. The revolving fund is subject to the allotment procedure provided under chapter 43.88 RCW. The chief information officer or the chief information officer's designee, with the approval of the technology services board, is authorized to expend up to one million dollars per fiscal biennium for the technology services board to conduct independent technical and financial analysis of proposed information technology projects, and such an expenditure does not require an appropriation. Disbursements from the revolving fund for the services component of the department are not subject to appropriation. Disbursements for the strategic planning and policy component of the department are subject to appropriation. All disbursements from the fund are subject to the allotment procedures provided under chapter 43.88 RCW. The department shall establish and implement a billing structure to assure all agencies pay an equitable share of the costs.

During the 2011-2013 and the 2013-2015 fiscal (~~(biennium)~~) biennia, the legislature may transfer from the data processing revolving account to the state general fund such amounts as reflect the excess fund balance and may use the data processing revolving account for information technology projects.

As used in this section, the word "supplies" shall not be interpreted to delegate or abrogate the division of purchasing's responsibilities and authority to purchase supplies as described in RCW 43.19.190 and 43.19.200.

Sec. 977. RCW 43.24.150 and 2011 c 298 s 25 are each amended to read as follows:

(1) The business and professions account is created in the state treasury. All receipts from business or professional licenses, registrations, certifications, renewals, examinations, or civil penalties assessed and collected by the department from the following chapters must be deposited into the account:

- (a) Chapter 18.11 RCW, auctioneers;
- (b) Chapter 18.16 RCW, cosmetologists, barbers, and manicurists;
- (c) Chapter 18.145 RCW, court reporters;
- (d) Chapter 18.165 RCW, private investigators;
- (e) Chapter 18.170 RCW, security guards;
- (f) Chapter 18.185 RCW, bail bond agents;
- (g) Chapter 18.280 RCW, home inspectors;
- (h) Chapter 19.16 RCW, collection agencies;
- (i) Chapter 19.31 RCW, employment agencies;
- (j) Chapter 19.105 RCW, camping resorts;
- (k) Chapter 19.138 RCW, sellers of travel;
- (l) Chapter 42.44 RCW, notaries public;
- (m) Chapter 64.36 RCW, timeshares;
- (n) Chapter 67.08 RCW, boxing, martial arts, and wrestling;
- (o) Chapter 18.300 RCW, body art, body piercing, and tattooing;
- (p) Chapter 79A.60 RCW, whitewater river outfitters; and
- (q) Chapter 19.158 RCW, commercial telephone solicitation.

Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for expenses incurred in carrying out these business and professions licensing activities of the department. Any residue in the account must be accumulated and may not revert to the general fund at the end of the biennium. However, during the 2013-2015 fiscal biennium the legislature may transfer to the state general fund such amounts as reflect the excess fund balance in the account.

(2) The director must biennially prepare a budget request based on the anticipated costs of administering the business and professions licensing activities listed in subsection (1) of this section, which must include the estimated income from these business and professions fees.

Sec. 978. RCW 43.24.150 and 2013 c 322 s 30 are each amended to read as follows:

(1) The business and professions account is created in the state treasury. All receipts from business or professional licenses, registrations, certifications, renewals, examinations, or civil penalties assessed and collected by the department from the following chapters must be deposited into the account:

- (a) Chapter 18.11 RCW, auctioneers;
- (b) Chapter 18.16 RCW, cosmetologists, barbers, and manicurists;
- (c) Chapter 18.145 RCW, court reporters;
- (d) Chapter 18.165 RCW, private investigators;
- (e) Chapter 18.170 RCW, security guards;
- (f) Chapter 18.185 RCW, bail bond agents;
- (g) Chapter 18.280 RCW, home inspectors;
- (h) Chapter 19.16 RCW, collection agencies;
- (i) Chapter 19.31 RCW, employment agencies;
- (j) Chapter 19.105 RCW, camping resorts;
- (k) Chapter 19.138 RCW, sellers of travel;

- (l) Chapter 42.44 RCW, notaries public;
- (m) Chapter 64.36 RCW, timeshares;
- (n) Chapter 67.08 RCW, boxing, martial arts, and wrestling;
- (o) Chapter 18.300 RCW, body art, body piercing, and tattooing;
- (p) Chapter 79A.60 RCW, whitewater river outfitters;
- (q) Chapter 19.158 RCW, commercial telephone solicitation; and
- (r) Chapter 19.290 RCW, scrap metal businesses.

Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for expenses incurred in carrying out these business and professions licensing activities of the department. Any residue in the account must be accumulated and may not revert to the general fund at the end of the biennium. However, during the 2013-2015 fiscal biennium the legislature may transfer to the state general fund such amounts as reflect the excess fund balance in the account.

(2) The director must biennially prepare a budget request based on the anticipated costs of administering the business and professions licensing activities listed in subsection (1) of this section, which must include the estimated income from these business and professions fees.

Sec. 979. RCW 43.79.445 and 2005 c 166 s 3 are each amended to read as follows:

There is established an account in the state treasury referred to as the "death investigations account" which shall exist for the purpose of receiving, holding, investing, and disbursing funds appropriated or provided in RCW 70.58.107 and any moneys appropriated or otherwise provided thereafter.

Moneys in the death investigations account shall be disbursed by the state treasurer once every year on December 31 and at any other time determined by the treasurer. The treasurer shall make disbursements to: The state toxicology laboratory, counties for the cost of autopsies, the state patrol for providing partial funding for the state dental identification system, the criminal justice training commission for training county coroners, medical examiners and their staff, and the state forensic investigations council. ~~(Funds from the death investigations account may be appropriated during the 1997-99 biennium for the purposes of statewide child mortality reviews administered by the department of health.)~~ Funds from the death investigations account may be appropriated during the 2013-2015 fiscal biennium for the activities of the state crime laboratory within the Washington state patrol.

Sec. 980. RCW 43.79.480 and 2011 1st sp.s. c 50 s 947 are each amended to read as follows:

(1) Moneys received by the state of Washington in accordance with the settlement of the state's legal action against tobacco product manufacturers, exclusive of costs and attorneys' fees, shall be deposited in the tobacco settlement account created in this section except as these moneys are sold or assigned under chapter 43.340 RCW.

(2) The tobacco settlement account is created in the state treasury. Moneys in the tobacco settlement account may only be transferred to the state general fund, and to the tobacco prevention and control account for purposes set forth in this section. The legislature shall transfer amounts received as strategic contribution payments as defined in RCW 43.350.010 to the life sciences

discovery fund created in RCW 43.350.070. During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer less than the entire strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the basic health plan stabilization account. During the 2013-2015 fiscal biennium, the legislature may transfer less than the entire strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the state general fund.

(3) The tobacco prevention and control account is created in the state treasury. The source of revenue for this account is moneys transferred to the account from the tobacco settlement account, investment earnings, donations to the account, and other revenues as directed by law. Expenditures from the account are subject to appropriation. During the 2009-2011 fiscal biennium, the legislature may transfer from the tobacco prevention and control account to the state general fund such amounts as represent the excess fund balance of the account.

Sec. 981. RCW 43.82.010 and 2007 c 506 s 8 are each amended to read as follows:

(1) The director of (~~(general administration)~~) enterprise services, on behalf of the agency involved and after consultation with the office of financial management, shall purchase, lease, lease purchase, rent, or otherwise acquire all real estate, improved or unimproved, as may be required by elected state officials, institutions, departments, commissions, boards, and other state agencies, or federal agencies where joint state and federal activities are undertaken and may grant easements and transfer, exchange, sell, lease, or sublease all or part of any surplus real estate for those state agencies which do not otherwise have the specific authority to dispose of real estate. This section does not transfer financial liability for the acquired property to the department of (~~(general administration)~~) enterprise services.

(2) Except for real estate occupied by federal agencies, the director shall determine the location, size, and design of any real estate or improvements thereon acquired or held pursuant to subsection (1) of this section. Facilities acquired or held pursuant to this chapter, and any improvements thereon, shall conform to standards adopted by the director and approved by the office of financial management governing facility efficiency unless a specific exemption from such standards is provided by the director of (~~(general administration)~~) enterprise services. The director of (~~(general administration)~~) enterprise services shall report to the office of financial management and the appropriate committees of the legislature annually on any exemptions granted pursuant to this subsection.

(3) The director of (~~(general administration)~~) enterprise services may fix the terms and conditions of each lease entered into under this chapter, except that no lease shall extend greater than twenty years in duration. The director of (~~(general administration)~~) enterprise services may enter into a long-term lease greater than ten years in duration upon a determination by the director of the office of financial management that the long-term lease provides a more favorable rate than would otherwise be available, it appears to a substantial certainty that the facility is necessary for use by the state for the full length of the lease term, and the facility meets the standards adopted pursuant to subsection (2) of this section. The director of (~~(general administration)~~) enterprise services

may enter into a long-term lease greater than ten years in duration if an analysis shows that the life-cycle cost of leasing the facility is less than the life-cycle cost of purchasing or constructing a facility in lieu of leasing the facility.

(4) Except as permitted under chapter 39.94 RCW, no lease for or on behalf of any state agency may be used or referred to as collateral or security for the payment of securities offered for sale through a public offering. Except as permitted under chapter 39.94 RCW, no lease for or on behalf of any state agency may be used or referred to as collateral or security for the payment of securities offered for sale through a private placement without the prior written approval of the state treasurer. However, this limitation shall not prevent a lessor from assigning or encumbering its interest in a lease as security for the repayment of a promissory note provided that the transaction would otherwise be an exempt transaction under RCW 21.20.320. The state treasurer shall adopt rules that establish the criteria under which any such approval may be granted. In establishing such criteria the state treasurer shall give primary consideration to the protection of the state's credit rating and the integrity of the state's debt management program. If it appears to the state treasurer that any lease has been used or referred to in violation of this subsection or rules adopted under this subsection, then he or she may recommend that the governor cause such lease to be terminated. The department of (~~general administration~~) enterprise services shall promptly notify the state treasurer whenever it may appear to the department that any lease has been used or referred to in violation of this subsection or rules adopted under this subsection.

(5) It is the policy of the state to encourage the colocation and consolidation of state services into single or adjacent facilities, whenever appropriate, to improve public service delivery, minimize duplication of facilities, increase efficiency of operations, and promote sound growth management planning.

(6) The director of (~~general administration~~) enterprise services shall provide coordinated long-range planning services to identify and evaluate opportunities for colocating and consolidating state facilities. Upon the renewal of any lease, the inception of a new lease, or the purchase of a facility, the director of (~~general administration~~) enterprise services shall determine whether an opportunity exists for colocating the agency or agencies in a single facility with other agencies located in the same geographic area. If a colocation opportunity exists, the director of (~~general administration~~) enterprise services shall consult with the affected state agencies and the office of financial management to evaluate the impact colocation would have on the cost and delivery of agency programs, including whether program delivery would be enhanced due to the centralization of services. The director of (~~general administration~~) enterprise services, in consultation with the office of financial management, shall develop procedures for implementing colocation and consolidation of state facilities.

(7) The director of (~~general administration~~) enterprise services is authorized to purchase, lease, rent, or otherwise acquire improved or unimproved real estate as owner or lessee and to lease or sublet all or a part of such real estate to state or federal agencies. The director of (~~general administration~~) enterprise services shall charge each using agency its proportionate rental which shall include an amount sufficient to pay all costs, including, but not limited to, those for utilities, janitorial and accounting

services, and sufficient to provide for contingencies; which shall not exceed five percent of the average annual rental, to meet unforeseen expenses incident to management of the real estate.

(8) If the director of (~~general administration~~) enterprise services determines that it is necessary or advisable to undertake any work, construction, alteration, repair, or improvement on any real estate acquired pursuant to subsection (1) or (7) of this section, the director shall cause plans and specifications thereof and an estimate of the cost of such work to be made and filed in his or her office and the state agency benefiting thereby is hereby authorized to pay for such work out of any available funds: PROVIDED, That the cost of executing such work shall not exceed the sum of twenty-five thousand dollars. Work, construction, alteration, repair, or improvement in excess of twenty-five thousand dollars, other than that done by the owner of the property if other than the state, shall be performed in accordance with the public works law of this state.

(9) In order to obtain maximum utilization of space, the director of (~~general administration~~) enterprise services shall make space utilization studies, and shall establish standards for use of space by state agencies. Such studies shall include the identification of opportunities for colocation and consolidation of state agency office and support facilities.

(10) The director of (~~general administration~~) enterprise services may construct new buildings on, or improve existing facilities, and furnish and equip, all real estate under his or her management. Prior to the construction of new buildings or major improvements to existing facilities or acquisition of facilities using a lease purchase contract, the director of (~~general administration~~) enterprise services shall conduct an evaluation of the facility design and budget using life-cycle cost analysis, value-engineering, and other techniques to maximize the long-term effectiveness and efficiency of the facility or improvement.

(11) All conveyances and contracts to purchase, lease, rent, transfer, exchange, or sell real estate and to grant and accept easements shall be approved as to form by the attorney general, signed by the director of (~~general administration~~) enterprise services or the director's designee, and recorded with the county auditor of the county in which the property is located.

(12) The director of (~~general administration~~) enterprise services may delegate any or all of the functions specified in this section to any agency upon such terms and conditions as the director deems advisable. By January 1st of each year, beginning January 1, 2008, the department shall submit an annual report to the office of financial management and the appropriate committees of the legislature on all delegated leases.

(13) This section does not apply to the acquisition of real estate by:

(a) The state college and universities for research or experimental purposes;
(b) The state liquor control board for liquor stores and warehouses; (~~and~~)
(c) The department of natural resources, the department of fish and wildlife, the department of transportation, and the state parks and recreation commission for purposes other than the leasing of offices, warehouses, and real estate for similar purposes; and

(d) The department of commerce for community college health career training programs, offices for the department of commerce or other appropriate

state agencies, and other nonprofit community uses, including community meeting and training facilities, where the real estate is acquired during the 2013-2015 fiscal biennium.

(14) Notwithstanding any provision in this chapter to the contrary, the department of (~~general administration~~) enterprise services may negotiate ground leases for public lands on which property is to be acquired under a financing contract pursuant to chapter 39.94 RCW under terms approved by the state finance committee.

(15) The department of (~~general administration~~) enterprise services shall report annually to the office of financial management and the appropriate fiscal committees of the legislature on facility leases executed for all state agencies for the preceding year, lease terms, and annual lease costs. The report must include leases executed under RCW 43.82.045 and subsection (12) of this section.

Sec. 982. RCW 43.101.200 and 2011 1st sp.s. c 50 s 949 are each amended to read as follows:

(1) All law enforcement personnel, except volunteers, and reserve officers whether paid or unpaid, initially employed on or after January 1, 1978, shall engage in basic law enforcement training which complies with standards adopted by the commission pursuant to RCW 43.101.080. For personnel initially employed before January 1, 1990, such training shall be successfully completed during the first fifteen months of employment of such personnel unless otherwise extended or waived by the commission and shall be requisite to the continuation of such employment. Personnel initially employed on or after January 1, 1990, shall commence basic training during the first six months of employment unless the basic training requirement is otherwise waived or extended by the commission. Successful completion of basic training is requisite to the continuation of employment of such personnel initially employed on or after January 1, 1990.

(2) Except as otherwise provided in this chapter, the commission shall provide the aforementioned training together with necessary facilities, supplies, materials, and the board and room of noncommuting attendees for seven days per week, except during the (~~2011-2013~~) 2013-2015 fiscal biennium when the employing, county, city(~~+~~), or state law enforcement agency shall reimburse the commission for twenty-five percent of the cost of training its personnel. Additionally, to the extent funds are provided for this purpose, the commission shall reimburse to participating law enforcement agencies with ten or less full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training: PROVIDED, That such reimbursement shall include only the actual cost of temporary replacement not to exceed the total amount of salary and benefits received by the replaced officer during his or her training period.

Sec. 983. RCW 43.155.050 and 2012 2nd sp.s. c 2 s 6004 are each amended to read as follows:

The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works

projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. During the 2011-2013 and 2013-2015 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund, the water pollution control revolving account, and the drinking water assistance account such amounts as reflect the excess fund balance of the account. During the 2011-2013 fiscal biennium, the legislature may appropriate moneys from the account for economic development, innovation, and export grants, including brownfields; main street improvement grants; and the loan program consolidation board. During the 2013-2015 fiscal biennium, the legislature may transfer from the public works assistance account to the education legacy trust account such amounts as specified by the legislature.

Sec. 984. RCW 43.325.040 and 2009 c 564 s 942 and 2009 c 451 s 5 are each reenacted and amended to read as follows:

(1) The energy freedom account is created in the state treasury. All receipts from appropriations made to the account and any loan payments of principal and interest derived from loans made under the energy freedom account must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for financial assistance for further funding for projects consistent with this chapter or otherwise authorized by the legislature.

(2) The green energy incentive account is created in the state treasury as a subaccount of the energy freedom account. All receipts from appropriations made to the green energy incentive account shall be deposited into the account, and may be spent only after appropriation. Expenditures from the account may be used only for:

(a) Refueling projects awarded under this chapter;

(b) Pilot projects for plug-in hybrids, including grants provided for the electrification program set forth in RCW 43.325.110; and

(c) Demonstration projects developed with state universities as defined in RCW 28B.10.016 and local governments that result in the design and building of a hydrogen vehicle fueling station.

(3)(a) The energy recovery act account is created in the state treasury. State and federal funds may be deposited into the account and any loan payments of principal and interest derived from loans made from the energy recovery act account must be deposited into the account. Moneys in the account may be spent only after appropriation.

(b) Expenditures from the account may be used only for loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology, including but not limited to:

(i) Renewable energy projects or programs that require interim financing to complete project development and implementation;

(ii) Companies with innovative, near-commercial or commercial, clean energy technology; and

(iii) Energy efficiency technologies that have a viable repayment stream from reduced utility costs.

(c) The director shall establish policies and procedures for processing, reviewing, and approving applications for funding under this section. When developing these policies and procedures, the department must consider the clean energy leadership strategy developed under section 2, chapter 318, Laws of 2009.

(d) The director shall enter into agreements with approved applicants to fix the term and rates of funding provided from this account.

(e) The policies and procedures of this subsection (3) do not apply to assistance awarded for projects under RCW 43.325.020(3).

(4) Any state agency receiving funding from the energy freedom account is prohibited from retaining greater than three percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce unless this provision is waived in writing by the director.

(5) Any university, institute, or other entity that is not a state agency receiving funding from the energy freedom account is prohibited from retaining greater than fifteen percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce.

(6) Subsections (2), (4), and (5) of this section do not apply to assistance awarded for projects under RCW 43.325.020(3).

(7) During the ~~((2009-2011))~~ 2013-2015 fiscal biennium, the legislature may transfer from the energy freedom account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 985. RCW 46.66.080 and 2011 1st sp.s. c 50 s 958 are each amended to read as follows:

(1) The Washington auto theft prevention authority account is created in the state treasury, subject to appropriation. All revenues from the traffic infraction surcharge in RCW 46.63.110(7)(b) and all receipts from gifts, grants, bequests, devises, or other funds from public and private sources to support the activities of the auto theft prevention authority must be deposited into the account. Expenditures from the account may be used only for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement. During the ~~((2009-2011 and))~~ 2011-2013 and 2013-2015 fiscal biennia, the legislature may appropriate moneys from the Washington auto theft prevention authority account for criminal justice purposes and community building and may transfer funds to the state general fund such amounts as reflect the excess fund balance of the account.

(2) The authority shall allocate moneys appropriated from the account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent motor vehicle theft, including:

(a) Financial support to prosecution agencies to increase the effectiveness of motor vehicle theft prosecution;

(b) Financial support to a unit of local government or a team consisting of units of local governments to increase the effectiveness of motor vehicle theft enforcement;

(c) Financial support for the procurement of equipment and technologies for use by law enforcement agencies for the purpose of enforcing motor vehicle theft laws; and

(d) Financial support for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

(3) The costs of administration shall not exceed ten percent of the moneys in the account in any one year so that the greatest possible portion of the moneys available to the authority is expended on combating motor vehicle theft.

(4) Prior to awarding any moneys from the Washington auto theft prevention authority account for motor vehicle theft enforcement, the auto theft prevention authority must verify that the financial award includes sufficient funding to cover proposed activities, which include, but are not limited to: (a) State, municipal, and county offender and juvenile confinement costs; (b) administration costs; (c) law enforcement costs; (d) prosecutor costs; and (e) court costs, with a priority being given to ensuring that sufficient funding is available to cover state, municipal, and county offender and juvenile confinement costs.

(5) Moneys expended from the Washington auto theft prevention authority account under subsection (2) of this section shall be used to supplement, not supplant, other moneys that are available for motor vehicle theft prevention.

(6) Grants provided under subsection (2) of this section constitute reimbursement for purposes of RCW 43.135.060(1).

Sec. 986. RCW 46.68.340 and 2008 c 282 s 3 are each amended to read as follows:

The ignition interlock device revolving account is created in the state treasury. All receipts from the fee assessed under RCW 46.20.385(6) must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for administering and operating the ignition interlock device revolving account program and during the 2013-2015 fiscal biennium, the legislature may appropriate moneys from the ignition interlock device revolving account for substance abuse programs for offenders.

Sec. 987. RCW 67.70.190 and 2009 c 564 s 949 are each amended to read as follows:

Unclaimed prizes shall be retained in the state lottery account for the person entitled thereto for one hundred eighty days after the drawing in which the prize is won, or after the official end of the game for instant prizes. If no claim is made for the prize within this time, all rights to the prize shall be extinguished, and the prize shall be retained in the state lottery fund for further use as prizes, except that one-third of all unclaimed prize money shall be deposited in the economic development strategic reserve account created in RCW 43.330.250.

On July 1, 2009, June 30, 2010, and June 30, 2011, all unclaimed prize money retained in the state lottery (~~fund {account}~~) account in excess of three

million dollars, excluding amounts distributed to the economic development strategic reserve account, shall be transferred into the state general fund.

During the 2013-2015 fiscal biennium, the legislature may transfer to the education legacy trust account such amounts as reflect the excess fund balance in the state lottery account from unclaimed prizes.

Sec. 988. RCW 70.42.090 and 1989 c 386 s 10 are each amended to read as follows:

(1) The department shall establish a schedule of fees for license applications, renewals, amendments, and waivers. In fixing said fees, the department shall set the fees at a sufficient level to defray the cost of administering the licensure program. All such fees shall be fixed by rule adopted in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW. In determining the fee schedule, the department shall consider the following: (a) Complexity of the license required; (b) number and type of tests performed at the test site; (c) degree of supervision required from the department staff; (d) whether the license is granted under RCW 70.42.040; and (e) general administrative costs of the test site licensing program established under this chapter. For each category of license, fees charged shall be related to program costs.

(2) The medical test site licensure account is created in the state treasury. The state treasurer shall transfer into the medical test site licensure account all revenue received from medical test site license fees. Funds for this account may only be appropriated for the support of the activities defined under this chapter. For the 2013-2015 fiscal biennium, moneys in the account may be spent for laboratory services in the department of health.

(3) The department may establish separate fees for repeat inspections and repeat audits it performs under RCW 70.42.170.

Sec. 989. RCW 70.93.180 and 2011 1st sp.s. c 50 s 963 are each amended to read as follows:

(1) There is hereby created an account within the state treasury to be known as the ((⁽⁼⁾)waste reduction, recycling, and litter control account(⁽⁼⁾)). Moneys in the account may be spent only after appropriation. Expenditures from the waste reduction, recycling, and litter control account shall be used as follows:

(a) Fifty percent to the department of ecology, for use by the departments of ecology, natural resources, revenue, transportation, and corrections, and the parks and recreation commission, for use in litter collection programs, to be distributed under RCW 70.93.220. The amount to the department of ecology shall also be used for a central coordination function for litter control efforts statewide((;)); for the biennial litter survey under RCW 70.93.200(8)((~~and~~)); for statewide public awareness programs under RCW 70.93.200(7); and during the 2013-2015 biennium, to support employment of youth in litter clean up as intended in RCW 70.93.020, and for litter pick up using other authorized agencies. The amount to the department shall also be used to defray the costs of administering the funding, coordination, and oversight of local government programs for waste reduction, litter control, and recycling, so that local governments can apply one hundred percent of their funding to achieving program goals. The amount to the department of revenue shall be used to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

(b) Twenty percent to the department: (i) For local government funding programs for waste reduction, litter control, and recycling activities by cities and counties under RCW 70.93.250, to be administered by the department of ecology; and (ii) during the 2013-2015 biennium, to create a matching fund competitive grant program to be used by local governments and nonprofit organizations for local or statewide education programs designed to help the public with litter reduction, and recycling of primarily the products taxed under chapter 82.19 RCW. Unspent funds from (a) and (c) of this subsection may be applied to the competitive grant program; and

(c) Thirty percent to the department of ecology for waste reduction and recycling efforts. During the 2013-2015 biennium, these funds are to be used to: (i) Implement activities under RCW 70.93.200 for waste reduction, recycling efforts; (ii) provide technical assistance to local governments for commercial business and residential recycling programs primarily for the products taxed under chapter 82.19 RCW designed to educate citizens about waste and litter reduction and recyclable products and programs; and (iii) increase access to recycling programs, particularly for food packaging and plastic bags and appropriate techniques of discarding products.

(2) All taxes imposed in RCW 82.19.010 and fines and bail forfeitures collected or received pursuant to this chapter shall be deposited in the waste reduction, recycling, and litter control account and used for the programs under subsection (1) of this section.

(3) Not less than five percent and no more than ten percent of the amount appropriated into the waste reduction, recycling, and litter control account every biennium shall be reserved for capital needs, including the purchase of vehicles for transporting crews and for collecting litter and solid waste. Capital funds shall be distributed among state agencies and local governments according to the same criteria provided in RCW 70.93.220 for the remainder of the funds, so that the most effective waste reduction, litter control, and recycling programs receive the most funding. The intent of this subsection is to provide funds for the purchase of equipment that will enable the department to account for the greatest return on investment in terms of reaching a zero litter goal.

~~(4) ((During the 2009-2011 fiscal biennium, the legislature may transfer from the waste reduction, recycling, and litter control account to the state general fund such amounts as reflect the excess fund balance of the account. Additionally, during the 2009-2011 fiscal biennium, subsection (1)(a), (b), and (c) of this section is suspended.~~

~~(5)) During the 2011-2013 fiscal biennium, the legislature may transfer from the waste reduction, recycling, and litter control account to the state general fund such amounts as reflect the excess fund balance of the account. Additionally, during the 2011-2013 fiscal biennium, subsection (1)(a), (b), and (c) of this section is suspended.~~

(5) During the 2013-2015 biennium, funds in the waste reduction, recycling, and litter control account, collected under chapter 82.19 RCW, must be prioritized for the products identified under RCW 82.19.020 solely for the purposes of recycling and litter collection, reduction, and control programs.

(6) During the 2013-2015 biennium, the legislature may appropriate funds from the waste reduction, recycling, and litter control account to the state parks and recreation commission for parks operation and maintenance.

Sec. 990. RCW 70.96A.350 and 2011 2nd sp.s. c 9 s 910 are each amended to read as follows:

(1) The criminal justice treatment account is created in the state treasury. Moneys in the account may be expended solely for: (a) Substance abuse treatment and treatment support services for offenders with an addiction or a substance abuse problem that, if not treated, would result in addiction, against whom charges are filed by a prosecuting attorney in Washington state; (b) the provision of drug and alcohol treatment services and treatment support services for nonviolent offenders within a drug court program; (c) the administrative and overhead costs associated with the operation of a drug court; and (d) during the 2011-2013 biennium, the legislature may appropriate up to three million dollars from the account in order to offset reductions in the state general fund for treatment services provided by counties. This amount is not subject to the requirements of subsections (5) through (9) of this section. During the 2013-2015 fiscal biennium, the legislature may transfer from the criminal justice treatment account to the state general fund amounts as reflect the state savings associated with the implementation of the medicaid expansion of the federal affordable care act. Moneys in the account may be spent only after appropriation.

(2) For purposes of this section:

(a) "Treatment" means services that are critical to a participant's successful completion of his or her substance abuse treatment program, but does not include the following services: Housing other than that provided as part of an inpatient substance abuse treatment program, vocational training, and mental health counseling; and

(b) "Treatment support" means transportation to or from inpatient or outpatient treatment services when no viable alternative exists, and child care services that are necessary to ensure a participant's ability to attend outpatient treatment sessions.

(3) Revenues to the criminal justice treatment account consist of: (a) Funds transferred to the account pursuant to this section; and (b) any other revenues appropriated to or deposited in the account.

(4)(a) For the fiscal biennium beginning July 1, 2003, the state treasurer shall transfer eight million nine hundred fifty thousand dollars from the general fund into the criminal justice treatment account, divided into eight equal quarterly payments. For the fiscal year beginning July 1, 2005, and each subsequent fiscal year, the state treasurer shall transfer eight million two hundred fifty thousand dollars from the general fund to the criminal justice treatment account, divided into four equal quarterly payments. For the fiscal year beginning July 1, 2006, and each subsequent fiscal year, the amount transferred shall be increased on an annual basis by the implicit price deflator as published by the federal bureau of labor statistics.

(b) In each odd-numbered year, the legislature shall appropriate the amount transferred to the criminal justice treatment account in (a) of this subsection to the division of alcohol and substance abuse for the purposes of subsection (5) of this section.

(5) Moneys appropriated to the division of alcohol and substance abuse from the criminal justice treatment account shall be distributed as specified in this subsection. The department shall serve as the fiscal agent for purposes of

distribution. Until July 1, 2004, the department may not use moneys appropriated from the criminal justice treatment account for administrative expenses and shall distribute all amounts appropriated under subsection (4)(b) of this section in accordance with this subsection. Beginning in July 1, 2004, the department may retain up to three percent of the amount appropriated under subsection (4)(b) of this section for its administrative costs.

(a) Seventy percent of amounts appropriated to the division from the account shall be distributed to counties pursuant to the distribution formula adopted under this section. The division of alcohol and substance abuse, in consultation with the department of corrections, the Washington state association of counties, the Washington state association of drug court professionals, the superior court judges' association, the Washington association of prosecuting attorneys, representatives of the criminal defense bar, representatives of substance abuse treatment providers, and any other person deemed by the division to be necessary, shall establish a fair and reasonable methodology for distribution to counties of moneys in the criminal justice treatment account. County or regional plans submitted for the expenditure of formula funds must be approved by the panel established in (b) of this subsection.

(b) Thirty percent of the amounts appropriated to the division from the account shall be distributed as grants for purposes of treating offenders against whom charges are filed by a county prosecuting attorney. The division shall appoint a panel of representatives from the Washington association of prosecuting attorneys, the Washington association of sheriffs and police chiefs, the superior court judges' association, the Washington state association of counties, the Washington defender's association or the Washington association of criminal defense lawyers, the department of corrections, the Washington state association of drug court professionals, substance abuse treatment providers, and the division. The panel shall review county or regional plans for funding under (a) of this subsection and grants approved under this subsection. The panel shall attempt to ensure that treatment as funded by the grants is available to offenders statewide.

(6) The county alcohol and drug coordinator, county prosecutor, county sheriff, county superior court, a substance abuse treatment provider appointed by the county legislative authority, a member of the criminal defense bar appointed by the county legislative authority, and, in counties with a drug court, a representative of the drug court shall jointly submit a plan, approved by the county legislative authority or authorities, to the panel established in subsection (5)(b) of this section, for disposition of all the funds provided from the criminal justice treatment account within that county. The funds shall be used solely to provide approved alcohol and substance abuse treatment pursuant to RCW 70.96A.090, treatment support services, and for the administrative and overhead costs associated with the operation of a drug court.

(a) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent on the administrative and overhead costs associated with the operation of a drug court.

(b) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent for treatment support services.

(7) Counties are encouraged to consider regional agreements and submit regional plans for the efficient delivery of treatment under this section.

(8) Moneys allocated under this section shall be used to supplement, not supplant, other federal, state, and local funds used for substance abuse treatment.

(9) Counties must meet the criteria established in RCW 2.28.170(3)(b).

(10) The authority under this section to use funds from the criminal justice treatment account for the administrative and overhead costs associated with the operation of a drug court expires June 30, (~~2013~~) 2015.

Sec. 991. RCW 70.105D.— and 2013 2nd sp.s. c 1 s 10 are each amended to read as follows:

(1) The environmental legacy stewardship account is created in the state treasury. Beginning July 1, 2013, and every fiscal year thereafter, the annual amount received from the tax imposed by RCW 82.21.030 that exceeds one hundred forty million dollars must be deposited into the environmental legacy stewardship account. The state treasurer may make periodic deposits into the environmental legacy stewardship account based on forecasted revenue. Moneys in the account may only be spent after appropriation.

(2) Moneys in the environmental legacy stewardship account may be spent on performance and outcome based projects, model remedies, demonstrated technologies, procedures, contracts, and project management and oversight that result in significant reductions in the time to complete compared to baseline averages for:

(a) Purposes authorized under RCW 70.105D.070 (3) and (4);

(b) Storm water low-impact retrofit projects and other projects with significant environmental benefits that reduce storm water pollution from existing infrastructure and development;

(c) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment; and

(d) Appropriations to the state and local toxics control accounts created in RCW 70.105D.070 if the legislature determines that priorities for spending exceed available funds in those accounts.

(3) Except as provided under RCW 70.105D.070(3) (k) and (q), nothing in chapter 1, Laws of 2013 2nd sp. sess. expands the ability of a potentially liable person to receive public funding.

(4) Moneys in the environmental legacy stewardship account may also be used as follows:

(a) During the 2013-2015 fiscal biennia, shoreline update technical assistance and for local government shoreline master program update grants;

(b) During the 2013-2015 fiscal biennium, solid and hazardous waste compliance at the department of corrections;

(c) During the 2013-2015 fiscal biennium, activities at the department of fish and wildlife concerning water quality monitoring, hatchery water quality regulatory compliance, and technical assistance to local governments on growth management and shoreline management;

(d) During the 2013-2015 fiscal biennium, forest practices regulation and aquatic land investigation and cleanup activities at the department of natural resources.

Sec. 992. RCW 70.105D.070 and 2013 2nd sp.s. c 1 s 9 are each amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2)(a) Moneys collected under RCW 82.21.030 must be deposited as follows: Fifty-six percent to the state toxics control account under subsection (3) of this section and forty-four percent to the local toxics control account under subsection (4) of this section. When the cumulative amount of deposits made to the state and local toxics control accounts under this section reaches the limit during a fiscal year as established in (b) of this subsection, the remainder of the moneys collected under RCW 82.21.030 during that fiscal year must be deposited into the environmental legacy stewardship account created in RCW 70.105D.— (section 10, chapter 1, Laws of 2013 2nd sp. sess.).

(b) The limit on distributions of moneys collected under RCW 82.21.030 to the state and local toxics control accounts for the fiscal year beginning July 1, 2013, is one hundred forty million dollars.

(c) In addition to the funds required under (a) of this subsection, the following moneys must be deposited into the state toxics control account: (i) The costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (ii) penalties collected or recovered under this chapter; and (iii) any other money appropriated or transferred to the account by the legislature.

(3) Moneys in the state toxics control account must be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(a) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(b) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(c) The hazardous waste clean-up program required under this chapter;

(d) State matching funds required under federal cleanup law;

(e) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(f) State government programs for the safe reduction, recycling, or disposal of paint and hazardous wastes from households, small businesses, and agriculture;

(g) Oil and hazardous materials spill prevention, preparedness, training, and response activities;

(h) Water and environmental health protection and monitoring programs;

(i) Programs authorized under chapter 70.146 RCW;

(j) A public participation program;

(k) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both: (i) A substantially

more expeditious or enhanced cleanup than would otherwise occur; and (ii) the prevention or mitigation of unfair economic hardship;

(l) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;

(m) State agriculture and health programs for the safe use, reduction, recycling, or disposal of pesticides;

(n) Storm water pollution control projects and activities that protect or preserve existing remedial actions or prevent hazardous clean-up sites;

(o) Funding requirements to maintain receipt of federal funds under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et seq.);

(p) Air quality programs and actions for reducing public exposure to toxic air pollution;

(q) Public funding to assist prospective purchasers to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) if:

(i) The facility is located within a redevelopment opportunity zone designated under RCW 70.105D.— (section 4, chapter 1, Laws of 2013 2nd sp. sess.);

(ii) The amount and terms of the funding are established under a settlement agreement under RCW 70.105D.040(5); and

(iii) The director has found the funding meets any additional criteria established in rule by the department, will achieve a substantially more expeditious or enhanced cleanup than would otherwise occur, and will provide a public benefit in addition to cleanup commensurate with the scope of the public funding;

(r) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; ~~(and)~~

(s) Appropriations to the local toxics control account or the environmental legacy stewardship account created in RCW 70.105D.—(section 10, chapter 1, Laws of 2013 2nd sp. sess.), if the legislature determines that priorities for spending exceed available funds in those accounts((-);

(t) During the 2013-2015 fiscal biennium, the department of ecology's water quality, shorelands, environmental assessment, administration, and air quality programs;

(u) During the 2013-2015 fiscal biennium, actions at the state conservation commission to improve water quality for shellfish; and

(v) During the 2013-2015 fiscal biennium, actions at the University of Washington for reducing ocean acidification.

(4)(a) The department shall use moneys deposited in the local toxics control account for grants or loans to local governments for the following purposes in descending order of priority:

(i) Extended grant agreements entered into under (c)(i) of this subsection;

(ii) Remedial actions, including planning for adaptive reuse of properties as provided for under (c)(iv) of this subsection. The department must prioritize funding of remedial actions at:

(A) Facilities on the department's hazardous sites list with a high hazard ranking for which there is an approved remedial action work plan or an equivalent document under federal cleanup law;

(B) Brownfield properties within a redevelopment opportunity zone if the local government is a prospective purchaser of the property and there is a department-approved remedial action work plan or equivalent document under the federal cleanup law;

(iii) Storm water pollution source projects that: (A) Work in conjunction with a remedial action; (B) protect completed remedial actions against recontamination; or (C) prevent hazardous clean-up sites;

(iv) Hazardous waste plans and programs under chapter 70.105 RCW;

(v) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; and

(vii) Appropriations to the state toxics control account or the environmental legacy stewardship account created in RCW 70.105D.—(section 10, chapter 1, Laws of 2013 2nd sp. sess.), if the legislature determines that priorities for spending exceed available funds in those accounts.

(b) Funds for plans and programs must be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW.

(c) During the 2013-2015 fiscal biennium, the local toxics control account may also be used for local government storm water planning and implementation activities.

(d) During the 2013-2015 fiscal biennium, the legislature may transfer from the local toxics control account to the state general fund, such amounts as reflect the excess fund balance in the account.

(e) To expedite cleanups throughout the state, the department may use the following strategies when providing grants to local governments under this subsection:

(i) Enter into an extended grant agreement with a local government conducting remedial actions at a facility where those actions extend over multiple biennia and the total eligible cost of those actions exceeds twenty million dollars. The agreement is subject to the following limitations:

(A) The initial duration of such an agreement may not exceed ten years. The department may extend the duration of such an agreement upon finding substantial progress has been made on remedial actions at the facility;

(B) Extended grant agreements may not exceed fifty percent of the total eligible remedial action costs at the facility; and

(C) The department may not allocate future funding to an extended grant agreement unless the local government has demonstrated to the department that funds awarded under the agreement during the previous biennium have been substantially expended or contracts have been entered into to substantially expend the funds;

(ii) Enter into a grant agreement with a local government conducting a remedial action that provides for periodic reimbursement of remedial action costs as they are incurred as established in the agreement;

(iii) Enter into a grant agreement with a local government prior to it acquiring a property or obtaining necessary access to conduct remedial actions, provided the agreement is conditioned upon the local government acquiring the

property or obtaining the access in accordance with a schedule specified in the agreement;

(iv) Provide integrated planning grants to local governments to fund studies necessary to facilitate remedial actions at brownfield properties and adaptive reuse of properties following remediation. Eligible activities include, but are not limited to: Environmental site assessments; remedial investigations; health assessments; feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; economic and fiscal analyses; and any environmental analyses under chapter 43.21C RCW;

(v) Provide grants to local governments for remedial actions related to areawide groundwater contamination. To receive the funding, the local government does not need to be a potentially liable person or be required to seek reimbursement of grant funds from a potentially liable person;

(vi) The director may alter grant matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardship imposed by the clean-up liability;

(B) Funding would create new substantial economic development, public recreational opportunities, or habitat restoration opportunities that would not otherwise occur; or

(C) Funding would create an opportunity for acquisition and redevelopment of brownfield property under RCW 70.105D.040(5) that would not otherwise occur;

(vii) When pending grant applications under (c)(iv) and (v) of this subsection (4) exceed the amount of funds available, designated redevelopment opportunity zones must receive priority for distribution of available funds.

(d) To expedite multiparty clean-up efforts, the department may purchase remedial action cost-cap insurance.

(5) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(6) No moneys deposited into either the state or local toxics control account may be used for: Natural disasters where there is no hazardous substance contamination; high performance buildings; solid waste incinerator facility feasibility studies, construction, maintenance, or operation; or after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310. However, this subsection does not prevent an appropriation from the state toxics control account to the department of revenue to enforce compliance with the hazardous substance tax imposed in chapter 82.21 RCW.

(7) Except during the 2011-2013 fiscal biennium, one percent of the moneys collected under RCW 82.21.030 shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the

state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation that are not expended at the close of any biennium revert to the state toxics control account.

(8) The department shall adopt rules for grant or loan issuance and performance. To accelerate both remedial action and economic recovery, the department may expedite the adoption of rules necessary to implement chapter 1, Laws of 2013 2nd sp. sess. using the expedited procedures in RCW 34.05.353. The department shall initiate the award of financial assistance by August 1, 2013. To ensure the adoption of rules will not delay financial assistance, the department may administer the award of financial assistance through interpretive guidance pending the adoption of rules through July 1, 2014.

(9) Except as provided under subsection (3)(k) and (q) of this section, nothing in chapter 1, Laws of 2013 2nd sp. sess. effects the ability of a potentially liable person to receive public funding.

Sec. 993. RCW 70.148.020 and 2012 1st sp.s. c 3 s 1 are each amended to read as follows:

(1) The pollution liability insurance program trust account is established in the custody of the state treasurer. All funds appropriated for this chapter and all premiums collected for reinsurance shall be deposited in the account. Expenditures from the account shall be used exclusively for the purposes of this chapter including payment of costs of administering the pollution liability insurance and underground storage tank community assistance programs. Expenditures for payment of administrative and operating costs of the agency are subject to the allotment procedures under chapter 43.88 RCW and may be made only after appropriation by statute. No appropriation is required for other expenditures from the account.

(2) Each calendar quarter, the director shall report to the insurance commissioner the loss and surplus reserves required for the calendar quarter. The director shall notify the department of revenue of this amount by the fifteenth day of each calendar quarter.

(3) Each calendar quarter the director shall determine the amount of reserves necessary to fund commitments made to provide financial assistance under RCW 70.148.130 to the extent that the financial assistance reserves do not jeopardize the operations and liabilities of the pollution liability insurance program. The director shall notify the department of revenue of this amount by the fifteenth day of each calendar quarter. The director may immediately establish an initial financial assistance reserve of five million dollars from available revenues. The director may not expend more than fifteen million dollars for the financial assistance program.

~~((4))~~ (4) During the 2013-2015 fiscal biennium, the legislature may transfer from the pollution liability insurance program trust account to the state general fund such amounts as reflect the excess fund balance of the account.

~~(5)~~ This section expires July 1, 2020.

Sec. 994. RCW 71.24.310 and 2009 c 564 s 1810 and 2009 c 564 s 952 are each reenacted and amended to read as follows:

The legislature finds that administration of chapter 71.05 RCW and this chapter can be most efficiently and effectively implemented as part of the

regional support network defined in RCW 71.24.025. For this reason, the legislature intends that the department and the regional support networks shall work together to implement chapter 71.05 RCW as follows:

(1) By June 1, 2006, regional support networks shall recommend to the department the number of state hospital beds that should be allocated for use by each regional support network. The statewide total allocation shall not exceed the number of state hospital beds offering long-term inpatient care, as defined in this chapter, for which funding is provided in the biennial appropriations act.

(2) If there is consensus among the regional support networks regarding the number of state hospital beds that should be allocated for use by each regional support network, the department shall contract with each regional support network accordingly.

(3) If there is not consensus among the regional support networks regarding the number of beds that should be allocated for use by each regional support network, the department shall establish by emergency rule the number of state hospital beds that are available for use by each regional support network. The emergency rule shall be effective September 1, 2006. The primary factor used in the allocation shall be the estimated number of adults with acute and chronic mental illness in each regional support network area, based upon population-adjusted incidence and utilization.

(4) The allocation formula shall be updated at least every three years to reflect demographic changes, and new evidence regarding the incidence of acute and chronic mental illness and the need for long-term inpatient care. In the updates, the statewide total allocation shall include (a) all state hospital beds offering long-term inpatient care for which funding is provided in the biennial appropriations act; plus (b) the estimated equivalent number of beds or comparable diversion services contracted in accordance with subsection (5) of this section.

(5) The department is encouraged to enter performance-based contracts with regional support networks to provide some or all of the regional support network's allocated long-term inpatient treatment capacity in the community, rather than in the state hospital. The performance contracts shall specify the number of patient days of care available for use by the regional support network in the state hospital.

(6) If a regional support network uses more state hospital patient days of care than it has been allocated under subsection (3) or (4) of this section, or than it has contracted to use under subsection (5) of this section, whichever is less, it shall reimburse the department for that care, except during the period of July 1, 2012, through December 31, 2013, where reimbursements may be temporarily altered per section 204 of this act. The reimbursement rate per day shall be the hospital's total annual budget for long-term inpatient care, divided by the total patient days of care assumed in development of that budget.

(7) One-half of any reimbursements received pursuant to subsection (6) of this section shall be used to support the cost of operating the state hospital and, during the 2007-2009 fiscal biennium, implementing new services that will enable a regional support network to reduce its utilization of the state hospital. The department shall distribute the remaining half of such reimbursements among regional support networks that have used less than their allocated or

contracted patient days of care at that hospital, proportional to the number of patient days of care not used.

Sec. 995. RCW 74.09.215 and 2012 c 241 s 103 are each amended to read as follows:

The medicaid fraud penalty account is created in the state treasury. All receipts from civil penalties collected under RCW 74.09.210, all receipts received under judgments or settlements that originated under a filing under the federal false claims act, and all receipts received under judgments or settlements that originated under the state medicaid fraud false claims act, chapter 74.66 RCW must be deposited into the account. Moneys in the account may be spent only after appropriation and must be used only for medicaid services, fraud detection and prevention activities, recovery of improper payments, and for other medicaid fraud enforcement activities. For the 2013-2015 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing and conversion to the tenth version of the international classification of diseases.

Sec. 996. RCW 74.13.621 and 2009 c 564 s 954 are each amended to read as follows:

(1) Within existing resources, the department shall establish an oversight committee to monitor, guide, and report on kinship care recommendations and implementation activities. The committee shall:

(a) Draft a kinship care definition that is restricted to persons related by blood, marriage, or adoption, including marriages that have been dissolved, or for a minor defined as an "Indian child" under the federal Indian child welfare act (25 U.S.C. Sec. 1901 et seq.), the definition of "extended family member" under the federal Indian child welfare act, and a set of principles. If the committee concludes that one or more programs or services would be more efficiently and effectively delivered under a different definition of kin, it shall state what definition is needed, and identify the program or service in the report. It shall also provide evidence of how the program or service will be more efficiently and effectively delivered under the different definition. The department shall not adopt rules or policies changing the definition of kin without authorizing legislation;

(b) Monitor and provide consultation on the implementation of recommendations contained in the 2002 kinship care report, including but not limited to the recommendations relating to legal and respite care services and resources;

(c) Partner with nonprofit organizations and private sector businesses to guide a public education awareness campaign; and

(d) Assist with developing future recommendations on kinship care issues.

(2) The department shall consult with the oversight committee on its efforts to better collaborate and coordinate services to benefit kinship care families.

(3) The oversight committee must consist of a minimum of thirty percent kinship caregivers, who shall represent a diversity of kinship families. Statewide representation with geographic, ethnic, and gender diversity is required. Other members shall include representatives of the department, representatives of relevant state agencies, representatives of the private nonprofit and business sectors, child advocates, representatives of Washington state Indian tribes as defined under the federal Indian welfare act (25 U.S.C. Sec. 1901 et seq.), and

representatives of the legal or judicial field. Birth parents, foster parents, and others who have an interest in these issues may also be included.

(4) To the extent funding is available, the department may reimburse nondepartmental members of the oversight committee for costs incurred in participating in the meetings of the oversight committee.

(5) The kinship care oversight committee shall update the legislature and governor annually on committee activities, with the first update due by January 1, 2006.

(6) This section expires June 30, (~~(2011)~~) 2015.

Sec. 997. RCW 74.09.215 and 2013 c 36 s 3 are each amended to read as follows:

The medicaid fraud penalty account is created in the state treasury. All receipts from civil penalties collected under RCW 74.09.210, all receipts received under judgments or settlements that originated under a filing under the federal false claims act, and all receipts received under judgments or settlements that originated under the state medicaid fraud false claims act, chapter 74.66 RCW, must be deposited into the account. Moneys in the account may be spent only after appropriation and must be used only for medicaid services, fraud detection and prevention activities, recovery of improper payments, for other medicaid fraud enforcement activities, and the prescription monitoring program established in chapter 70.225 RCW. For the 2013-2015 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing and conversion to the tenth version of the international classification of diseases.

Sec. 998. RCW 77.12.201 and 2012 2nd sp.s. c 7 s 923 are each amended to read as follows:

The legislative authority of a county may elect, by giving written notice to the director and the treasurer prior to January 1st of any year, to obtain for the following year an amount in lieu of real property taxes on game lands as provided in RCW 77.12.203. Upon the election, the county shall keep a record of all fines, forfeitures, reimbursements, and costs assessed and collected, in whole or in part, under this title for violations of law or rules adopted pursuant to this title, with the exception of the 2011-2013 and 2013-2015 fiscal (~~(biennium)~~) biennia, and shall monthly remit an amount equal to the amount collected to the state treasurer for deposit in the state general fund. The election shall continue until the department is notified differently prior to January 1st of any year.

Sec. 999. RCW 77.12.203 and 2012 2nd sp.s. c 7 s 924 are each amended to read as follows:

(1) Except as provided in subsection (5) of this section and notwithstanding RCW 84.36.010 or other statutes to the contrary, the director shall pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes equal to that amount paid on similar parcels of open space land taxable under chapter 84.34 RCW or the greater of seventy cents per acre per year or the amount paid in 1984 plus an additional amount for control of noxious weeds equal to that which would be paid if such lands were privately owned. This amount shall not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, tidelands, or public fishing areas of less than one hundred acres.

(2) "Game lands," as used in this section and RCW 77.12.201, means those tracts one hundred acres or larger owned in fee by the department and used for wildlife habitat and public recreational purposes. All lands purchased for wildlife habitat, public access or recreation purposes with federal funds in the Snake River drainage basin shall be considered game lands regardless of acreage.

(3) This section shall not apply to lands transferred after April 23, 1990, to the department from other state agencies.

(4) The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county shall distribute the amount received under this section for weed control to the appropriate weed district.

(5) For the 2011-2013 and 2013-2015 fiscal ((biennium)) biennia, the director shall pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes and shall be distributed as follows:

County

Adams	1,909
Asotin	36,123
Chelan	24,757
Columbia.	7,795
Ferry	6,781
Garfield.	4,840
Grant	37,443
((Grays Harbor	7,264))
Kittitas.	143,974
Klickitat	21,906
Lincoln	13,535
Okanogan	151,402
Pend Oreille	3,309
Yakima	126,225

These amounts shall not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, tidelands, or public fishing areas of less than one hundred acres.

Sec. 1000. RCW 79.64.020 and 2011 c 216 s 15 are each amended to read as follows:

A resource management cost account in the state treasury is created to be used solely for the purpose of defraying the costs and expenses necessarily incurred by the department in managing and administering state lands, community forest trust lands, and aquatic lands and the making and administering of leases, sales, contracts, licenses, permits, easements, and rights-of-way as authorized under the provisions of this title. Appropriations from the

resource management cost account to the department shall be expended for no other purposes. Funds in the resource management cost account may be appropriated or transferred by the legislature for the benefit of all of the trusts from which the funds were derived. During the 2013-2015 fiscal biennium, the legislature may transfer from the aquatics revenues in the resources management cost account to the marine resources stewardship trust account for the purposes of chapter 43.372 RCW.

Sec. 1001. RCW 79.64.040 and 2012 2nd sp.s. c 7 s 927 are each amended to read as follows:

(1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting state lands, community forest trust lands, and aquatic lands, provided that no deduction shall be made from the proceeds from agricultural college lands.

(2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.

(3) Except as otherwise provided in subsections (4) and (6) of this section, the deductions authorized under this section shall not exceed twenty-five percent of the moneys received by the department in connection with any one transaction pertaining to state lands and aquatic lands other than second-class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second-class tide and shore lands and the beds of navigable waters.

(4) Deductions authorized under this section for transactions pertaining to community forest trust lands must be established at a level sufficient to defray over time the management costs for activities prescribed in a parcel's management plan adopted pursuant to RCW 79.155.080, and, if deemed appropriate by the board consistent with RCW 79.155.090, to reimburse the state and any local entities' eligible financial contributions for acquisition of the parcel.

(5) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.

(6) During the 2011-2013 and 2013-2015 fiscal (~~biennium~~) biennia, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board.

Sec. 1002. RCW 79.105.150 and 2012 2nd sp.s. c 7 s 929 and 2012 2nd sp.s. c 2 s 6008 are each reenacted and amended to read as follows:

(1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands

enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. (~~During the 2011-2013 fiscal biennium, the aquatic lands enhancement account may also be used for scientific research as part of the adaptive management process and for developing a planning report for McNeil Island. During the 2011-2013 fiscal biennium, the legislature may transfer from the aquatic lands enhancement account to the state general fund such amounts as reflect excess fund balance of the account.~~) During the ~~((2011-2013))~~ 2013-2015 fiscal biennium, the aquatic lands enhancement account may be used to support the shellfish program, the ballast water program, ~~((parks;))~~ hatcheries, ~~((and))~~ the Puget Sound toxic sampling program at the department of fish and wildlife, the knotweed program at the department of agriculture, actions at the University of Washington for reducing ocean acidification, which may include the creation of a center on ocean acidification, and the Puget SoundCorps program. (~~During the 2011-2013 fiscal biennium, the legislature may transfer from the aquatic lands enhancement account to the marine resources stewardship trust account funds for the purposes of RCW 43.372.070~~) During the 2013-2015 fiscal biennium, the legislature may transfer from the aquatic lands enhancement account to the geoduck aquaculture research account for research related to shellfish aquaculture.

(2) In providing grants for aquatic lands enhancement projects, the recreation and conservation funding board shall:

(a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications;

(b) Utilize the statement of environmental benefits, consideration, except as provided in RCW 79.105.610, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, whether a project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, and except as otherwise provided in RCW 79.105.630, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the applicant is an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030 in its prioritization and selection process; and

(c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.

(3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.

(4) The department shall consult with affected interest groups in implementing this section.

(5) After January 1, 2010, any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

Sec. 1003. RCW 82.08.160 and 2012 2nd sp.s. c 5 s 3 are each amended to read as follows:

(1) On or before the twenty-fifth day of each month, all taxes collected under RCW 82.08.150 during the preceding month must be remitted to the state

department of revenue, to be deposited with the state treasurer. Except as provided in subsections (2) (~~and~~), (3), and (4) of this section, upon receipt of such moneys the state treasurer must credit sixty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) and one hundred percent of the sums collected and remitted under RCW 82.08.150 (3) and (4) to the state general fund and thirty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) to a fund which is hereby created to be known as the "liquor excise tax fund."

(2) During the 2012 fiscal year, 66.19 percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund.

(3) During fiscal year 2013, all funds collected under RCW 82.08.150 (1), (2), (3), and (4) must be deposited into the state general fund.

(4) During the 2013-2015 fiscal biennium, eighty two and one-half percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund.

Sec. 1004. RCW 82.14.310 and 2011 1st sp.s. c 50 s 970 are each amended to read as follows:

(1) The county criminal justice assistance account is created in the state treasury. Beginning in fiscal year 2000, the state treasurer must transfer into the county criminal justice assistance account from the general fund the sum of twenty-three million two hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year.

(2) The moneys deposited in the county criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (4) of this section, must be distributed at such times as distributions are made under RCW 82.44.150 and on the relative basis of each county's funding factor as determined under this subsection.

(a) A county's funding factor is the sum of:

(i) The population of the county, divided by one thousand, and multiplied by two-tenths;

(ii) The crime rate of the county, multiplied by three-tenths; and

(iii) The annual number of criminal cases filed in the county superior court, for each one thousand in population, multiplied by five-tenths.

(b) Under this section and RCW 82.14.320 and 82.14.330:

(i) The population of the county or city is as last determined by the office of financial management;

(ii) The crime rate of the county or city is the annual occurrence of specified criminal offenses, as calculated in the most recent annual report on crime in Washington state as published by the Washington association of sheriffs and police chiefs, for each one thousand in population;

(iii) The annual number of criminal cases filed in the county superior court must be determined by the most recent annual report of the courts of Washington, as published by the administrative office of the courts;

(iv) Distributions and eligibility for distributions in the 1989-1991 biennium must be based on 1988 figures for both the crime rate as described under (ii) of this subsection and the annual number of criminal cases that are filed as described under (iii) of this subsection. Future distributions must be based on the most recent figures for both the crime rate as described under (ii) of this subsection and the annual number of criminal cases that are filed as described under (iii) of this subsection.

(3) Moneys distributed under this section must be expended exclusively for criminal justice purposes and may not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil or juvenile justice system occurs, and which includes (a) domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020, and (b) during the 2001-2003 fiscal biennium, juvenile dispositional hearings relating to petitions for at-risk youth, truancy, and children in need of services. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

(4) Not more than five percent of the funds deposited to the county criminal justice assistance account may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such enhancements may not supplant existing funds from the state general fund.

(5) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the county criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.

(6) During the 2013-2015 fiscal biennium, for the purposes of substance abuse and other programs for offenders, the legislature may appropriate from the county criminal justice assistance account such amounts as are in excess of the amounts necessary to fully meet the state's obligations to the counties and to the Washington state patrol. Excess amounts in this account are not the result of subsection (5) of this section.

Sec. 1005. RCW 86.26.007 and 2012 2nd sp.s. c 7 s 932 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. At the beginning of the 2005-2007 fiscal biennium, the state treasurer shall transfer three million dollars from the general fund to the flood control assistance account. Each biennium thereafter the state treasurer shall transfer four million dollars from the general fund to the flood control assistance account, except that during the 2011-2013 fiscal biennium, the state treasurer shall transfer one million dollars from the general fund to the flood control

assistance account. Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter. During the 2013-2015 fiscal biennium, the legislature may transfer from the flood control assistance account to the state general fund such amounts as reflect the excess fund balance of the account.

**SUPPLEMENTAL
PART XI
GENERAL GOVERNMENT**

Sec. 1101. 2012 2nd sp.s. c 7 s 111 (uncodified) is amended to read as follows:

FOR THE SUPREME COURT

General Fund—State Appropriation (FY 2012)	\$6,757,000
General Fund—State Appropriation (FY 2013)	(\$6,561,000)
	<u>\$6,603,000</u>
TOTAL APPROPRIATION	(\$13,318,000)
	<u>\$13,360,000</u>

Sec. 1102. 2012 2nd sp.s. c 7 s 112 (uncodified) is amended to read as follows:

FOR THE LAW LIBRARY

General Fund—State Appropriation (FY 2012)	\$1,504,000
General Fund—State Appropriation (FY 2013)	<u>\$24,000</u>
Judicial Information System Account—State Appropriation	\$1,500,000
TOTAL APPROPRIATION	(\$3,004,000)
	<u>\$3,028,000</u>

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

Sec. 1103. 2012 2nd sp.s. c 7 s 114 (uncodified) is amended to read as follows:

FOR THE COURT OF APPEALS

General Fund—State Appropriation (FY 2012)	\$15,275,000
General Fund—State Appropriation (FY 2013)	(\$15,168,000)
	<u>\$15,253,000</u>
TOTAL APPROPRIATION	(\$30,443,000)
	<u>\$30,528,000</u>

Sec. 1104. 2012 2nd sp.s. c 7 s 115 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund—State Appropriation (FY 2012)	\$50,725,000
General Fund—State Appropriation (FY 2013)	(\$48,429,000)
	<u>\$49,123,000</u>
General Fund—Federal Appropriation	\$2,532,000

General Fund—Private/Local Appropriation	\$390,000
Judicial Information Systems Account—State	
Appropriation.	\$42,362,000
Judicial Stabilization Trust Account—State	
Appropriation.	((\$5,954,000))
	<u>\$5,425,000</u>
TOTAL APPROPRIATION	((\$150,392,000))
	<u>\$150,557,000</u>

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

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

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

(b) Each fiscal year during the 2011-2013 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives and senate ways and means committees no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

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

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

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

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

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

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

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

Sec. 1105. 2012 2nd sp.s. c 7 s 118 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE GOVERNOR

General Fund—State Appropriation (FY 2012)	\$5,102,000
General Fund—State Appropriation (FY 2013)	(\$5,247,000)
	<u>\$5,259,000</u>
Economic Development Strategic Reserve Account—State Appropriation	\$1,500,000

TOTAL APPROPRIATION	(\$11,849,000))
	<u>\$11,861,000</u>

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

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

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

(3) \$12,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5802 (greenhouse gas emissions). If the bill is not enacted by June 30, 2012 [2013], the amount provided in this subsection shall lapse.

Sec. 1106. 2012 2nd sp.s. c 7 s 121 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund—State Appropriation (FY 2012)	\$16,047,000
General Fund—State Appropriation (FY 2013)	(\$8,612,000))
	<u>\$9,972,000</u>
General Fund—Federal Appropriation	\$7,326,000
Public Records Efficiency, Preservation, and Access	
Account—State Appropriation	(\$7,074,000))
	<u>\$7,185,000</u>
Charitable Organization Education Account—State	
Appropriation	\$362,000
Local Government Archives Account—State	
Appropriation	\$8,516,000
Election Account—Federal Appropriation	\$17,284,000
Washington State Heritage Center Account—State	
Appropriation	\$5,028,000
TOTAL APPROPRIATION	(\$70,249,000))
	<u>\$71,720,000</u>

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

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

(2)(a) \$1,847,000 of the general fund—state appropriation for fiscal year 2012 and \$1,926,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2011-2013 biennium. The funding level for each year of the contract shall be based on the amount provided

in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in this subsection have been satisfactorily documented.

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

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

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

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

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

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

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

Sec. 1107. 2012 2nd sp.s. c 7 s 127 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund—State Appropriation (FY 2012)	\$4,758,000
General Fund—State Appropriation (FY 2013)	(\$7,690,000)
	<u>\$7,890,000</u>
General Fund—Federal Appropriation	\$10,015,000
New Motor Vehicle Arbitration Account—State Appropriation	\$968,000
Legal Services Revolving Account—State Appropriation	(\$197,375,000)
	<u>\$197,412,000</u>
Tobacco Prevention and Control Account—State Appropriation	\$270,000
Medicaid Fraud Penalty Account—State Appropriation	\$1,129,000
TOTAL APPROPRIATION	(\$222,205,000)
	<u>\$222,442,000</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) The executive ethics board shall: (a) Develop a statewide plan, with performance measures, to provide overall direction and accountability in all

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

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

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

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

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

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

(18) If Engrossed Substitute Senate Bill No. 5978 (medicaid fraud) is not enacted by June 30, 2012, the amounts appropriated in this section from the medicaid fraud penalty account—state appropriation shall lapse and an additional \$730,000 shall be appropriated from the general fund—state for fiscal year 2013 for fraud detection and prevention activities, recovery of improper payments, and for other medicaid fraud enforcement activities.

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

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

(21) \$200,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for settlement payment of the Backpage.com litigation.

Sec. 1108. 2012 2nd sp.s. c 7 s 129 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

General Fund—State Appropriation (FY 2012)	\$51,799,000
General Fund—State Appropriation (FY 2013)	(\$72,839,000)
	<u>\$58,839,000</u>
General Fund—Federal Appropriation	\$340,184,000
General Fund—Private/Local Appropriation	\$5,036,000
Public Works Assistance Account—State Appropriation	\$2,733,000
Drinking Water Assistance Administrative Account—State Appropriation	\$437,000
Lead Paint Account—State Appropriation	(\$65,000)
	<u>\$100,000</u>
Building Code Council Account—State Appropriation	\$13,000
Home Security Fund Account—State Appropriation	\$21,007,000
Affordable Housing for All Account—State Appropriation	\$11,899,000
County Research Services Account—State Appropriation	\$540,000
Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account—State Appropriation	(\$1,166,000)
	<u>\$969,000</u>
Low-Income Weatherization Assistance Account—State Appropriation	(\$2,427,000)
	<u>\$1,186,000</u>
City and Town Research Services Account—State Appropriation	\$2,577,000
Community and Economic Development Fee Account—State Appropriation	\$6,781,000
Washington Housing Trust Account—State Appropriation	\$17,444,000
Prostitution Prevention and Intervention Account— State Appropriation	\$86,000
Public Facility Construction Loan Revolving Account—State Appropriation	\$748,000
Washington Community Technology Opportunity Account— State Appropriation	\$713,000
Liquor Revolving Account—State Appropriation	(\$2,802,000)
	<u>\$3,032,000</u>
TOTAL APPROPRIATION	(\$541,296,000)
	<u>\$526,123,000</u>

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

(1) Repayments of outstanding mortgage and rental assistance program loans administered by the department under RCW 43.63A.640 shall be remitted to the department, including any current revolving account balances. The

department shall collect payments on outstanding loans, and deposit them into the state general fund. Repayments of funds owed under the program shall be remitted to the department according to the terms included in the original loan agreements.

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

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

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

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

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

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

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

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

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

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

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

(13) \$234,000 of the general fund—state appropriation for fiscal year 2012 and \$233,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the Washington asset building coalitions.

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

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

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

(17) \$19,605,000 of the general fund—state appropriation for fiscal year 2012 and (~~(\$39,527,000)~~) \$25,527,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for establishment of the essential needs and housing support program created in Engrossed Substitute House Bill No. 2082 (essential needs and assistance program). The department of commerce shall contract for these services with counties or community-based organizations involved in providing essential needs and housing supports to low-income persons who meet eligibility pursuant to Engrossed Substitute House Bill No. 2082. The department shall limit the funding used for administration of the program to no more than five percent. Counties and community providers shall limit the funding used for administration of the program to no more than seven percent.

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

(b) Of the amounts provided in this subsection, (~~(\$55,000,000)~~) \$41,000,000 is provided solely for housing support services to individuals who

are homeless or who may become homeless, and are eligible for services under this program pursuant to Engrossed Substitute House Bill No. 2082.

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

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

(20) (~~(\$2,802,000)~~) \$3,032,000 of the liquor revolving account—state appropriation is provided solely for the department to contract with the municipal research and services center of Washington.

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

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

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

Sec. 1109. 2012 2nd sp.s. c 7 s 131 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund—State Appropriation (FY 2012) \$18,369,000

General Fund—State Appropriation (FY 2013)	(\$18,584,000)
	<u>\$18,678,000</u>
General Fund—Federal Appropriation	(\$31,530,000)
	<u>\$35,530,000</u>
General Fund—Private/Local Appropriation	\$1,370,000
Performance Audits of Government Account—State Appropriation	\$198,000
Economic Development Strategic Reserve Account—State Appropriation	\$280,000
Department of Personnel Services—State Appropriation	\$8,551,000
Data Processing Revolving Account—State Appropriation	\$5,910,000
Higher Education Personnel Services Account—State Appropriation	\$1,537,000
Aquatic Lands Enhancement Account—State Appropriation	\$100,000
TOTAL APPROPRIATION	(\$86,429,000)
	<u>\$90,523,000</u>

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

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

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

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

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

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

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

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

(iii) Tribal treaty interests;

(iv) Fish and wildlife species and their habitats;

(v) Land use and public safety needs;

(vi) Recreational opportunities for the general public;

(vii) Historic and archaeological resources; and

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

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

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

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

- (i) Federal agencies with relevant responsibilities;
- (ii) Tribal governments;
- (iii) State agencies;
- (iv) Local governments and communities in the area, including the Anderson Island community, Steilacoom, and Pierce county; and
- (v) Interested private organizations and individuals.

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

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

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

~~((7))~~ (6)(a) The office of financial management shall determine if cost savings can be achieved by the state through contracting for interpreter services more effectively. The office of financial management must work with all state agencies that use interpreter services to determine:

- (i) How agencies currently procure interpreter services;
- (ii) To what degree brokers or foreign language agencies are used in the acquisition of interpreter services; and
- (iii) The cost of interpreter services as currently provided.

(b) The office of financial management, in consultation with the department of enterprise services, must also examine approaches to procuring interpreter services, including using the department of enterprise services' master contract, limiting overhead costs associated with interpreter contracts, and direct

scheduling of interpreters. The report must include recommendations for the state to procure services in a more consistent and cost-effective manner.

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

(d) The report must include:

- (i) Analysis of the current process for procuring interpreter services;
- (ii) Recommendations regarding options to make obtaining interpreter services more consistent and cost-effective; and
- (iii) Estimates for potential cost savings.

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

~~((8))~~ (7) \$25,000 of the general fund—state appropriation for fiscal year 2012 and \$225,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for implementation of House Bill No. 2824 (education funding). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

Sec. 1110. 2012 2nd sp.s. c 7 s 132 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account—State

Appropriation	(\$35,713,000)
	<u>\$36,413,000</u>

The appropriation in this section is subject to the following conditions and limitations: ~~(\$769,000)~~ \$700,000 of the administrative hearings revolving account—state appropriation is provided solely to ~~((implement Engrossed Substitute Senate Bill No. 5921 (social services programs). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse))~~ accommodate the number of fair hearings associated with medical assistance programs on behalf of the health care authority.

Sec. 1111. 2012 2nd sp.s. c 7 s 136 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS

Department of Retirement Systems Expense

Account—State Appropriation	(\$46,511,000)
	<u>\$46,591,000</u>

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

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

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

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

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

(5) \$32,000 of the department of retirement systems—state appropriation is provided solely for the administrative costs associated with implementation of Engrossed Senate Bill No. 5159 (state patrol retirement system service credit). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

Sec. 1112. 2012 2nd sp.s. c 7 s 139 (uncodified) is amended to read as follows:

FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

OMWBE Enterprises Account—State Appropriation	(\$3,654,000)
	<u>\$3,754,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$100,000 of the minority and women's business enterprises account—state appropriation is provided for implementation of a certification program for small business enterprises. The agency will collaborate with the department of transportation to certify small businesses as small business enterprises.

Sec. 1113. 2012 2nd sp.s. c 7 s 142 (uncodified) is amended to read as follows:

FOR THE LIQUOR CONTROL BOARD

Liquor Control Board Construction and Maintenance

Account—State Appropriation	\$3,063,000
Liquor Revolving Account—State Appropriation	\$171,838,000
General Fund—Federal Appropriation	\$945,000
General Fund—Private/Local Appropriation	\$25,000
TOTAL APPROPRIATION	\$175,871,000

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

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

(2) Within the amounts appropriated in this section from the liquor revolving account—state appropriation, liquor control board employees who: (a) Occupy positions in the job classifications provided in subsection (3)(c) of this section that will be eliminated after the liquor control board ceases to

distribute liquor; and (b) remain as liquor control board employees through June 15, 2012, and who separate from service due to lay off by October 1, 2012, may elect to receive remuneration for their entire sick leave balance at a rate equal to one day's current monetary compensation of the employee for each four full days of accrued sick leave.

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

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

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

(c) The following job classifications are eligible:

- (i) Liquor store clerk;
- (ii) Retail assistant store manager 1;
- (iii) Retail assistant store manager 2;
- (iv) Retail store manager 3;
- (v) Retail store manager 4;
- (vi) Retail district manager;
- (vii) Retail operations manager;
- (viii) Director of retail services;
- (ix) Director of distribution center;
- (x) Director of purchasing;
- (xi) Director of business enterprise;
- (xii) Warehouse operator 1;
- (xiii) Warehouse operator 2;
- (xiv) Warehouse operator 3; and
- (xv) Warehouse operator 4; and

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

(4) Within the amounts appropriated in this section from the liquor revolving account—state appropriation, up to \$946,000 may be used by the liquor control board to implement Initiative Measure No. 502.

Sec. 1114. 2012 2nd sp.s. c 7 s 144 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund—State Appropriation (FY 2012)	\$7,116,000
General Fund—State Appropriation (FY 2013)	(\$6,872,000)
	<u>\$6,938,000</u>
General Fund—Federal Appropriation	(\$159,075,000)
	<u>\$159,114,000</u>
Enhanced 911 Account—State Appropriation	\$48,620,000
Disaster Response Account—State Appropriation	\$23,119,000
Disaster Response Account—Federal Appropriation	\$91,368,000
Military Department Rent and Lease Account—State Appropriation	\$615,000

Worker and Community Right-to-Know Account—State

Appropriation.....	\$2,163,000
TOTAL APPROPRIATION.....	(\$338,948,000)
	<u>\$339,053,000</u>

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.

(3) \$15,000 of the general fund—state appropriation in fiscal year 2013 is provided solely to maintain the three generator systems that allow the emergency operations center and emergency management division to operate during unexpected power outages.

Sec. 1115. 2012 2nd sp.s. c 7 s 149 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

General Fund—State Appropriation (FY 2012).....	\$3,401,000
General Fund—State Appropriation (FY 2013).....	\$3,309,000
(General Fund—Federal Appropriation.....	\$177,000
General Fund—Private/Local Appropriation.....	\$368,000)
Building Code Council Account—State Appropriation.....	\$1,186,000
Department of Personnel Service Account—State	
Appropriation.....	\$11,117,000
Enterprise Services Account—State Appropriation.....	\$26,336,000
TOTAL APPROPRIATION.....	(\$45,894,000)
	<u>\$45,349,000</u>

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

(1) The appropriations in this section are for the operations and expenses of the department of enterprise services as established by Engrossed Substitute

Senate Bill No. 5931 (central service functions of state government), effective October 1, 2011. Prior to October 1, 2011, the appropriations in this section may be expended for the continued operations and expenses of the office of financial management, the department of general administration, the department of information services, and the department of personnel, pursuant to the expenditure authority schedules produced by the office of financial management, in accordance with chapter 43.88 RCW.

(2) \$3,028,000 of the general fund—state appropriation for fiscal year 2012 and \$2,967,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, and joint legislative systems committee. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

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

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

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

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

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

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

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

PART XII
HUMAN SERVICES

Sec. 1201. 2012 2nd sp.s. c 7 s 201 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

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

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

(3)(a) The health care authority and the department are authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under the Washington medicaid integration partnership (WMIP) and the medicare integrated care project (MICP), the health care authority and the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 213 of this act as may be necessary to finance a unified health care plan for the WMIP and the MICP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons, nor expand beyond one county during the 2011-2013 fiscal biennium. The amount of funding assigned from each program may not exceed the average per capita cost assumed in this act for individuals covered by that program, actuarially adjusted for the health condition of persons enrolled, times the number of clients enrolled. In implementing the WMIP and the MICP, the health care authority and the department may: (i) Withhold from calculations of "available resources" as set forth in RCW 71.24.025 a sum equal to the capitated rate for enrolled individuals; and (ii) employ capitation financing and risk-sharing arrangements in collaboration with health care service contractors licensed by the office of the insurance commissioner and qualified to participate in both the medicaid and medicare programs. The health care authority and the department shall conduct an evaluation of the WMIP by

October 15, 2012, and of the MICP measuring changes in participant health outcomes, changes in patterns of service utilization, participant satisfaction, participant access to services, and the state fiscal impact.

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

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

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

(6)(a) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, (~~2012~~) 2013, unless specifically prohibited by this act, the department may transfer general fund—state appropriations for fiscal year (~~2012~~) 2013 among programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose except as expressly provided in (b) of this subsection.

(b) To the extent that transfers under (a) of this subsection are insufficient to fund actual expenditures in excess of fiscal year (~~2012~~) 2013 caseload forecasts and utilization assumptions in the long-term care, foster care, adoptions support, medicaid personal care, and child support programs, the department may transfer state moneys that are provided solely for a specified purpose. The department shall not transfer funds, and the director of financial management

shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

Sec. 1202. 2012 2nd sp.s. c 7 s 202 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2012)	\$287,014,000
General Fund—State Appropriation (FY 2013)	(\$285,018,000)
	<u>\$277,399,000</u>
General Fund—Federal Appropriation	(\$479,315,000)
	<u>\$477,138,000</u>
General Fund—Private/Local Appropriation	(\$1,354,000)
	<u>\$1,804,000</u>
Home Security Fund Account—State Appropriation	\$10,741,000
Domestic Violence Prevention Account—State Appropriation	\$1,240,000
Education Legacy Trust Account—State Appropriation	\$725,000
TOTAL APPROPRIATION	(\$1,065,407,000)
	<u>\$1,056,061,000</u>

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

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

(2) \$668,000 of the general fund—state appropriation for fiscal year 2012 and \$668,000 of the general fund—state appropriation for fiscal year 2013 are provided solely to contract for the operation of one pediatric interim care center. The center shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the center must be in need of special care as a result of substance abuse by their mothers. The center shall also provide on-site training to biological, adoptive, or foster parents. The center shall provide at least three months of consultation and support to the parents accepting placement of children from the center. The center may recruit new and current foster and adoptive parents for infants served by the center. The department shall not require case management as a condition of the contract. The department shall collaborate with the pediatric interim care center to determine if and how the center could be appropriately incorporated into the performance-based contract model and report its findings to the legislature by December 1, 2012.

(3)(a) ~~(\$80,887,000)~~ ~~(\$81,067,000)~~ \$76,567,000 of the general fund—state appropriation for fiscal year 2012, ~~(\$74,800,000)~~ \$71,598,034 of the general fund—federal appropriation are provided solely for services for children and families. The amounts provided in this section shall be allotted on a monthly basis and expenditures shall not exceed allotments based on a three month rolling average without approval of the office of financial management following notification to the legislative fiscal committees.

(b) The department shall use these services to safely reduce the number of children in out-of-home care, safely reduce the time spent in out-of-home care prior to achieving permanency, and safely reduce the number of children returning to out-of-home care following permanency. The department shall provide an initial report to the legislature and the governor by January 15, 2012, regarding the start-up costs associated with performance-based contracts under RCW 74.13.360 .

(c) Of the amounts provided in (a) of this subsection, \$579,000 of the general fund—state appropriation for fiscal year 2013 and \$109,000 of the general fund—federal appropriation are provided solely for a receiving care center east of the Cascade mountains.

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

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

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

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

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

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

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

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

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

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

Sec. 1203. 2012 2nd sp.s. c 7 s 203 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
JUVENILE REHABILITATION PROGRAM**

General Fund—State Appropriation (FY 2012)	\$85,723,000
General Fund—State Appropriation (FY 2013)	(\$85,258,000)
	<u>\$85,546,000</u>
General Fund—Federal Appropriation	(\$3,809,000)
	<u>\$3,808,000</u>
General Fund—Private/Local Appropriation	(\$1,903,000)
	<u>\$1,904,000</u>
Washington Auto Theft Prevention Authority Account— State Appropriation	\$196,000

Juvenile Accountability Incentive Account—Federal

Appropriation.....	\$2,801,000
TOTAL APPROPRIATION	((\$179,690,000))
	<u>\$179,978,000</u>

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

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

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

(3) \$3,482,000 of the general fund—state appropriation for fiscal year 2012 and \$3,482,000 of the general fund—state appropriation for fiscal year 2013 are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

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

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

(6) \$1,537,000 of the general fund—state appropriation for fiscal year 2012 and \$1,537,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family integrated transitions, and aggression replacement training, or other programs with a positive benefit-cost finding in the institute's report. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

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

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

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

association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(d) The juvenile courts and administrative office of the courts shall be responsible for collecting and distributing information and providing access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data. The juvenile rehabilitation administration and the juvenile courts will work collaboratively to develop program outcomes that reinforce the greatest cost benefit to the state in the implementation of evidence-based practices and disposition alternatives.

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

(9) The Washington association of juvenile court administrators and the juvenile rehabilitation administration, in consultation with the community juvenile accountability act advisory committee and the Washington state

institute for public policy, shall analyze and review data elements available from the administrative office of the courts for possible integration into the evidence-based program quality assurance plans and processes. The administrative office of the courts, the Washington association of juvenile court administrators, and the juvenile rehabilitation administration shall provide information necessary to complete the review and analysis. The Washington association of juvenile court administrators and the juvenile rehabilitation administration shall report the findings of their review and analysis, as well as any recommendations, to the legislature by December 1, 2012.

Sec. 1204. 2012 2nd sp.s. c 7 s 204 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
MENTAL HEALTH PROGRAM**

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund—State Appropriation (FY 2012)	\$317,734,000
General Fund—State Appropriation (FY 2013)	(\$324,319,000)
	<u>\$321,411,000</u>
General Fund—Federal Appropriation	(\$449,593,000)
	<u>\$446,421,000</u>
General Fund—Private/Local Appropriation	\$17,864,000
Hospital Safety Net Assessment Fund—State Appropriation	\$5,251,000
TOTAL APPROPRIATION	(\$1,114,761,000)
	<u>\$1,108,681,000</u>

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

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

(b) \$6,590,000 of the general fund—state appropriation for fiscal year 2012, \$6,590,000 of the general fund—state appropriation for fiscal year 2013, and \$7,620,000 of the general fund—federal appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support

networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(a) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

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

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

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

(f) \$4,582,000 of the general fund—state appropriation for fiscal year 2012 and \$4,582,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2012)	\$115,017,000
General Fund—State Appropriation (FY 2013)	(\$112,603,000)
	<u>\$118,883,000</u>
General Fund—Federal Appropriation	(\$153,618,000)
	<u>\$152,917,000</u>
General Fund—Private/Local Appropriation	(\$67,325,000)
	<u>\$64,555,000</u>
TOTAL APPROPRIATION	(\$448,563,000)
	<u>\$451,372,000</u>

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

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

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

(c) \$45,000 of the general fund—state appropriation for fiscal year 2012 and \$45,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

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

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

(3) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2012)	\$1,148,000
General Fund—State Appropriation (FY 2013)	\$1,276,000
General Fund—Federal Appropriation	(\$4,198,000)
	<u>\$5,198,000</u>
General Fund—Private/Local Appropriation	\$700,000
TOTAL APPROPRIATION	(\$7,322,000)
	<u>\$8,322,000</u>

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

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

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

pres settlement in *State of Washington v. AstraZeneca* (Seroquel) for this purpose.

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

(4) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2012)	\$4,482,000
General Fund—State Appropriation (FY 2013)	(\$4,247,000)
	<u>\$4,161,000</u>
General Fund—Federal Appropriation	(\$7,210,000)
	<u>\$7,128,000</u>
General Fund—Private/Local Appropriation	\$446,000
TOTAL APPROPRIATION	(\$16,385,000)
	<u>\$16,217,000</u>

(a) The appropriations in this subsection are subject to the following conditions and limitations: In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to increase license and certification fees in fiscal years 2012 and 2013 to support the costs of the regulatory program. The fee schedule increases must be developed so that the maximum amount of additional fees paid by providers statewide in the 2011-2013 fiscal biennium is \$446,000. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower costs of licensing for these programs than for other organizations which are not accredited.

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

Sec. 1205. 2012 2nd sp.s. c 7 s 205 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
DEVELOPMENTAL DISABILITIES PROGRAM**

(1) COMMUNITY SERVICES

General Fund—State Appropriation (FY 2012)	\$405,412,000
General Fund—State Appropriation (FY 2013)	(\$420,327,000)
	<u>\$409,868,000</u>
General Fund—Federal Appropriation	(\$752,059,000)
	<u>\$743,824,000</u>
General Fund—Private/Local Appropriation	\$184,000
TOTAL APPROPRIATION	(\$1,577,982,000)
	<u>\$1,559,288,000</u>

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

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

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

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

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

(e) \$1,329,000 of the general fund—state appropriation for fiscal year 2012, \$1,622,000 of the general fund—state appropriation for fiscal year 2013, and \$2,947,000 of the general fund—federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, for instructional costs associated with the training of individual providers. Contributions are funded at \$0.22 per benefit-eligible paid hour worked by all home care workers. Expenditures for the purposes specified in

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

(f) (~~(\$104,669,000)~~) \$107,538,000 of the general fund—state appropriation for fiscal year 2013 and (~~(\$104,669,000)~~) \$107,535,000 of the general fund—federal appropriation are provided solely for the department to provide personal care services to waiver and nonwaiver in-home clients. The department shall provide the legislature with a report by December 5, 2012, on the feasibility of converting the medicaid personal care program for in-home adults to a medicaid program as found in section 1915(i) of the federal social security act that utilizes the option for self-direction of individualized budgets. The department shall operate the personal care program within the amounts specifically provided.

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

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

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

(h) \$75,000 of the general fund—state appropriation for fiscal year 2012 and \$75,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the restoration of direct support to local organizations that

utilize parent-to-parent networks and communication to promote access and quality of care for individuals with developmental disabilities and their families.

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

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

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

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

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

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2012)	\$75,436,000
General Fund—State Appropriation (FY 2013)	(\$80,356,000)
	<u>\$78,154,000</u>
General Fund—Federal Appropriation	(\$153,570,000)
	<u>\$152,963,000</u>
General Fund—Private/Local Appropriation	\$22,043,000
TOTAL APPROPRIATION	(\$331,405,000)
	<u>\$328,596,000</u>

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

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

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

(3) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2012)	\$1,382,000
General Fund—State Appropriation (FY 2013)	(\$1,366,000)
	<u>\$1,759,000</u>
General Fund—Federal Appropriation	(\$1,319,000)
	<u>\$1,519,000</u>
TOTAL APPROPRIATION	(\$4,067,000)
	<u>\$4,660,000</u>

(4) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2012)	\$4,634,000
General Fund—State Appropriation (FY 2013)	(\$4,553,000)
	<u>\$6,313,000</u>
General Fund—Federal Appropriation	(\$9,588,000)
	<u>\$9,786,000</u>
General Fund—Private/Local Appropriation	(\$998,000)
	<u>\$791,000</u>
TOTAL APPROPRIATION	(\$19,773,000)
	<u>\$21,524,000</u>

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

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

Sec. 1206. 2012 2nd sp.s. c 7 s 206 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2012)	\$791,493,000
General Fund—State Appropriation (FY 2013)	(\$809,338,000)
	<u>\$800,181,000</u>
General Fund—Federal Appropriation	(\$1,690,993,000)
	<u>\$1,685,120,000</u>
General Fund—Private/Local Appropriation	\$27,517,000
Traumatic Brain Injury Account—State Appropriation	\$3,388,000
Nursing Facility Quality Assurance Account—State Appropriation	\$88,000,000
TOTAL APPROPRIATION	(\$3,410,729,000)
	<u>\$3,395,699,000</u>

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed \$170.37 for fiscal year 2012 and shall not exceed (~~(\$171.43)~~) \$171.09 for fiscal year 2013, including the rate add-ons described in (a) and (b) of this subsection. However, if the waiver requested from the federal centers for medicare and medicaid services in relation to the safety net assessment created by Engrossed Substitute Senate Bill No. 5581 (nursing home payments) is for any reason not approved and implemented, the weighted average nursing facility payment rate shall not exceed \$159.87 for fiscal year 2012 and shall not exceed (~~(\$160.93)~~) \$161.29 for fiscal year 2013. There will be no adjustments for economic trends and conditions in fiscal years 2012 and 2013. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

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

(b) The department shall do a comparative analysis of the facility-based payment rates calculated on July 1, 2012, using the payment methodology

defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the comparative add-on, acuity add-on, and safety net reimbursement, to the facility-based payment rates in effect June 30, 2010. If the facility-based payment rate calculated on July 1, 2012, is smaller than the facility-based payment rate on June 30, 2010, then the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(c) During the comparative analysis performed in subsection (b) of this section, if it is found that the direct care rate for any facility calculated using the payment methodology defined in chapter 74.46 RCW and as funded in the omnibus appropriations act, excluding the comparative add-on, acuity add-on, and safety net reimbursement, is greater than the direct care rate in effect on June 30, 2010, then the facility shall receive a ten percent direct care rate add-on to compensate that facility for taking on more acute clients than they have in the past.

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

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

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

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

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

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

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

state shall contribute to the multiemployer health benefits trust fund \$2.21 per paid hour worked by individual providers.

(7) \$2,449,000 of the general fund—state appropriation for fiscal year 2012, \$3,012,000 of the general fund—state appropriation for fiscal year 2013, and \$5,463,000 of the general fund—federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, for instructional costs associated with the training of individual providers. Contributions are funded at \$0.22 per benefit-eligible paid hour worked by all home care workers. Expenditures for the purposes specified in this subsection shall not exceed the amounts provided in this subsection. However, if the governor and the service employees international union healthcare 775nw can reach agreement on repurposing funding that is currently provided in the individual provider collective bargaining agreement for new individual provider wages paid during training or other training related items, then expenditures for training trust contributions for individual providers may include the amounts provided in this subsection and the agreed upon repurposed funding. Funding in this section for purposes other than the individual provider collective bargaining agreement cannot be used for the purposes of this subsection (7). It is the intent of the legislature that the funding provided in this subsection, including any repurposed funding, is sufficient to cover the costs of individual provider training and therefore tuition or other entrance fees are not necessary.

(8) (~~(\$338,550,000)~~) \$325,203,000 of the general fund—state appropriation for fiscal year 2013 and (~~(\$338,550,000)~~) \$324,653,000 of the general fund—federal appropriation are provided solely for the department to provide personal care services to waiver and nonwaiver in-home clients. The department shall provide the legislature with a report by December 5, 2012, on the feasibility of converting the medicaid personal care program for in-home adults to a medicaid program as found in section 1915(i) of the federal social security act that utilizes the option for self-direction of individualized budgets. The department shall operate the personal care program within the amounts specifically provided.

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

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

(11) \$4,588,000 of the general fund—state appropriation for fiscal year 2012, \$4,559,000 of the general fund—state appropriation for fiscal year 2013, and \$9,237,000 of the general fund—federal appropriation are provided solely for the continued operation of community residential and support services for persons who are older adults or who have co-occurring medical and behavioral disorders and who have been discharged or diverted from a state psychiatric hospital. These funds shall be used to serve individuals whose treatment needs constitute substantial barriers to community placement, who no longer require active psychiatric treatment at an inpatient hospital level of care, and who no longer meet the criteria for inpatient involuntary commitment.

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

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

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

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

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

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

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

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

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

Sec. 1207. 2012 2nd sp.s. c 7 s 207 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
ECONOMIC SERVICES PROGRAM**

General Fund—State Appropriation (FY 2012).....	\$415,553,000
General Fund—State Appropriation (FY 2013).....	(\$438,483,000)
	<u>\$386,686,000</u>
General Fund—Federal Appropriation.....	(\$1,174,416,000)
	<u>\$1,177,251,000</u>
General Fund—Private/Local Appropriation.....	\$30,592,000
TOTAL APPROPRIATION.....	(\$2,059,044,000)
	<u>\$2,010,082,000</u>

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

(1) ~~\$195,410,000~~ of the general fund—state appropriation for fiscal year 2012, ~~(\$235,808,000)~~ \$178,052,000 of the general fund—state appropriation for fiscal year 2013, and ~~(\$725,586,000)~~ \$710,001,000 of the general fund—federal appropriation are provided solely for all components of the WorkFirst program. Under section 2 of Engrossed Substitute Senate Bill No. 5921 (social services programs), the amounts in this subsection assume that any participant in the temporary assistance for needy families where their participation is suspended and does not volunteer to participate in WorkFirst services or unsubsidized employment does not receive child care subsidies or WorkFirst subsidies as a condition of the suspension. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families.

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

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

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

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

(2) \$23,679,000 of the general fund—state appropriation for fiscal year 2012, in addition to supplemental security income recoveries, is provided solely for financial assistance and other services to recipients in the program established in section 4, chapter 8, Laws of 2010 1st sp. sess., until the program terminates on October 31, 2011.

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

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

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

(4) \$1,657,000 of the general fund—state appropriation for fiscal year 2012 and \$1,657,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for naturalization services.

(5) \$2,366,000 of the general fund—state appropriation for fiscal year 2012 is provided solely for ~~((refugee))~~ employment services for refugees and immigrants, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services; and \$2,366,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for ~~((refugee))~~ employment services for refugees and immigrants, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services.

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

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

Sec. 1208. 2012 2nd sp.s. c 7 s 208 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2012)	\$73,742,000
General Fund—State Appropriation (FY 2013)	((\$71,218,000))
	<u>\$71,019,000</u>
General Fund—Federal Appropriation	((\$184,401,000))
	<u>\$187,979,000</u>
General Fund—Private/Local Appropriation	((\$13,486,000))
	<u>\$16,248,000</u>

Criminal Justice Treatment Account—State

Appropriation	\$20,748,000
Problem Gambling Account—State Appropriation	\$1,448,000
TOTAL APPROPRIATION	(\$365,043,000)
	<u>\$371,184,000</u>

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

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

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

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

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

(5) Within amounts appropriated in this section, the department is required to increase federal match available for intensive inpatient services. During fiscal year 2013, the department shall shift contracts for a minimum of 32 intensive inpatient beds currently provided in settings that are considered institutions for mental diseases to two or more facilities with no more than 16 beds that are able to claim federal match for services provided to medicaid clients or individuals covered under the department's section 1115 medicaid waiver. The department is authorized to conduct a request for proposal process to fulfill this requirement. By December 1, 2012, the department shall provide a plan to the office of financial management and to the relevant fiscal and policy committees of the legislature for transitioning all remaining intensive inpatient beds currently provided in settings that are considered institutions for mental diseases into facilities with no more than 16 beds by June 2017. The plan shall identify the maximum number of additional beds that can be transitioned into facilities with no more than 16 beds during the 2013-2015 fiscal biennium and the remaining

number that will be transitioned during the 2015-2017 fiscal biennium, a timeline and process for accomplishing this, and a projection of the related general fund—state savings for each biennium.

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

Sec. 1209. 2012 2nd sp.s. c 7 s 209 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
VOCATIONAL REHABILITATION PROGRAM**

General Fund—State Appropriation (FY 2012)	\$10,854,000
General Fund—State Appropriation (FY 2013)	(\$10,401,000)
	<u>\$10,353,000</u>
General Fund—Federal Appropriation	(\$105,060,000)
	<u>\$104,922,000</u>
Telecommunications Devices for the Hearing and Speech Impaired—State Appropriation \$2,766,000	
TOTAL APPROPRIATION	(\$129,081,000)
	<u>\$128,895,000</u>

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

Sec. 1210. 2012 2nd sp.s. c 7 s 210 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
SPECIAL COMMITMENT PROGRAM**

General Fund—State Appropriation (FY 2012)	\$48,167,000
General Fund—State Appropriation (FY 2013)	(\$36,128,000)
	<u>\$38,098,000</u>
TOTAL APPROPRIATION	(\$84,295,000)
	<u>\$86,265,000</u>

Sec. 1211. 2012 2nd sp.s. c 7 s 211 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
ADMINISTRATION AND SUPPORTING SERVICES PROGRAM**

General Fund—State Appropriation (FY 2012)	\$26,069,000
General Fund—State Appropriation (FY 2013)	(\$24,474,000)
	<u>\$26,301,000</u>
General Fund—Federal Appropriation	(\$39,550,000)
	<u>\$42,090,000</u>
General Fund—Private/Local Appropriation	\$2,116,000

Performance Audits of State Government—State

Appropriation.....	\$4,812,000
TOTAL APPROPRIATION.....	((\$97,021,000))
	<u>\$101,388,000</u>

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.

~~((7))~~ (6) \$250,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for a grant program focused on criminal street gang prevention and intervention. The Washington state partnership council on juvenile justice may award grants under this subsection. The council shall give priority to applicants who have demonstrated the greatest problems with criminal street gangs. Applicants composed of, at a minimum, one or more local governmental entities and one or more nonprofit, nongovernmental organizations that have a documented history of creating and administering effective criminal street gang prevention and intervention programs may apply for funding under this subsection.

~~((8))~~ (7) \$113,000 of the general fund—state appropriation for fiscal year 2013 and \$105,000 of the general fund—federal appropriation are provided solely for staffing costs associated with implementation of Engrossed Second Substitute House Bill No. 2536 (children services/delivery). The amounts provided in this subsection must be used for coordinated evidence-based practice implementation amongst the department's programs providing mental health, child welfare, and juvenile justice services to children. If Engrossed Second

Substitute House Bill No. 2536 (children services/delivery) is not enacted by June 30, 2012, the amounts provided in this subsection shall lapse.

Sec. 1212. 2012 2nd sp.s. c 7 s 212 (uncodified) is amended to read as follows:

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

General Fund—State Appropriation (FY 2012)	\$62,140,000
General Fund—State Appropriation (FY 2013)	(\$46,303,000)
	<u>\$49,584,000</u>
General Fund—Federal Appropriation	(\$53,049,000)
	<u>\$53,409,000</u>
TOTAL APPROPRIATION	(\$161,492,000)
	<u>\$165,133,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$469,000 of the general fund—state appropriation for fiscal year ~~((2011))~~ 2012 and \$270,000 of the general fund—state appropriation for fiscal year ~~((2012))~~ 2013 are provided solely for implementation of Engrossed Substitute Senate Bill No. 5921 (social services programs). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

Sec. 1213. 2012 2nd sp.s. c 7 s 213 (uncodified) is amended to read as follows:

FOR THE STATE HEALTH CARE AUTHORITY

General Fund—State Appropriation (FY 2012)	\$2,034,296,000
General Fund—State Appropriation (FY 2013)	(\$2,031,185,000)
	<u>\$2,107,688,000</u>
General Fund—Federal Appropriation	(\$5,307,323,000)
	<u>\$5,331,122,000</u>
General Fund—Private/Local Appropriation	(\$62,597,000)
	<u>\$60,570,000</u>
Emergency Medical Services and Trauma Care Systems Trust Account—State Appropriation	(\$15,077,000)
	<u>\$14,032,000</u>
Hospital Safety Net Assessment Fund—State Appropriation	(\$434,087,000)
	<u>\$442,929,000</u>
State Health Care Authority Administration Account— State Appropriation	\$34,040,000
Basic Health Plan Stabilization Account— State Appropriation	\$44,000,000
Medical Aid Account—State Appropriation	\$529,000
Medicaid Fraud Penalty Account—State Appropriation	(\$9,200,000)
	<u>\$9,408,000</u>
TOTAL APPROPRIATION	(\$9,972,334,000)
	<u>\$10,078,614,000</u>

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

(1) The appropriations to the authority in this act shall be expended for the purposes and in the amounts specified in this act. To the extent that appropriations in this section are insufficient to fund actual expenditures in excess of caseload forecasts and utilization assumptions, the authority, after May 1, ((2012)) 2013, may transfer general fund—state appropriations for fiscal year ((2012)) 2013 that are provided solely for a specified purpose. The authority shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

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

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

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

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

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

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

- (i) The current K-12 health benefits system;
- (ii) A new K-12 employee benefits pool; and
- (iii) Enrolling K-12 employees into the health benefits pool for state employees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) \$6,000,000 of the general fund—federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

(14) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2011-2013 fiscal biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2011, and by November 1, 2012, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2012 and fiscal year 2013, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2011-13 biennial operating appropriations act and in effect on July 1, 2011, (b) one half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2011-13 biennium. If payments during the fiscal

year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. \$8,102,000 of the general fund—state appropriation for fiscal year 2012, of which \$6,570,000 is appropriated in section 204(1) of this act, and ~~(\$3,162,000)~~ \$10,498,000 of the general fund—state appropriation for fiscal year 2013, of which \$6,570,000 is appropriated in section 204(1) of this act, are provided solely for state grants for the participating hospitals. CPE hospitals will receive the inpatient and outpatient reimbursement rate restorations in RCW 74.60.080 and rate increases in RCW 74.60.090 funded through the hospital safety net assessment fund rather than through the baseline mechanism specified in this subsection.

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

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

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

(18)) Within the amounts appropriated in this section, the health care authority shall provide disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

~~((19))~~ (18) \$859,000 of the general fund—state appropriation for fiscal year 2012, \$979,000 of the general fund—state appropriation for fiscal year 2013, and \$1,841,000 of the general fund—federal appropriation are provided solely to increase prior authorization activities for advanced imaging procedures.

~~((20))~~ (19) \$196,000 of the general fund—state appropriation for fiscal year 2012, \$246,000 of the general fund—state appropriation for fiscal year 2013, and \$442,000 of the general fund—federal appropriation are provided solely to increase prior authorization activities for surgical procedures, which may include orthopedic procedures, spinal procedures and interventions, and nerve procedures.

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

~~((22))~~ (21) \$570,000 of the general fund—private/local appropriation is provided solely for continued operation of the partnership access line for child mental health consultations. The health care authority shall enter into an interagency agreement with the office of the attorney general for expenditure of \$570,000 of the state's proceeds of the *cy pres* settlement in *State of Washington v. AstraZeneca* (Seroquel) for this purpose.

~~((23))~~ (22) \$80,000 of the general fund—state appropriation for fiscal year 2012, \$80,000 of the general fund—state appropriation for fiscal year 2013, and \$160,000 of the general fund—federal appropriation are provided solely to fund the Tacoma-Pierce county health department for access and outreach activities to reduce infant mortality.

~~((24))~~ (23) \$75,000 of the general fund—state appropriation for fiscal year 2012, \$75,000 of the general fund—state appropriation for fiscal year 2013, and \$150,000 of the general fund—federal appropriation are provided solely to assist with development and implementation of evidence-based strategies regarding the appropriate, safe, and effective role of C-section surgeries and early induced labor in births and neonatal care. The strategies shall be identified and implemented in consultation with clinical research specialists, physicians,

hospitals, advanced registered nurse practitioners, and organizations concerned with maternal and child health.

~~((25))~~ (24) Within the amounts appropriated in this section, the health care authority shall continue to provide school-based medical services by means of an intergovernmental transfer arrangement. Under the arrangement, the state shall provide forty percent and school districts sixty percent of the nonfederal matching funds required for receipt of federal medicaid funding for the service.

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

~~((27))~~ (26) Within the amounts appropriated in this section, the health care authority shall provide spoken-language interpreter services. The authority shall develop and implement a new model for delivery of such services no later than July 1, 2012. The model shall include:

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

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

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

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

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

~~((29))~~ (28) \$1,430,000 of the general fund—state appropriation for fiscal year 2012, \$1,430,000 of the general fund—state appropriation for fiscal year 2013, and \$2,860,000 of the general fund—federal appropriation are provided solely to pay federally-designated rural health clinics their standard encounter rate for prenatal and well-child visits, whether delivered under a managed care

contract or fee-for-service. In reconciling managed care enhancement payments for calendar years 2009 and 2010, the department shall treat well-child and prenatal care visits as encounters subject to the clinic's encounter rate.

~~((30))~~ (29) \$280,000 of the general fund—state appropriation for fiscal year 2012 and \$282,000 of the general fund—federal appropriation are provided solely to increase utilization management of drugs and drug classes for which there is evidence of over-utilization, off-label use, excessive dosing, duplicative therapy, or opportunities to shift utilization to less expensive, equally effective formulations.

~~((31))~~ (30) \$70,000 of the general fund—state appropriation for fiscal year 2012, \$70,000 of the general fund—state appropriation for fiscal year 2013, and \$140,000 of the general fund—federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program.

~~((32))~~ (31) \$400,000 of the general fund—state appropriation for fiscal year 2012 and \$400,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for the local outreach, case management, and coordination with dental providers needed to execute the access to baby and child dentistry program, which provides dental care to Medicaid eligible children up to age six.

~~((33))~~ (32) Within the amounts appropriated in this section, the health care authority shall continue to provide dental services to pregnant women. Services shall include preventive, routine, and emergent dental care.

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

~~((35))~~ (34) \$159,000 of the general fund—state appropriation for fiscal year 2012, \$302,000 of the general fund—private/local appropriation, and \$146,072,000 of the general fund—federal appropriation are provided solely for the provider incentive program and other initiatives related to the health information technology Medicaid plan. The general fund—private/local appropriation in this subsection shall be funded with proceeds from settlements in the case of *State of Washington vs. GlaxoSmithKline*. The authority and the office of the attorney general shall enter an interagency agreement regarding use of these funds.

~~((36))~~ (35) \$2,926,000 of the general fund—local appropriation and \$2,928,000 of the general fund—federal appropriation are provided solely to support medical airlift services.

~~((37))~~ (36) The authority shall collect data on enrollment and utilization to study whether the expansion of family planning coverage under Substitute Senate Bill No. 5912 is reducing state medical expenditures by reducing unwanted pregnancies. The authority shall report its findings to the legislature by December 1, 2012.

~~((38))~~ (37) \$480,000 of the general fund—state appropriation for fiscal year 2012, \$480,000 of the general fund—state appropriation for fiscal year 2013, and \$824,000 of the general fund—federal appropriation are provided solely for customer services staff. The authority will attempt to improve the

phone answer rate to 40 percent and reduce the response times to written questions to ten days for clients and 25 days for providers. The authority will report to the legislature on its progress toward achieving these goals by January 1, 2012. If the authority has not achieved these goals by July 1, 2012, then the authority shall reduce expenditures on management staff in order to increase expenditures on customer service staff until the goals are achieved.

~~((39))~~ (38) The department shall purchase a brand name drug when it determines that the cost of the brand name drug after rebates is less than the cost of generic alternatives and that purchase of the brand rather than generic version can save at least \$250,000. The department may purchase generic alternatives when changes in market prices make the price of the brand name drug after rebates more expensive than the generic alternatives.

~~((41))~~ (39) \$150,000 of the general fund—state appropriation for fiscal year 2012 and \$1,964,000 of the general fund—state appropriation for fiscal year 2013 are provided solely to implement Engrossed Second Substitute House Bill No. 2319 (affordable care act). If the bill is not enacted by June 30, 2012, the amounts provided in this subsection shall lapse.

~~((42))~~ (40) \$1,109,000 of the general fund—state appropriation for fiscal year 2012, \$1,471,000 of the general fund—state appropriation for fiscal year 2013, and \$21,890,000 of the general fund—federal appropriation are provided solely to implement phase two of the project to create a single provider payment system that consolidates medicaid medical and social services payments and replaces the social service payment system.

~~((43))~~ (41) In order to achieve the twelve percent reduction in emergency room expenditures in the fiscal year 2013 appropriations provided in this section, the authority, in consultation with the Washington state hospital association, the Washington state medical association, and the Washington chapter of the American college of emergency physicians shall designate best practices and performance measures to reduce medically unnecessary emergency room visits of medicaid clients. The Washington state hospital association, the Washington state medical association, and the Washington chapter of the American college of emergency physicians will work with the authority to promote these best practices. The best practices and performance measures shall consist of the following items:

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

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

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

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

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

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

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

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

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

If the authority does not receive by July 1, 2012, declarations from hospitals representing at least seventy-five percent of emergency room visits by medicaid clients in fiscal year 2010, the authority may implement a policy of nonpayment of medically unnecessary emergency room visits, with appropriate client and clinical safeguards such as exemptions and expedited prior authorization. The authority shall by January 15, 2013, perform a preliminary fiscal analysis of trends in implementing the best practices in this subsection, focusing on outlier hospitals with high rates of unnecessary visits by medicaid clients, high emergency room visit rates for patient review and coordination clients, low rates of completion of treatment plans for patient review and coordination clients assigned to the hospital, and high rates of prescribed long-acting opiates. In cooperation with the leadership of the hospital, medical, and emergency physician associations, additional efforts shall be focused on assisting those outlier hospitals and providers to achieve more substantial savings. The authority by January 15, 2013, will report to the legislature about whether assumed savings based on preliminary trend and forecasted data are on target and if additional best practices or other actions need to be implemented.

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

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

~~((46))~~ (42) The ~~((department))~~ authority shall seek a medicaid state plan amendment to create a ~~((graduate medical education))~~ professional services supplemental payment managed care program for professional services delivered to managed care recipients by University of Washington medicine and other public professional providers. This program shall be effective as soon as administratively possible and shall operate concurrently with the existing professional services supplemental payment program. ~~((Providers that participate in the graduate medical education supplemental payment program are not eligible to participate in the professional services supplemental payment program.))~~ The ~~((department))~~ authority shall apply federal rules for identifying the difference between ~~((current physician encounter))~~ average commercial rates and fee-for-service medicaid payments ~~((to participating providers and the applicable federal upper payment limit))~~. This difference will be multiplied by the number of managed care encounters and incorporated into the managed care plan capitation rates by a certified actuary. The managed care plans will pay the providers the difference attributable to the increased capitation rate. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the ~~((department))~~ authority in the development, implementation, and maintenance of this program shall be the responsibility of the participating providers. Participating providers shall retain the full amount of supplemental payments provided under this program, net of any costs related to the program that are disallowed due to audits or litigation against the state.

~~((47))~~ (43) The authority shall exclude antiretroviral drugs used to treat HIV/AIDS, anticancer medication that is used to kill or slow the growth of cancerous cells, antihemophilic drugs, insulin and other drugs to lower blood glucose, and immunosuppressive drugs from any formulary limitations implemented to operate within the appropriations provided in this section.

~~((48))~~ (44) If Engrossed Substitute Senate Bill No. 5978 (medicaid fraud) is not enacted by June 30, 2012, the amounts appropriated in this section from the medicaid fraud penalty account—state appropriation shall lapse and an additional \$3,608,000 shall be appropriated from the general fund—state for fiscal year 2013 for medicaid services, fraud detection and prevention activities, recovery of improper payments, and for other medicaid fraud enforcement activities.

~~((50))~~ (45) Within the amounts appropriated in this section, the health care authority and the department of social and health services shall implement the state option to provide health homes for enrollees with chronic conditions under section 2703 of the federal affordable care act. The total state match for enrollees who are dually-eligible for both medicare and medicaid and not enrolled in managed care shall be no more than the net savings to the state from the enhanced match rate for its medicaid-only managed care enrollees under section 2703.

~~((51))~~ (46) The health care authority shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The health care authority may seek, receive, and spend,

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

~~((52))~~ (47) \$66,000 of the general fund—state appropriation for fiscal year 2013 and \$66,000 of the general fund—federal appropriation are provided solely to implement Engrossed Second Substitute House Bill No. 2536 (children services/delivery). The department of social and health services' programs responsible for administration of mental health, child welfare, and juvenile justice programs will coordinate with the health care authority on the development of contract terms which facilitate efforts to meet requirements of the bill. If the bill is not enacted by June 30, 2012, the amounts provided in this subsection shall lapse.

~~((53))~~ (48) The health care authority shall participate in the work group established by the department of corrections in section 220(2) of this act to review release options for elderly and infirm offenders.

(49) \$208,000 of the medicaid fraud penalty account—state appropriation for fiscal year 2013 and \$728,000 of the general fund—federal appropriation are provided solely for the rebasing of outpatient and inpatient payment methods.

Sec. 1214. 2012 2nd sp.s. c 7 s 216 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund—State Appropriation (FY 2012)	\$14,589,000
General Fund—State Appropriation (FY 2013)	((14,147,000))
	<u>\$14,504,000</u>
General Fund—Federal Appropriation	\$456,000
General Fund—Private/Local Appropriation	((4,048,000))
	<u>\$3,940,000</u>
Death Investigations Account—State Appropriation	\$148,000
Municipal Criminal Justice Assistance Account—	
State Appropriation	\$460,000
Washington Auto Theft Prevention Authority Account—	
State Appropriation	\$8,597,000
TOTAL APPROPRIATION	((42,445,000))
	<u>\$42,694,000</u>

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

- (1) \$5,000,000 of the general fund—state appropriation for fiscal year 2012 and \$5,000,000 of the general fund—state appropriation for fiscal year 2013, are provided to the Washington association of sheriffs and police chiefs solely to

verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130.

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

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

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

(5) \$96,000 of the general fund—state appropriation for fiscal year 2012 and \$96,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the school safety center within the commission. The safety center shall act as an information dissemination and resource center when an incident occurs in a school district in Washington or in another state, coordinate activities relating to school safety, and review and approve manuals and curricula used for school safety models and training. Through an interagency agreement, the commission shall provide funding for the office of the superintendent of public instruction to continue to develop and maintain a school safety information web site. The school safety center advisory committee shall develop and revise the training program, using the best practices in school safety, for all school safety personnel. The commission shall provide research-related programs in school safety and security issues beneficial to both law enforcement and schools.

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

Sec. 1215. 2012 2nd sp.s. c 7 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund—State Appropriation (FY 2012)	\$1,829,000
General Fund—State Appropriation (FY 2013)	\$1,801,000
Charitable, Educational, Penal, and Reformatory	
Institutions Account—State Appropriation	\$10,000
TOTAL APPROPRIATION	\$3,640,000

(2) FIELD SERVICES

General Fund—State Appropriation (FY 2012)	\$5,002,000
General Fund—State Appropriation (FY 2013)	\$4,964,000
General Fund—Federal Appropriation	\$3,348,000
General Fund—Private/Local Appropriation	(\$4,722,000)
	<u>\$5,447,000</u>
Veterans Innovations Program Account—State Appropriation	\$810,000
Veteran Estate Management Account—Private/Local Appropriation	\$1,079,000
TOTAL APPROPRIATION	(\$19,925,000)
	<u>\$20,650,000</u>

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

(3) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2012)	\$1,743,000
General Fund—Federal Appropriation	(\$61,437,000)
	<u>\$63,019,000</u>
General Fund—Private/Local Appropriation	(\$29,506,000)
	<u>\$30,569,000</u>
TOTAL APPROPRIATION	(\$92,686,000)
	<u>\$95,331,000</u>

Sec. 1216. 2012 2nd sp.s. c 7 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund—State Appropriation (FY 2012)	\$79,404,000
General Fund—State Appropriation (FY 2013)	(\$78,114,000)
	<u>\$77,589,000</u>
General Fund—Federal Appropriation	(\$553,078,000)
	<u>\$573,078,000</u>
General Fund—Private/Local Appropriation	(\$148,055,000)
	<u>\$144,055,000</u>
Hospital Data Collection Account—State Appropriation	\$214,000
Health Professions Account—State Appropriation	\$99,085,000
Aquatic Lands Enhancement Account—State Appropriation	\$604,000
Emergency Medical Services and Trauma Care Systems Trust Account—State Appropriation	(\$12,300,000)
	<u>\$10,523,000</u>
Safe Drinking Water Account—State Appropriation	\$4,464,000
Drinking Water Assistance Account—Federal Appropriation	\$21,965,000

Waterworks Operator Certification—State	
Appropriation	\$1,528,000
Drinking Water Assistance Administrative Account—	
State Appropriation	\$326,000
Site Closure Account—State Appropriation	\$79,000
Biotoxin Account—State Appropriation	(\$1,167,000)
	<u>\$1,231,000</u>
State Toxics Control Account—State Appropriation	\$3,628,000
Medical Test Site Licensure Account—State	
Appropriation	\$2,311,000
Youth Tobacco Prevention Account—State	
Appropriation	(\$1,512,000)
	<u>\$1,348,000</u>
Community and Economic Development Fee Account—State	
Appropriation	\$298,000
Public Health Supplemental Account—Private/Local	
Appropriation	\$3,598,000
Accident Account—State Appropriation	\$295,000
Medical Aid Account—State Appropriation	\$50,000
Tobacco Prevention and Control Account—State	
Appropriation	\$1,729,000
TOTAL APPROPRIATION	(\$1,013,804,000)
	<u>\$1,027,402,000</u>

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

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

(2) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish and raise fees in fiscal year 2012 as necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees required for: The review of health care facility

construction; review of health facility requests for certificate of need; the regulation and inspection of farm worker housing, hospital licensing, in-home health service agencies, and producers of radioactive waste; the regulation and inspection of shellfish sanitary control, surgical facility licensing, and; fees associated with the following professions: Dietitians and nutritionists, occupational therapists, pharmacy, veterinarian, orthotics and prosthetics, surgical technicians, nursing home administrators, health care assistants, hearing and speech, psychology, hypnotherapy, chiropractic, social workers, physicians, and physician assistants.

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

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

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

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

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

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

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

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

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

(12) \$137,000 of the health professions account—state appropriation is provided solely for implementation of Substitute House Bill No. 1133 (massage

practitioner license). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

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

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

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

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

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

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

(20) \$61,000 of the health professions account—state appropriation is provided solely for implementation of Engrossed Substitute Senate Bill No. 6103 (reflexologists). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 1217. 2012 2nd sp.s. c 7 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified in this section. However, after May 1, (~~2012~~) 2013, after approval by the director of financial management and unless specifically prohibited by this act, the department may

transfer general fund—state appropriations for fiscal year ((2012)) 2013 between programs. The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any deviations from appropriation levels. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund—State Appropriation (FY 2012)	\$52,025,000
General Fund—State Appropriation (FY 2013)	(\$52,981,000)
	<u>\$52,706,000</u>
TOTAL APPROPRIATION	(\$105,006,000)
	<u>\$104,731,000</u>

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

(2) CORRECTIONAL OPERATIONS

General Fund—State Appropriation (FY 2012)	\$598,237,000
General Fund—State Appropriation (FY 2013)	(\$575,457,000)
	<u>\$581,890,000</u>
General Fund—Federal Appropriation	\$3,324,000
Washington Auto Theft Prevention Authority Account—	
State Appropriation	(\$14,079,000)
	<u>\$13,177,000</u>
Enhanced 911 Account—State Appropriation	\$2,000,000
TOTAL APPROPRIATION	(\$1,193,097,000)
	<u>\$1,198,628,000</u>

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

(a) During the 2011-13 biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide

sufficient revenues for the activities funded from the institutional welfare betterment account.

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

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

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

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

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

(g) \$41,000 of the general fund—state appropriation for fiscal year 2012 and ~~(\$165,000)~~ \$501,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the department to maintain the facility, property, and assets at the institution formerly known as the maple lane school in Rochester. The department may not house incarcerated offenders at the maple lane site until specifically directed by the legislature. By November 1, 2012, the department shall report to the appropriate fiscal committees of the house of representatives and the senate with a plan for the future use of the facility.

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

(i) The department shall convene a work group to develop health care cost containment strategies at local jail facilities. The work group shall identify cost

containment strategies in place at the department and at local jail facilities, identify the costs and benefits of implementing strategies in jail health-care facilities, and make recommendations on implementing beneficial strategies. The work group shall submit a report on its findings and recommendations to the fiscal committees of the legislature by October 1, 2013. The work group shall include jail administrators, representatives from health care facilities at the local jail level and the state prisons level, and other representatives as deemed necessary.

(j) The department of corrections, with participation of the health care authority and the department of social and health services, aging and adult services administration, shall establish a work group to analyze and review release options for elderly and infirm offenders and submit recommendations to the appropriate policy and fiscal committees of the legislature with release options for these populations no later than December 1, 2012. In making its recommendations, the work group shall identify:

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

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

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

(iv) Housing options to expedite the release of aging and infirm offenders while maintaining the safety of housing providers, other housing residents, and the general public; and

(v) Optimal procedures for reviewing offenders on a case-by-case basis to ensure that the interests of justice and public safety are considered in any early release decision.

(3) COMMUNITY SUPERVISION

General Fund—State Appropriation (FY 2012) \$127,121,000

General Fund—State Appropriation (FY 2013) ((~~\$128,494,000~~))

\$126,251,000

Federal Narcotics Forfeiture Account—Federal

Appropriation \$372,000

Controlled Substances Account—State

Appropriation \$32,000

TOTAL APPROPRIATION ((~~\$256,019,000~~))

\$253,776,000

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

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

(b) (~~\$6,362,000~~) \$3,753,000 of the general fund—state appropriation for fiscal year 2013 is provided solely to implement an evidence-based risk-needs-responsivity model for community supervision of offenders.

(4) CORRECTIONAL INDUSTRIES

General Fund—State Appropriation (FY 2012)	\$2,513,000
General Fund—State Appropriation (FY 2013)	\$2,431,000
TOTAL APPROPRIATION	\$4,944,000

The appropriations in this subsection are subject to the following conditions and limitations: \$66,000 of the general fund—state appropriation for fiscal year 2012 is provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and technical assistance associated with advising cities and counties in developing, promoting, and implementing consistent, safe, and efficient offender work programs.

(5) INTERAGENCY PAYMENTS

General Fund—State Appropriation (FY 2012)	\$35,821,000
General Fund—State Appropriation (FY 2013)	(\$27,264,000)
	<u>\$27,539,000</u>
TOTAL APPROPRIATION	(\$63,085,000)
	<u>\$63,360,000</u>

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

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

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

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

Sec. 1218. 2012 2nd sp.s. c 7 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund—State Appropriation (FY 2012)	\$2,159,000
General Fund—State Appropriation (FY 2013)	\$2,131,000
General Fund—Federal Appropriation	(\$19,239,000)
	<u>\$19,739,000</u>
General Fund—Private/Local Appropriation	(\$30,000)
	<u>\$105,000</u>
TOTAL APPROPRIATION	(\$23,559,000)
	<u>\$24,134,000</u>

Sec. 1219. 2012 2nd sp.s. c 7 s 222 (uncodified) is amended to read as follows:

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund—Federal Appropriation	\$267,069,000
General Fund—Private/Local Appropriation	\$33,856,000
Unemployment Compensation Administration Account—	
Federal Appropriation	(\$349,247,000)
	<u>\$356,767,000</u>
Administrative Contingency Account—State	
Appropriation.	\$20,940,000
Employment Service Administrative Account—State	
Appropriation.	\$33,609,000
TOTAL APPROPRIATION	(\$704,721,000)
	<u>\$712,241,000</u>

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

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

(2) \$35,584,000 of the unemployment compensation administration account—federal appropriation is from amounts made available to the state by section 903 (d), (f), and (g) of the social security act (Reed act). This amount is provided solely for the replacement of the unemployment insurance tax information system for the employment security department. The employment security department shall support the department of revenue and department of labor and industries to develop a common vision to ensure technological compatibility between the three agencies to facilitate a coordinated business tax system for the future that improves services to business customers. The amounts provided in this subsection are conditioned on the department satisfying the requirements of the project management oversight standards and policies established by the office of the chief information officer created in Engrossed Substitute Senate Bill No. 5931 (information technology management).

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

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

(5) \$80,000 of the unemployment compensation administration account—federal appropriation is provided solely for costs associated with the initial review and evaluation of the training benefits program as directed in section 15(2), chapter 4, Laws of 2011 (unemployment insurance program). The initial review shall be developed by the joint legislative audit and review committee.

This appropriation is provided from funds made available to the state by section 903 (d), (f), and (g) of the social security act (Reed act).

**PART XIII
NATURAL RESOURCES**

Sec. 1301. 2012 2nd sp.s. c 7 s 303 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund—State Appropriation (FY 2012)	\$8,955,000
General Fund—State Appropriation (FY 2013)	\$8,379,000
General Fund—Federal Appropriation	\$5,905,000
Winter Recreation Program Account—State Appropriation	(\$1,759,000)
	<u>\$2,034,000</u>
ORV and Nonhighway Vehicle Account—State Appropriation	\$224,000
Snowmobile Account—State Appropriation	\$4,844,000
Aquatic Lands Enhancement Account—State Appropriation	\$4,363,000
Parks Renewal and Stewardship Account—State Appropriation	\$106,505,000
Parks Renewal and Stewardship Account—Private/Local Appropriation	\$300,000
TOTAL APPROPRIATION	(\$141,234,000)
	<u>\$141,509,000</u>

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

(1) \$8,876,000 of the general fund—state appropriation for fiscal year 2012, \$8,300,000 of the general fund—state appropriation for fiscal year 2013, and \$4,000,000 of the aquatic lands enhancement account—state appropriation are provided solely to operate and maintain state parks as the commission implements a new fee structure. The goal of this structure is to make the parks system self-supporting. By August 1, 2012, state parks must submit a report to the office of financial management detailing its progress toward this goal and outlining any additional statutory changes needed for successful implementation.

(2) \$79,000 of the general fund—state appropriation for fiscal year 2012 and \$79,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for a grant for the operation of the Northwest avalanche center.

(3) \$44,528,000 of the parks renewal and stewardship account—state appropriation is provided solely for implementation of Second Substitute Senate Bill No. 5622 (state land recreation access). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) Prior to closing any state park, the commission must notify all affected local governments and relevant nonprofit organizations of the intended closure and provide an opportunity for the notified local governments and nonprofit organizations to elect to acquire, or enter into, a maintenance and operating contract with the commission that would allow the park to remain open.

(5) The state parks and recreation commission, in cooperation with the Fort Worden lifelong learning center public development authority authorized under RCW 35.21.730 shall provide a report to the governor and appropriate committees of the legislature no later than October 15, 2012, to create a lifelong learning center at Fort Worden state park. This plan shall support and be based upon the Fort Worden state park long-range plan adopted by the state parks and recreation commission in September 2008. The report shall include a business and governance plan and supporting materials that provide options and recommendations on the long-term governance of Fort Worden state park, including building maintenance and restoration. While the commission may transfer full or partial operations to the public development authority the state shall retain title to the property. The state parks and recreation commission and the public development authority will agree on the scope and content of the report including the business and governance plan. In preparing this report the state parks and recreation commission and the public development authority shall provide ample opportunity for the public and stakeholders to participate in the development of the business and governance plan. The state parks and recreation commission shall review the report and if it is consistent with the 2008 Fort Worden state park long-range plan shall take action on a long-term governance and business plan no later than December 31, 2012.

(6) Within the appropriations contained in this section, the commission shall review the removal of trees from Brooks memorial state park that have been killed or damaged by fire in order to determine the recovery value from the sale of any timber that is surplus to the needs of the park. The commission shall remove such trees, if the commission determines that the recovery value from the sale of any timber is at least cost neutral and the removal is in a manner consistent with RCW 79A.05.035.

Sec. 1302. 2012 2nd sp.s. c 7 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund—State Appropriation (FY 2012)	\$34,098,000
General Fund—State Appropriation (FY 2013)	(\$23,618,000)
	<u>\$26,417,000</u>
General Fund—Federal Appropriation	(\$105,481,000)
	<u>\$105,725,000</u>
General Fund—Private/Local Appropriation	(\$56,923,000)
	<u>\$57,107,000</u>
ORV and Nonhighway Vehicle Account—State Appropriation	\$391,000
Aquatic Lands Enhancement Account—State Appropriation	(\$12,113,000)
	<u>\$12,125,000</u>
Recreational Fisheries Enhancement—State Appropriation	(\$2,794,000)
	<u>\$2,809,000</u>
Warm Water Game Fish Account—State Appropriation	(\$2,841,000)
	<u>\$2,842,000</u>
Eastern Washington Pheasant Enhancement Account—State Appropriation	\$849,000

Aquatic Invasive Species Enforcement Account—State	
Appropriation.....	\$204,000
Aquatic Invasive Species Prevention Account—State	
Appropriation.....	\$848,000
State Wildlife Account—State Appropriation	(\$100,742,000)
	<u>\$95,241,000</u>
Special Wildlife Account—State Appropriation.....	\$2,382,000
Special Wildlife Account—Federal Appropriation	\$500,000
Special Wildlife Account—Private/Local Appropriation.....	\$3,415,000
Wildlife Rehabilitation Account—State Appropriation	\$259,000
Regional Fisheries Enhancement Salmonid Recovery	
Account—Federal Appropriation	\$5,001,000
Oil Spill Prevention Account—State Appropriation	\$883,000
Oyster Reserve Land Account—State Appropriation.....	\$919,000
Recreation Resources Account—State Appropriation	\$3,300,000
Hydraulic Project Approval Account—State Appropriation	\$337,000
TOTAL APPROPRIATION	(\$357,900,000)
	<u>\$355,652,000</u>

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

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

(2) \$355,000 of the general fund—state appropriation for fiscal year 2012 and \$355,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the department to continue a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline and to conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River water supply program. For the purposes of the pilot project:

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

(b) The Colville Tribes have agreed to provide to holders of its nontribal member fishing permits a means to demonstrate that fish in their possession were lawfully taken in Lake Rufus Woods;

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

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

(e) The Colville Tribes have agreed to recognize a fishing license issued under RCW 77.32.470 or RCW 77.32.490 as satisfying the nontribal member fishing permit requirements of Colville tribal law on the reservation portion of

the waters of Lake Rufus Woods and at designated fishing areas on the north shore of Lake Rufus Woods;

(3) Prior to submitting its 2013-2015 biennial operating and capital budget request related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review this request. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with their agency budget proposal.

(4) \$400,000 of the general fund—state appropriation for fiscal year 2012 and \$400,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

(5) \$50,000 of the general fund—state appropriation for fiscal year 2012 and \$50,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for removal of derelict gear in Washington waters.

(6) \$100,000 of the eastern Washington pheasant enhancement account—state appropriation is provided solely for the department to support efforts to enhance permanent and temporary pheasant habitat on public and private lands in Grant, Franklin, and Adams counties. The department may support efforts by entities including conservation districts, nonprofit organizations, and landowners, and must require such entities to provide significant nonstate matching resources, which may be in the form of funds, material, or labor.

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

(8) By September 1, 2011, the department shall update its interagency agreement dated September 30, 2010, with the department of natural resources concerning land management services on the department of fish and wildlife's wildlife conservation and recreation lands. The update shall include rates and terms for services.

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

(10) \$18,514,000 of the state wildlife account—state appropriation is provided solely for the implementation of Second Substitute Senate Bill No. 5385 (state wildlife account). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(11) \$9,418,000 of the state wildlife account—state appropriation is provided solely for the implementation of Second Substitute Senate Bill No. 5622 (state land recreation access). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(12) \$50,000 of the state wildlife account—state appropriation is provided solely for mitigation, claims, and assessment costs for injury or loss of livestock caused by wolves, black bears, and cougars.

(13) \$552,000 of the aquatic lands enhancement account—state appropriation is provided solely for increased law enforcement capacity to reduce the occurrence of geoduck poaching and illegal harvest activities. With these additional funds, the department shall deploy two new fish and wildlife officers and one detective within Puget Sound to address on-the-water and marketplace geoduck harvest compliance.

(14) \$337,000 of the hydraulic project approval—state appropriation is provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 6406 (state natural resources). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

Sec. 1303. 2012 2nd sp.s. c 7 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund—State Appropriation (FY 2012)	\$30,907,000
General Fund—State Appropriation (FY 2013)	(\$35,791,000)
	<u>\$67,782,000</u>
General Fund—Federal Appropriation	\$27,873,000
General Fund—Private/Local Appropriation	\$2,372,000
Forest Development Account—State Appropriation	(\$46,254,000)
	<u>\$44,116,000</u>
ORV and Nonhighway Vehicle Account—State Appropriation	\$4,373,000
Surveys and Maps Account—State Appropriation	\$2,118,000
Aquatic Lands Enhancement Account—State Appropriation	\$69,000
Resources Management Cost Account—State Appropriation	\$90,131,000
Surface Mining Reclamation Account—State Appropriation	\$3,467,000
Disaster Response Account—State Appropriation	\$5,000,000
Forest and Fish Support Account—State Appropriation	\$9,784,000
Aquatic Land Dredged Material Disposal Site Account—State Appropriation	\$838,000
Natural Resources Conservation Areas Stewardship Account—State Appropriation	\$34,000
State Toxics Control Account—State Appropriation	\$80,000
Air Pollution Control Account—State Appropriation	\$540,000
NOVA Program Account—State Appropriation	\$635,000
Derelict Vessel Removal Account—State Appropriation	\$1,761,000
Agricultural College Trust Management Account—State Appropriation	\$1,848,000
Forest Practices Application Account—State Appropriation	\$780,000
Marine Resources Stewardship Trust Account—State Appropriation	\$2,100,000

TOTAL APPROPRIATION	(\$262,782,000)
	<u>\$296,608,000</u>

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

(1) \$710,000 of the general fund—state appropriation for fiscal year 2012 and \$915,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) ~~\$8,030,000~~ of the general fund—state appropriation for fiscal year 2012, ~~(\$10,037,000)~~ \$42,028,000 of the general fund—state appropriation for fiscal year 2013, and \$5,000,000 of the disaster response account—state appropriation are provided solely for emergency fire suppression. None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

(3) \$4,500,000 of the forest and fish support account—state appropriation is provided solely for outcome-based, performance contracts with tribes to participate in the implementation of the forest practices program. Contracts awarded in fiscal year 2013 may only contain indirect costs set at or below the rate in the contracting tribe's indirect cost agreement with the federal government. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) \$518,000 of the forest and fish support account—state appropriation is provided solely for outcome-based performance contracts with nongovernmental organizations to participate in the implementation of the forest practices program. Contracts awarded in fiscal year 2013 may only contain indirect cost set at or below a rate of eighteen percent.

(5) During the 2011-2013 fiscal biennium, \$717,000 of the forest and fish support account—state appropriation is provided solely to fund interagency agreements with the department of ecology and the department of fish and wildlife as part of the adaptive management process.

(6) \$1,000,000 of the general fund—federal appropriation and \$1,000,000 of the forest and fish support account—state appropriation are provided solely for continuing scientific studies already underway as part of the adaptive management process. Funds may not be used to initiate new studies unless the department secures new federal funding for the adaptive management process.

(7) The department is authorized to increase the silviculture burning permit fee in the 2011-2013 biennium by up to eighty dollars plus fifty cents per ton for each ton of material burned in excess of one hundred tons.

(8) \$440,000 of the state general fund—state appropriation for fiscal year 2012 and \$440,000 of the state general fund—state appropriation for fiscal year

2013 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of Naselle youth camp.

(9) By September 1, 2011, the department shall update its interagency agreement dated September 30, 2010, with the department of fish and wildlife concerning land management services on the department of fish and wildlife's wildlife conservation and recreation lands. The update shall include rates and terms for services.

(10) In partnership with the department of ecology, the departments shall deliver a report to the governor, the appropriate committees of the legislature, and the forest practices board by September 1, 2012, documenting forest practices adaptive management program reforms implemented, or recommended, that streamline existing processes to increase program efficiencies and effectiveness. The departments shall collaborate with interested adaptive management program participants in the development of the report.

(11)(a) \$2,100,000 of the marine resources stewardship account—state appropriation is provided solely for the implementation of chapter 252, Laws of 2012 (marine management planning) and 43.372 RCW. The department will work with the marine interagency team, tribes, and the Washington state marine resource committee to develop a spending plan consistent with the priorities in chapter 252, Laws of 2012, for conducting ecosystem assessments and mapping activities related to marine resources use and potential economic development, developing marine management plans for the state's coastal waters, and otherwise aiding in the implementation of marine planning in the state. As appropriate, the team shall develop a competitive process for projects to be funded by the department in fiscal year 2013.

(b) The department, in consultation with the marine interagency team, shall submit to the office of financial management and the appropriate legislative committees by September 1, 2012, a prioritized list of projects and activities for funding consideration through the marine resources stewardship account in the 2013-2015 fiscal biennium.

~~((13))~~ (12) \$780,000 of the forest practices application account—state appropriation, \$18,000 of the forest development account—state appropriation, \$23,000 of the resources management cost account—state appropriation, and \$2,000 of the surface mining reclamation account—state appropriation are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 6406 (state natural resources). If the bill is not enacted by June 30, 2012, the amounts provided in this subsection shall lapse.

**PART XIV
TRANSPORTATION**

Sec. 1401. 2012 2nd sp.s. c 7 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund—State Appropriation (FY 2012)	\$35,395,000
General Fund—State Appropriation (FY 2013)	(\$32,323,000)
	<u>\$41,947,000</u>
General Fund—Federal Appropriation	\$16,081,000
General Fund—Private/Local Appropriation	\$3,021,000

Death Investigations Account—State Appropriation	\$5,537,000
County Criminal Justice Assistance Account—State Appropriation.	\$3,207,000
Municipal Criminal Justice Assistance Account—State Appropriation.	\$1,286,000
Fire Service Trust Account—State Appropriation	\$131,000
Disaster Response Account—State Appropriation.	\$8,002,000
Fire Service Training Account—State Appropriation	\$9,386,000
Aquatic Invasive Species Enforcement Account—State Appropriation.	\$54,000
State Toxics Control Account—State Appropriation	\$505,000
Fingerprint Identification Account—State Appropriation.	\$10,067,000
Vehicle License Fraud Account—State Appropriation.	\$437,000
TOTAL APPROPRIATION	(\$125,432,000) <u>\$135,056,000</u>

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

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

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

(3) \$400,000 of the fire service training account—state appropriation is provided solely for the firefighter apprenticeship training program.

(4) In accordance with RCW 43.43.742 the state patrol is authorized to increase the following fees in fiscal year (~~2012~~) 2013 as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Notary service fee.

(5) \$59,000 of the fingerprint identification account—state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 1776 (child care center licensing). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(6) \$6,000 of the fingerprint identification account—state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 1494 (vulnerable adult referrals). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(7) \$1,000 of the fingerprint identification account—state appropriation is provided solely for implementation of Engrossed Senate Bill No. 6296

(background checks). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

**PART XV
EDUCATION**

Sec. 1501. 2013 c 147 s 1 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund—State Appropriation (FY 2012)	\$25,322,000
General Fund—State Appropriation (FY 2013)	(\$27,133,000)
	<u>\$27,383,000</u>
General Fund—Federal Appropriation	(\$77,011,000)
	<u>\$82,011,000</u>
General Fund—Private/Local Appropriation	\$4,000,000
TOTAL APPROPRIATION	(\$133,466,000)
	<u>\$138,716,000</u>

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

(1) A maximum of \$16,056,000 of the general fund—state appropriation for fiscal year 2012 and ~~(\$14,875,000)~~ \$15,116,000 of the general fund—state appropriation for fiscal year 2013 is for state agency operations.

(a) \$9,692,000 of the general fund—state appropriation for fiscal year 2012 and ~~(\$8,169,000)~~ \$8,160,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) Within the amounts provided in this subsection (1)(a), the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(ii) By January 1, 2012, the office of the superintendent of public instruction shall issue a report to the legislature with a timeline and an estimate of costs for implementation of the common core standards. The report must incorporate feedback from an open public forum for recommendations to enhance the standards, particularly in math.

(iii) Within the amounts provided, and in consultation with the public school employees of Washington and the Washington school counselors' association, the office of the superintendent of public instruction shall develop a model policy that further defines the recommended roles and responsibilities of graduation coaches and identifies best practices for how graduation coaches work in coordination with school counselors and in the context of a comprehensive school guidance and counseling program.

(iv) The office of the superintendent of public instruction shall, no later than August 1, 2011, establish a standard statewide definition of unexcused absence. The definition shall be reported to the ways and means committees of the senate and house of representatives for legislative review in the 2012 legislative session. Beginning no later than January 1, 2012, districts shall report to the office of the superintendent of public instruction, daily student unexcused absence data by school.

(b) \$1,964,000 of the general fund—state appropriation for fiscal year 2012 and \$1,017,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for activities associated with the implementation of new school finance systems required by chapter 236, Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009 (state's education system), including technical staff, systems reprogramming, and workgroup deliberations, including the quality education council and the data governance working group.

(c) \$851,000 of the general fund—state appropriation for fiscal year 2012 and \$851,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(d) \$1,744,000 of the general fund—state appropriation for fiscal year 2012 and \$1,387,000 of the general fund—state appropriation for fiscal year 2013 are provided solely to the professional educator standards board for the following:

(i) \$1,050,000 in fiscal year 2012 and \$1,050,000 in fiscal year 2013 are for the operation and expenses of the Washington professional educator standards board;

(ii) \$694,000 of the general fund—state appropriation for fiscal year 2012 and \$312,000 of the general fund—state appropriation for fiscal year 2013 are for conditional scholarship loans and mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board, including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(d)(ii) is also provided for the recruiting Washington teachers program. Funding reductions in this subsection (1)(d)(ii) in the 2011-2013 fiscal biennium are intended to be one-time; and

(iii) \$25,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for the professional educator standards board to develop educator interpreter standards and identify interpreter assessments that are available to school districts. Interpreter assessments should meet the following criteria: (A) Include both written assessment and performance assessment; (B) be offered by a national organization of professional sign language interpreters and transliterators; and (C) be designed to assess performance in more than one sign system or sign language. The board shall establish a performance standard, defining what constitutes a minimum assessment result, for each educational interpreter assessment identified. The board shall publicize the standards and assessments for school district use.

(e) \$133,000 of the general fund—state appropriation for fiscal year 2012 and \$133,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights.

(f) \$50,000 of the general fund—state appropriation for fiscal year 2012 and \$50,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the ongoing work of the education opportunity gap oversight and accountability committee.

(g) \$45,000 of the general fund—state appropriation for fiscal year 2012 and \$45,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).

(h) \$159,000 of the general fund—state appropriation for fiscal year 2012 and \$93,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 185, Laws of 2011 (bullying prevention), which requires the office of the superintendent of public instruction to convene an ongoing workgroup on school bullying and harassment prevention. Within the amounts provided, \$140,000 is for youth suicide prevention activities.

(i) \$1,227,000 of the general fund—state appropriation for fiscal year 2012 and \$1,227,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS).

(j) \$25,000 of the general fund—state appropriation for fiscal year 2012 and \$25,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(k) \$166,000 of the general fund—state appropriation for fiscal year 2012 is provided solely for the implementation of chapter 192, Laws of 2011 (school district insolvency). Funding is provided to develop a clear legal framework and process for dissolution of a school district.

(l) \$1,500,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for implementation of House Bill No. 2799 (collaborative schools). If such legislation is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(m) \$128,000 of the general fund—state appropriation for fiscal year 2013 is provided solely pursuant to Substitute House Bill No. 2254 (foster care outcomes). The office of the superintendent of public instruction shall report on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth. The first report is due December 1, 2012, and annually thereafter through 2015. If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(n) \$250,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for implementation of House Bill No. 2337 (open K-12 education resources). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(o) \$250,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for allocation to the office of the superintendent of public instruction to provide financial assistance to nonhigh school districts that are experiencing budgetary shortfalls due to a significant financial condition, including, but not limited to: Declining total enrollment; increased enrollment of students with special education needs; and debts owed to school districts serving the nonhigh school district's high school aged students. The financial assistance shall be in the form of a loan. The loan agreement shall:

(i) Include conditions, binding on the school district, designed to improve the district's financial condition;

(ii) Include a repayment schedule of no more than five years in length; and

(iii) Prohibit districts that receive loans under this subsection from using cash basis accounting.

(2) \$9,267,000 of the general fund—state appropriation for fiscal year 2012 and \$12,267,000 of the general fund—state appropriation for fiscal year 2013 are for statewide programs.

(a) HEALTH AND SAFETY

(i) \$2,541,000 of the general fund—state appropriation for fiscal year 2012 and \$2,541,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(ii) \$50,000 of the general fund—state appropriation for fiscal year 2012 and \$50,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

\$1,221,000 of the general fund—state appropriation for fiscal year 2012 and \$1,221,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(c) GRANTS AND ALLOCATIONS

(i) \$675,000 of the general fund—state appropriation for fiscal year 2012 and \$675,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

(ii) \$1,000,000 of the general fund—state appropriation for fiscal year 2012 and \$1,000,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(iii) \$2,808,000 of the general fund—state appropriation for fiscal year 2012 and \$2,808,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the dissemination of the navigation 101 curriculum to all districts. The funding shall support electronic student planning tools and software for analyzing the impact of navigation 101 on student performance, as well as grants to a maximum of one hundred school districts each year, based on progress and need for the implementation of the navigation 101 program. The implementation grants shall be awarded to a cross-section of school districts reflecting a balance of geographic and demographic characteristics. Within the amounts provided, the office of the superintendent of public instruction will

create a navigation 101 accountability model to analyze the impact of the program.

(iv) \$337,000 of the general fund—state appropriation for fiscal year 2012 and \$337,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for implementation of the building bridges statewide program for comprehensive dropout prevention, intervention, and reengagement strategies.

(v) \$135,000 of the general fund—state appropriation for fiscal year 2012 and \$135,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for dropout prevention programs at the office of the superintendent of public instruction, including the jobs for America's graduates (JAG) program.

(vi) \$500,000 of the general fund—state appropriation for fiscal year 2012 and \$1,400,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 340, Laws of 2011 (assessment of students in state-funded full-day kindergarten classrooms), including the development and implementation of the Washington kindergarten inventory of developing skills (WaKIDS). Of the amounts in this subsection, \$1,000,000 of the fiscal year 2013 appropriation is for the implementation of House Bill No. 2586 (kindergarten inventory). If the bill is not enacted by June 30, 2012, this amount shall lapse.

(vii) \$2,000,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for an urban school turnaround initiative as follows:

(A) The office of the superintendent of public instruction shall select two schools in the largest urban school district in the state. The selected schools shall be among the state's lowest-performing schools; be located within the same community and form a continuum of education for the students in that community; have significant educational achievement gaps; and include a mix of elementary, middle, or high schools.

(B) The office shall allocate the funds under this subsection (2)(c)(vii) to the school district to be used exclusively in the selected schools. The district may not charge an overhead or indirect fee for the allocated funds or supplant other state, federal, or local funds in the selected schools. The school district shall use the funds for intensive supplemental instruction, services, and materials in the selected schools, including but not limited to professional development for school staff; updated curriculum, materials, and technology; extended learning opportunities for students; reduced class size; summer enrichment activities; school-based health clinics; and other research-based initiatives to dramatically turn around the performance and close the achievement gap in the schools. The office shall enter into an expenditure agreement with the school district under which any funds under this subsection (2)(c)(vii) remaining unspent on August 31, 2015, shall be returned to the state. Priorities for the expenditure of the funds shall be determined by the leadership and staff of each school.

(C) The office shall monitor the activities in the selected schools and the expenditure of funds to ensure the intent of this subsection (2)(c)(vii) is met, and submit a report to the legislature by December 1, 2013, including outcomes resulting from the urban school turnaround initiative. The report submitted to the legislature must include a comparison of student learning achievement in the

selected schools with schools of comparable demographics that have not participated in the grant program.

(D) Funding provided in this subsection (2)(c)(vii) is intended to be one-time.

(viii) \$100,000 of the general fund—state appropriation for fiscal year 2013 is provided solely to subsidize advanced placement exam fees and international baccalaureate class fees and exam fees for low-income students. To be eligible for the subsidy, a student must be either enrolled or eligible to participate in the federal free or reduced price lunch program, and the student must have maximized the allowable federal contribution. The office of the superintendent of public instruction shall set the subsidy in an amount so that the advanced placement exam fee does not exceed \$15.00 and the combined class and exam fee for the international baccalaureate does not exceed \$14.50.

Sec. 1502. 2012 2nd sp.s. c 7 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT

General Fund—State Appropriation (FY 2012)	\$5,241,233,000
General Fund—State Appropriation (FY 2013)	(\$5,170,854,000)
	<u>\$5,138,619,000</u>
General Fund—Federal Appropriation	\$22,327,000
TOTAL APPROPRIATION	(\$10,434,414,000)
	<u>\$10,402,179,000</u>

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

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

(b) For the 2011-12 and 2012-13 school years, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary schedules in sections 502 and 503 of this act, excluding (c) of this subsection.

(c) From July 1, 2011 to August 31, 2011, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 504, chapter 564, Laws of 2009, as amended through sections 1402 and 1403 of this act.

(d) The appropriations in this section include federal funds provided through section 101 of P.L. No. 111-226 (education jobs fund), which shall be used to support general apportionment program funding. In distributing general apportionment allocations under this section for the 2011-12 school year, the superintendent shall include the additional amount of \$3,327,000 allocated by the United States department of education on September 16, 2011, provided through 101 of P.L. No. 111-226 (education jobs fund) as part of each district's general apportionment allocation.

(e) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the fourth day of school in September and on the first school day of each month October through June, including students who are in

attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. Any school district concluding its basic education program in May must report the enrollment of the last school day held in May in lieu of a June enrollment.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2011-12 and 2012-13 school years are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

General education class size:

Grade	RCW 28A.150.260
Grades K-3	25.23
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

The superintendent shall base allocations for career and technical education (CTE) and skill center programs average class size as provided in RCW 28A.150.260.

(ii) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year, the superintendent shall allocate funding based on the following average class size of full-time equivalent students per teacher:

General education class size in high poverty school:

Grades K-3	24.10
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

(iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(iv) Laboratory science, advanced placement, and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 students:

Career and Technical Education

students	2.02 per 1000 student FTE's
Skill Center students	2.36 per 1000 student FTE's

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2011-12 and 2012-13 school years for general education students are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on a district's annual average full-time equivalent student enrollment in each grade.

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that exceed the general education rate in (a) of this subsection by the following percentages:

Career and Technical Education students	2.5 percent
Skill Center students	19.75 percent

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2011-12 and 2012-13 school years are determined using the formula-generated staff units provided in RCW 28A.150.260, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2011-12 and 2012-13 school year for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 3.69 percent for career and technical education students, and 21.92 percent for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 16.33 percent in the 2011-12 school year and 16.34 percent in the 2012-13 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 18.73 percent in the 2011-12 school year and 18.73 percent in the 2012-13 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

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

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the materials, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a) MSOC funding for general education students are allocated at the following per student rates:

MSOC RATES/STUDENT FTE

MSOC Component	2011-12 SCHOOL YEAR	2012-13 SCHOOL YEAR
Technology	\$57.42	\$58.28
Utilities and Insurance	\$156.03	\$158.37
Curriculum and Textbooks	\$61.65	\$62.58
Other Supplies and Library Materials	\$130.89	\$132.85
Instructional Professional Development for Certificated and Classified Staff	\$9.53	\$9.68
Facilities Maintenance	\$77.30	\$78.46
Security and Central Office	\$53.55	\$54.35
TOTAL BASIC EDUCATION MSOC/ STUDENT FTE	\$546.37	\$554.57

(b) Students in approved skill center programs generate per student FTE MSOC allocations which equal the rate for general education students calculated in (a) of this subsection, multiplied by a factor of 2.171.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation that is equal to the rate for general education students calculated in (a) of this subsection, multiplied by a factor of 2.442.

(d) Students in laboratory science courses generate per student FTE MSOC allocations which equal the per student FTE rate for general education students established in (a) of this subsection.

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2011-12 and 2012-13 school years, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of \$151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(a) Amounts provided in this section are adjusted to reflect provisions of House Bill No. 2065 (allocation of funding for funding for students enrolled in alternative learning experiences).

(b) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund voluntary full day kindergarten programs in qualifying high poverty schools, pursuant to RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls for the voluntary full-day program in a qualifying school shall count as one-half of one full-time equivalent student for purpose of making allocations under this section. Funding in this section provides full-day kindergarten programs for 21 percent of kindergarten enrollment in the 2011-12 school year, and 22 percent in the 2012-13 school year. Funding priority shall be given to schools with the highest poverty levels, as measured by prior year free and reduced price lunch eligibility rates in each school. Funding in this section is sufficient to fund voluntary full day kindergarten programs for July and August of the 2010-11 school year.

(12) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the superintendent of public instruction, additional staff units are provided to ensure a minimum level of staffing support. Additional administrative and certificated instructional staff units provided to districts in this subsection shall be reduced by the general education staff units, excluding career and technical education and skills center enhancement units, otherwise provided in subsections (2) through (5) of this section on a per district basis.

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

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

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

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

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

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

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

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

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

(iii) Districts receiving staff units under this subsection shall add students enrolled in a district alternative high school and any grades nine through twelve alternative learning experience programs with the small high school enrollment for calculations under this subsection;

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

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

(f)(i) For enrollments generating certificated staff unit allocations under (a) through (e) of this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

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

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under subsection (12) of this section shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

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

(14) The superintendent may distribute funding for the following programs outside the basic education formula during fiscal years 2012 and 2013 as follows:

(a) \$589,000 of the general fund—state appropriation for fiscal year 2012 and \$598,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) \$436,000 of the general fund—state appropriation for fiscal year 2012 and \$436,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs.

(c) Funding in this section is sufficient to fund adjustments to school districts' allocations resulting from the implementation of the prototypical school funding formula, pursuant to chapter 236, Laws of 2010 (K-12 education funding). The funding in this section is intended to hold school districts harmless in total for funding changes resulting from conversion to the prototypical school formula in the general apportionment program, the learning assistance program, the transitional bilingual program, and the highly capable program, after adjustment for changes in enrollment and other caseload adjustments.

(15) \$208,000 of the general fund—state appropriation for fiscal year 2012 and \$211,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for school district emergencies as certified by the superintendent of public instruction. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

(16) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(17) Beginning in the 2011-12 school year, students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment. In calculating the combined 1.2 FTE, the office of the superintendent of public instruction may average the participating student's September through June enrollment to account for differences in the start and end dates for courses provided by the high school and higher education institution. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the ~~((higher education coordinating board))~~ student achievement council, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(18) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (12) of this section shall be reduced in increments of twenty percent per year.

(19)(a) Indirect cost charges by a school district to approved career and technical education middle and secondary programs shall not exceed 15 percent of the combined basic education and career and technical education program enhancement allocations of state funds. Middle and secondary career and technical education programs are considered separate programs for funding and financial reporting purposes under this section.

(b) Career and technical education program full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

Sec. 1503. 2012 2nd sp.s. c 7 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION

General Fund—State Appropriation (FY 2012)	\$322,243,000
General Fund—State Appropriation (FY 2013)	(\$273,642,000)
	<u>\$273,893,000</u>
TOTAL APPROPRIATION	(\$595,885,000)
	<u>\$596,136,000</u>

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

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

(2)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for the transportation of students as provided in RCW 28A.160.192.

(b) From July 1, 2011 to August 31, 2011, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 564, Laws of 2009, as amended through section 1404 of this act.

(3) Any amounts appropriated for maintenance level funding for pupil transportation that exceed actual maintenance level expenditures as calculated under the funding formula that takes effect September 1, 2011, shall be distributed to districts according to RCW 28A.160.192(2)(b).

(4) A maximum of \$892,000 of this fiscal year 2012 appropriation and a maximum of \$892,000 of the fiscal year 2013 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

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

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

(7) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

(8) Starting with the 2012-13 school year, the office of the superintendent of public instruction shall disburse payments for bus depreciation in August.

Sec. 1504. 2011 2nd sp.s. c 9 s 506 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund—State Appropriation (FY 2012)	\$7,111,000
General Fund—State Appropriation (FY 2013)	\$7,111,000
General Fund—Federal Appropriation	(\$436,400,000)
	<u>\$506,000,000</u>
TOTAL APPROPRIATION	(\$450,622,000)
	<u>\$520,222,000</u>

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

(1) \$7,111,000 of the general fund—state appropriation for fiscal year 2012 and \$7,111,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays for eligible public school students and lunch copays for eligible public school students in grades kindergarten through third grade who are eligible for reduced price lunch;

(b) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas;

(c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005; and

(d) Assistance to school districts in initiating and expanding school breakfast programs.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in (a), (b), and (c) of this subsection.

Sec. 1505. 2012 2nd sp.s. c 7 s 506 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION PROGRAMS

General Fund—State Appropriation (FY 2012)	\$648,369,000
General Fund—State Appropriation (FY 2013)	(\$679,832,000)
	<u>\$659,913,000</u>
General Fund—Federal Appropriation	(\$486,922,000)
	<u>\$499,922,000</u>
Education Legacy Trust Account—State Appropriation	\$756,000
TOTAL APPROPRIATION	(\$1,815,879,000)
	<u>\$1,808,960,000</u>

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

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

(2)(a) The superintendent of public instruction shall ensure that:

- (i) Special education students are basic education students first;
- (ii) As a class, special education students are entitled to the full basic education allocation; and
- (iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(c) Beginning with the 2010-11 school year award cycle, the office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

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

(4)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390.

(b) From July 1, 2011 to August 31, 2011, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 564, Laws of 2009, as amended through section 1406 of this act.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). Each district's general fund—state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(6) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with RCW 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(7) \$8,914,000 of the general fund—state appropriation for fiscal year 2012, (~~(\$34,200,000)~~) \$9,469,000 of the general fund—state appropriation for fiscal year 2013, and (~~(\$29,574,000)~~) \$32,574,000 of the general fund—federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2011-12 and 2012-13 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) From July 1, 2011 to August 31, 2011, the superintendent shall operate the safety net oversight committee and shall award safety net funds as provided in section 507, chapter 564, Laws of 2009, as amended through section 1406 of this act.

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

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

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

(11) \$251,000 of the general fund—state appropriation for fiscal year 2012 and \$251,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(12) \$50,000 of the general fund—state appropriation for fiscal year 2012, \$50,000 of the general fund—state appropriation for fiscal year 2013, and

\$100,000 of the general fund—federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

Sec. 1506. 2012 2nd sp.s. c 7 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS

General Fund—State Appropriation (FY 2012)	\$7,894,000
General Fund—State Appropriation (FY 2013)	(\$7,912,000)
	<u>\$7,896,000</u>
TOTAL APPROPRIATION	(\$15,806,000)
	<u>\$15,790,000</u>

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

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

(2) Funding within this section is provided for regional professional development related to mathematics and science curriculum and instructional strategies. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and ~~((28A.310.340))~~ 28A.305.130, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

Sec. 1507. 2012 2nd sp.s. c 7 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE

General Fund—State Appropriation (FY 2012)	\$300,768,000
General Fund—State Appropriation (FY 2013)	(\$298,166,000)
	<u>\$299,537,000</u>
General Fund—Federal Appropriation	\$4,400,000
TOTAL APPROPRIATION	(\$603,334,000)
	<u>\$604,705,000</u>

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 3 percent from the 2010-11 school year to the 2011-12

school year and 5 percent from the 2011-12 school year to the 2012-13 school year.

Sec. 1508. 2012 2nd sp.s. c 7 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund—State Appropriation (FY 2012)	\$16,694,000
General Fund—State Appropriation (FY 2013)	(\$15,867,000)
	<u>\$14,547,000</u>
TOTAL APPROPRIATION	(\$32,561,000)
	<u>\$31,241,000</u>

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

- (1) Each general fund—state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.
- (2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.
- (3) State funding for each institutional education program shall be based on the institution’s annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.
- (4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.
- (5) \$586,000 of the general fund—state appropriation for fiscal year 2012 and ~~(\$549,000)~~ \$899,000 of the general fund—state appropriation for fiscal year 2013 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.
- (6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 1509. 2012 2nd sp.s. c 7 s 510 (uncodified) is amended to read as follows:

FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund—State Appropriation (FY 2012)	\$8,745,000
General Fund—State Appropriation (FY 2013)	(\$8,788,000)
	<u>\$9,157,000</u>

TOTAL APPROPRIATION	(\$17,533,000)
	<u>\$17,902,000</u>

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

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

(2)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 564, Laws of 2009, as amended through section 1409 of this act.

(3) \$85,000 of the general fund—state appropriation for fiscal year 2012 and \$85,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the centrum program at Fort Worden state park.

Sec. 1510. 2012 2nd sp.s. c 7 s 511 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—
EDUCATION REFORM PROGRAMS**

General Fund—State Appropriation (FY 2012)	\$58,078,000
General Fund—State Appropriation (FY 2013)	(\$103,655,000)
	<u>\$103,455,000</u>
General Fund—Federal Appropriation	(\$219,147,000)
	<u>\$221,147,000</u>
General Fund—Private/Local Appropriation	\$4,000,000
Education Legacy Trust Account—State Appropriation	\$1,596,000
TOTAL APPROPRIATION	(\$386,476,000)
	<u>\$388,276,000</u>

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

(1) \$40,822,000 of the general fund—state appropriation for fiscal year 2012, \$41,614,000 of the general fund—state appropriation for fiscal year 2013, \$1,350,000 of the education legacy trust account—state appropriation, and \$15,868,000 of the general fund—federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (a) Development and implementation of retake assessments for high school students who are not successful in one or more content areas and (b) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on

development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year. State funding shall be limited to one collection of evidence payment per student, per content-area assessment.

(2) \$356,000 of the general fund—state appropriation for fiscal year 2012 and \$356,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) \$980,000 of the general fund—state appropriation for fiscal year 2012 and \$980,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW.

(4) \$3,852,000 of the general fund—state appropriation for fiscal year 2012 and \$2,624,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for continued implementation of chapter 235, Laws of 2010 (education reform) including development of new performance-based evaluation systems for certificated educators.

(5)(a) \$39,296,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of \$5,090 per teacher in the 2011-12 and 2012-13 school years, adjusted for inflation in each school year in which Initiative 732 cost of living adjustments are provided;

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

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a prorated manner. Beginning in the 2011-12 school year, all bonuses in (a)(i) and (ii) of this subsection will be paid in July of each school year. Bonuses in (a)(i) and (ii) of this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(iv) During the 2011-12 and 2012-13 school years, and within available funds, certificated instructional staff who have met the eligibility requirements

and have applied for certification from the national board for professional teaching standards may receive a conditional loan of two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The conditional loan is provided in addition to compensation received under a district's salary schedule and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the conditional loan. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees. To the extent necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(6) \$477,000 of the general fund—state appropriation for fiscal year 2012 and \$477,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(7) \$950,000 of the general fund—state appropriation for fiscal year 2012 and \$950,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs.

(8) \$810,000 of the general fund—state appropriation for fiscal year 2012 and \$810,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to design, field test, and implement a state-of-the-art education leadership academy that will be accessible throughout the state. Initial development of the content of the academy activities shall be supported by private funds. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(9) \$3,234,000 of the general fund—state appropriation for fiscal year 2012 and \$3,234,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible.

(10) \$1,500,000 of the general fund—state appropriation for fiscal year 2012 and \$1,500,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 288, Laws of 2011

(actual student success program), including allocations to the opportunity internship program, the jobs for America's graduates program, the building bridges program, services provided by a college scholarship organization. Funding shall not be used in the 2011-2013 fiscal biennium to provide awards for schools and school districts.

(11) \$859,000 of the general fund—state appropriation for fiscal year 2012, \$808,000 of the general fund—state appropriation for fiscal year 2013, and \$248,000 of the education legacy trust account—state appropriation are for administrative support of education reform programs.

(12) \$2,000,000 of the general fund—state appropriation for fiscal year 2012 and \$2,000,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(13) \$977,000 of the general fund—state appropriation for fiscal year 2012 and \$1,077,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, \$300,000 of the 2012 appropriation and \$300,000 of the 2013 appropriation shall be used to support FIRST robotics programs. Of the amounts in this subsection, \$100,000 of the fiscal year 2013 appropriation is provided solely for the purpose of statewide supervision activities for career and technical education student leadership organizations.

(14) \$125,000 of the general fund—state appropriation for fiscal year 2012 and \$125,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of \$2,500 to provide twenty middle and high school teachers each year with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(15) \$135,000 of the general fund—state appropriation for fiscal year 2012 and \$135,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(16) \$1,000,000 of the general fund—state appropriation for fiscal year 2012 and \$1,000,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together; and teacher observation time with accomplished peers. \$250,000 may be used to provide statewide professional development opportunities for mentors and beginning educators.

(17) \$5,767,000 of the general fund—state appropriation for fiscal year 2013 is provided solely pursuant to Engrossed Substitute Senate Bill No. 5895 (certificated employee evaluations). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

~~((19))~~ (18) \$250,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding, a high school must have offered a foundational project lead the way course during the 2011-12 school year. The funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2012-13 school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

~~((20))~~ (19) \$150,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for aerospace and manufacturing technical programs housed at two skill centers. The one-time funding is provided for start-up equipment and curriculum purchases. To be eligible for funding, the skill center must agree to provide regional high schools with access to a technology laboratory, expand manufacturing certificate and course offerings at the skill center, and provide a laboratory space for local high school teachers to engage in professional development in the instruction of courses leading to student employment certification in the aerospace and manufacturing industries. The office of the superintendent of public instruction shall administer the grants in consultation with the center for excellence for aerospace and advanced materials manufacturing.

~~((21))~~ (20) \$300,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for start-up grants to twelve high schools to implement the aerospace assembler program. Participating high schools must agree to offer the aerospace assembler training program to students by spring semester of school year 2012-13. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

Sec. 1511. 2012 2nd sp.s. c 7 s 512 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund—State Appropriation (FY 2012)	\$79,575,000
General Fund—State Appropriation (FY 2013)	(\$80,666,000)
	<u>\$84,101,000</u>
General Fund—Federal Appropriation	\$71,001,000
TOTAL APPROPRIATION	(\$231,242,000)
	<u>\$234,677,000</u>

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

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

(2)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs as provided in RCW 28A.150.260(10)(b). In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student; (ii) fifteen transitional bilingual program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 564, Laws of 2009, as amended through section 1411 of this act.

(c) The allocations in this section reflect the implementation of a new funding formula for the transitional bilingual instructional program, effective September 1, 2011, as specified in RCW 28A.150.260(10)(b).

(3) The superintendent may withhold allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2) up to the following amounts: 2.79 percent for school year 2011-12 and 2.11 percent for school year 2012-13.

(4) The general fund—federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(5) In preparing its 2013-15 biennial budget request, the office of the superintendent of public instruction shall prepare for implementation of a funding model for the transitional bilingual program, beginning in school year 2013-14, that is scaled to provide more support to students requiring most intensive intervention, (students with beginning levels of English language proficiency) and less support to students requiring less intervention. The funding model shall also provide up to two years of bonus funding upon successful exit from the bilingual program to facilitate successful transition to a standard program of education.

\$35,000 of the general fund—state appropriation for fiscal year 2012 and \$35,000 of the general fund—state appropriation for fiscal year 2013 are provided solely to track current and former transitional bilingual program students.

Sec. 1512. 2012 2nd sp.s. c 7 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM

General Fund—State Appropriation (FY 2012)	\$102,619,000
General Fund—State Appropriation (FY 2013)	(\$128,779,000)
	<u>\$127,447,000</u>
General Fund—Federal Appropriation	(\$492,207,000)
	<u>\$506,207,000</u>
Education Legacy Trust Account—State Appropriation	\$23,990,000

TOTAL APPROPRIATION((~~\$747,595,000~~)
\$760,263,000

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

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

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

(b)(i) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a). In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 1.51560 hours per week per funded learning assistance program student; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 564, Laws of 2009, as amended through section 1412 of this act.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund—federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

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

(5) The office of the superintendent of public instruction shall research and recommend options for an adjustment factor for middle school and high school free and reduced price lunch eligibility reporting rates pursuant to RCW 28A.150.260(12)(a), and submit a report to the fiscal committees of the legislature by June 1, 2012. For the 2011-12 and 2012-13 school years, the adjustment factor is 1.0.

Sec. 1513. 2012 2nd sp.s. c 7 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only and do not entitle a particular district, district employee, or student to a specific service, beyond what has been

expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in subsection (4) of this section.

(4) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, ~~((2012))~~ 2013, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund appropriations for fiscal year ~~((2012))~~ 2013 among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; highly capable; and learning assistance programs.

(5) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

**PART XVI
HIGHER EDUCATION**

Sec. 1601. 2012 2nd sp.s. c 7 s 602 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund—State Appropriation (FY 2012)	\$201,226,000
General Fund—State Appropriation (FY 2013)	\$201,612,000
Educational Legacy Trust Account—State Appropriation	\$18,579,000
Economic Development Strategic Reserve Account—	
State Appropriation	\$1,500,000
Biotoxin Account—State Appropriation	((450,000))
	<u>\$350,000</u>
Accident Account—State Appropriation	\$6,681,000
Medical Aid Account—State Appropriation	\$6,488,000
TOTAL APPROPRIATION	((436,536,000))
	<u>\$436,436,000</u>

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

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

(2) \$150,000 of the general fund—state appropriation for fiscal year 2012 and \$150,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the development of integrated medical curriculum for the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical education program in Spokane and eastern Washington. Funding is contingent on appropriations being provided to Washington State University for WWAMI program expansion in Spokane and eastern Washington.

(3) \$52,000 of the general fund—state appropriation for fiscal year 2012 and \$52,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the center for international trade in forest products in the college of forest resources.

(4) \$88,000 of the general fund—state appropriation for fiscal year 2012 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5485 (state's natural resources). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(5) \$143,000 of the general fund—state appropriation for fiscal year 2012 and \$144,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for the ongoing management of the Washington park arboretum.

(6) \$3,800,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for an expansion in engineering enrollments, including enrollments in the field of computer science. Amounts provided in this subsection may be used only to cover direct costs of instruction associated with this enrollment expansion. By June 30, 2012, the university shall provide a report to the legislature that provides specific detail on how these amounts will be spent. Each September 1st thereafter, the university shall provide an updated report that provides specific detail on how these amounts were spent in the preceding twelve months.

(7) Amounts appropriated in this section are sufficient for the university to conduct a comprehensive review of its tuition waiver policies. The resulting report shall include an overview of tuition waiver uses and costs (forgone revenue) and outcomes and any recommendations for changes to tuition waiver policy and shall be provided to the legislature no later than December 1, 2012.

(8) \$610,000 of the general fund—state appropriation for fiscal year 2012 is provided solely to expand health sciences capacity at the University of Washington for Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) and \$190,000 of the general fund—state appropriation for fiscal year 2012 is provided solely to expand health sciences capacity at the University of Washington for Regional Initiatives in Dental Education (RIDE) for the WWAMI-RIDE program expansion to achieve full ramp-up of first-year medical students and dental students each year of the four-year programs.

(9) The University of Washington shall not use funds appropriated in this section to support intercollegiate athletics programs.

(10) Amounts appropriated in this section are sufficient to cover the costs associated with the implementation of Engrossed Substitute Senate Bill No. 6486 (collective bargaining for post-doctoral researchers).

Sec. 1602. 2012 2nd sp.s. c 7 s 613 (uncodified) is amended to read as follows:

FOR THE STUDENT ACHIEVEMENT COUNCIL—OFFICE OF STUDENT FINANCIAL ASSISTANCE

General Fund—State Appropriation (FY 2013)	((\$247,034,000))
	<u>\$212,034,000</u>
General Fund—Federal Appropriation	\$5,812,000
Washington Opportunity Pathways Account—State Appropriation	((\$73,500,000))
	<u>\$108,500,000</u>
<u>Aerospace Training Student Loan Account—State</u>	
<u>Appropriation</u>	<u>\$12,000</u>
TOTAL APPROPRIATION	((\$326,346,000))
	<u>\$326,358,000</u>

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

(1) ((~~\$237,018,000~~)) \$202,018,000 of the general fund—state appropriation for fiscal year 2013, and ((~~\$73,500,000~~)) \$108,500,000 of the opportunity pathways account—state appropriation are provided solely for student financial aid payments under the state need grant and the state work study programs including up to a four percent administrative allowance for the state work study program.

(2) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. The higher education coordinating board shall report to the legislature by December 1, 2013, regarding the number of students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits, and their academic progress including degree completion. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(3) \$1,250,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for implementation of the aerospace training scholarship and student loan program as specified in Engrossed Substitute House Bill No. 1846 (aerospace student loans). If the bill is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(4) For fiscal year 2013, the board shall defer loan or conditional scholarship repayments to the future teachers conditional scholarship and loan repayment program for up to one year for each participant if the participant has

shown evidence of efforts to find a teaching job but has been unable to secure a teaching job per the requirements of the program.

(5) \$1,000,000 of the education legacy trust account—state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.

(6) \$1,500,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for the leadership 1000 program.

(7) \$2,436,000 of the general fund—state appropriation for fiscal year 2013 is provided solely for the passport to college program. The maximum scholarship award shall be \$5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract, provide a minimum of \$500,000 in fiscal year 2013 for this purpose.

(8) In addition to the entities listed in RCW 28B.122.010, the aerospace student loan program may provide loans to students attending an aerospace training program at Renton technical college.

(9) The office of student financial assistance and the department of health shall prioritize a portion of any nonfederal balances in the health professional loan repayment and scholarship fund for conditional loan repayment contracts with psychiatrists and with advanced registered nurse practitioners for work at one of the state-operated psychiatric hospitals. The office and department shall designate the state hospitals as health professional shortage areas if necessary for this purpose. The office of student financial assistance shall coordinate with the department of social and health services to effectively incorporate these conditional loan repayments into the department's advanced psychiatric professional recruitment and retention strategies.

(10) \$50,000 of the amount provided in this section shall be used to convene the higher education loan program work group. The work group shall develop methods for funding the loan program in the future, as well as recommendations regarding the best loan program structure for providing financial aid to underserved populations. The work group shall seek out technical advice from the housing finance commission. At a minimum, the recommendations regarding the proposed loan program must take into account the following: Whether students could benefit from the creation of a new student loan program; the relationship between the student loan program and the state need grant program and the state need grant qualified student population; mechanisms to achieve interest rates that are below those offered in federally guaranteed and private bank student loans; sources of initial and on-going funding for loans and program operation; and default risks, reserve requirements, and other conditions required for the student loan program. The work group shall provide a report to the legislature no later than December 1, 2012.

Sec. 1603. 2012 2nd sp.s. c 7 s 615 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund—State Appropriation (FY 2012)	\$25,497,000
General Fund—State Appropriation (FY 2013)	(\$27,190,000)
	<u>\$26,658,000</u>
General Fund—Federal Appropriation	\$280,619,000

<u>Children's Trust Account—State Appropriation</u>	<u>\$142,000</u>
Opportunity Pathways Account—State Appropriation	\$78,000,000
Home Visiting Services Account—Federal Appropriation	\$300,000
TOTAL APPROPRIATION	<u>(\$411,606,000)</u>
	<u>\$411,216,000</u>

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

(1) \$16,028,000 of the general fund—state appropriation for fiscal year 2012, \$18,028,000 of the general fund—state appropriation of fiscal year 2013, \$78,000,000 of the opportunity pathways account appropriation, and \$2,256,000 of the general fund—federal appropriation are provided solely for the early childhood education assistance program services. Of these amounts, \$10,284,000 is a portion of the biennial amount of state maintenance of effort dollars required to receive federal child care and development fund grant dollars.

(2) In accordance to RCW 43.215.255(2) and 43.135.055, the department is authorized to increase child care center and child care family home licensure fees in fiscal years 2012 and 2013 for costs to the department for the licensure activity, including costs of necessary inspection. These increases are necessary to support expenditures authorized in this section.

(3) \$64,000 of the general fund—state appropriation for fiscal year 2012, \$638,000 of the general fund—state appropriation for fiscal year 2013, and \$574,000 of the general fund—federal appropriation are provided solely for child care resource and referral network services.

(4) \$200,000 of the general fund—state appropriation for fiscal year 2012 and \$200,000 of the general fund—state appropriation for fiscal year 2013 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

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

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

(7) \$934,000 of the general fund—state appropriation for fiscal year 2012, \$934,000 of the general fund—state appropriation for fiscal year 2013, and \$2,400,000 of the general fund—federal appropriation are provided solely for expenditure into the home visiting services account. This funding is intended to meet federal maintenance of effort requirements and to secure private matching funds.

(a) All federal funds received by the department for home visiting activities must be deposited into the home visiting services account.

(b) The department must consult with stakeholders during the development of the Washington home visiting plan and any future proposals for federal funding.

(c) No more than \$300,000 of the home visiting services account—federal appropriation may be expended for program administration for fiscal year 2013 pursuant to RCW 43.215.130. No other funds may be expended for that purpose.

(8)(a) \$153,558,000 of the general fund—federal appropriation is provided solely for the working connections child care program under RCW 43.215.135.

(b) In addition to groups that were given prioritized access to the working connections child care program effective March 1, 2011, the department shall also give prioritized access into the program to families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center.

(9)(a) \$50,000 of the general fund—state appropriation for fiscal year 2012 and (~~(\$1,050,000)~~) \$329,000 of the general fund—state appropriation for fiscal year 2013 are provided solely for implementation and administration of an electronic benefit transfer system. The system shall include electronic time keeping, integrated with an eligibility information technology system, and an electronic payment system. The department shall coordinate implementation of this system with the department of social and health services.

(b) \$100,000 of the general fund—state appropriation in this subsection is provided solely for the department to contract for an independent consultant to evaluate and recommend the optimum system for the eligibility determination process. The evaluation must include an analysis of lean management processes that, if adopted, could improve the cost effectiveness and delivery of eligibility determination. The department shall coordinate with the department of social and health services for this evaluation. The department must report to the office of financial management and the appropriate fiscal and policy committees of the legislature by December 1, 2012.

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

(11) \$1,025,000 of the general fund—state appropriation for fiscal year 2013 and \$6,712,000 of the general fund—federal appropriation are provided solely for the seasonal child care program in fiscal year 2013.

(12) \$2,522,000 of the general fund—state appropriation for fiscal year 2012, \$2,522,000 of the general fund—state appropriation for fiscal year 2013, and \$4,304,000 of the general fund—federal appropriation are provided solely for the medicaid treatment child care (MTCC) program. The department shall contract for MTCC services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration. In addition to

referrals made by children's administration, the department shall authorize services for children referred to the MTCC program, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC program. Of the amounts appropriated in this subsection, \$60,000 per fiscal year may be used by the department for administering the MTCC program, if needed.

(13)(a) The department shall establish a birth-to-three subcommittee of the early learning advisory council. The subcommittee will be cochaired by the department and nongovernmental private-public partnership created in RCW 43.215.070. The subcommittee shall include at least one representative from each of the following:

- (i) The early learning advisory council;
- (ii) The office of the superintendent of public instruction;
- (iii) The department of social and health services;
- (iv) The department of early learning;
- (v) The nongovernmental private-public partnership created in RCW 43.215.070;
- (vi) The early learning action alliance; and
- (vii) Additional stakeholders with expertise in birth-to-three policy and programs and quality child care, as designated by the early learning advisory council.

(b) The subcommittee may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders.

(c) The subcommittee shall be monitored and overseen by the early learning advisory council created in RCW 43.215.090.

(d) The subcommittee shall develop a birth-to-three implementation proposal, which shall include further development of the Washington state birth-to-three plan.

(e) The subcommittee must include recommendations on the following in its birth-to-three proposal:

- (i) Eligibility criteria for providers and programs;
- (ii) The level of funding necessary to implement birth-to-three programs, including an option which makes available funding equivalent to thirty percent of the funding provided for the program of early learning established in RCW 43.215.141;
- (iii) Options for funding sources for birth-to-three programs;
- (iv) Governance responsibilities for the department of early learning; and
- (v) A timeline for implementation that is concurrent with the expansion to the early learning program outlined in RCW 43.215.142.

The subcommittee must present its recommendations to the early learning advisory council and the appropriate committees of the legislature by December 1, 2012.

(14) \$300,000 of the general fund—federal appropriation is provided solely for a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.

Sec. 1604. 2012 2nd sp.s. c 7 s 616 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund—State Appropriation (FY 2012)	\$5,776,000
General Fund—State Appropriation (FY 2013)	(\$5,671,000)
	<u>\$5,691,000</u>
TOTAL APPROPRIATION	(\$11,447,000)
	<u>\$11,467,000</u>

Sec. 1605. 2012 2nd sp.s. c 7 s 617 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

General Fund—State Appropriation (FY 2012)	\$8,439,000
General Fund—State Appropriation (FY 2013)	(\$8,335,000)
	<u>\$8,431,000</u>
TOTAL APPROPRIATION	(\$16,774,000)
	<u>\$16,870,000</u>

**PART XVII
SPECIAL APPROPRIATIONS**

Sec. 1701. 2012 2nd sp.s. c 7 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund—State Appropriation (FY 2012)	\$911,643,000
General Fund—State Appropriation (FY 2013)	(\$949,349,000)
	<u>\$1,171,965,000</u>
State Building Construction Account—State Appropriation	(\$3,866,000)
	<u>\$5,016,000</u>
Columbia River Basin Water Supply Development Account—State Appropriation	(\$121,000)
	<u>\$220,000</u>
Hood Canal Aquatic Rehabilitation Bond Account—State Appropriation	(\$4,000)
	<u>\$5,000</u>
State Taxable Building Construction Account—State Appropriation	(\$90,000)
	<u>\$71,000</u>
Gardner-Evans Higher Education Construction Account—State Appropriation	(\$13,000)
	<u>\$23,000</u>
Debt-Limit Reimbursable Bond Retire Account—State Appropriation	\$2,300,000
TOTAL APPROPRIATION	(\$1,867,386,000)
	<u>\$2,091,243,000</u>

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. 1702. 2012 2nd sp.s. c 7 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund—State Appropriation (FY 2012)	\$27,400,000
General Fund—State Appropriation (FY 2013)	\$30,572,000
Nondebt-Limit Reimbursable Bond Retirement Account—State Appropriation	(\$140,128,000)
	<u>\$137,290,000</u>
TOTAL APPROPRIATION	(\$198,100,000)
	<u>\$195,262,000</u>

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund—state appropriation for fiscal year 2012 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2012.

Sec. 1703. 2011 2nd sp.s. c 9 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund—State Appropriation (FY 2012)	\$1,357,000
General Fund—State Appropriation (FY 2013)	(\$1,357,000)
	<u>\$616,000</u>
State Building Construction Account—State Appropriation	(\$356,000)
	<u>\$761,000</u>
Columbia River Basin Water Supply Development Account—State Appropriation	\$21,000
Hood Canal Aquatic Rehabilitation Bond Account—State Appropriation	\$1,000
State Taxable Building Construction Account—State Appropriation	(\$25,000)
	<u>\$31,000</u>
Gardner-Evans Higher Education Construction Account—State Appropriation	(\$2,000)
	<u>\$3,000</u>
TOTAL APPROPRIATION	(\$3,119,000)
	<u>\$2,790,000</u>

NEW SECTION. Sec. 1704. A new section is added to 2011 1st sp.s. c 50 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—
EXTRAORDINARY CRIMINAL JUSTICE COSTS**

General Fund—State Appropriation (FY 2013) \$728,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute \$545,000 to Grant county and \$183,000 to Yakima county for extraordinary criminal justice costs.

Sec. 1705. 2012 2nd sp.s. c 7 s 707 (uncodified) is amended to read as follows:

FOR SUNDRY CLAIMS

The following sums, or so much thereof as may be necessary, are appropriated from the general fund for fiscal year 2012 or fiscal year 2013, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of financial management, except as otherwise provided, for reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as follows:

- (1) Clint L. Powell, Jr., claim number 99970048 \$58,155.10
- (2) Chance L. Hawkins, claim number 99970049 \$28,838.95
- (3) Edgar L. Hawkins, claim number 99970050 \$25,507.00
- (4) James Abbott, claim number 99970051 \$9,880.00
- (5) Richard Frisk, claim number 99970052 \$32,788.50
- (6) Brian Barnd-Spjut, claim number 99970053 \$122,821.79
- (7) Dwijen Buckendorf, claim number 99970059 \$2,100.00
- (8) Todd Chism, claim number 99970061 \$56,183.26
- (9) James Glasco, claim number 99970062 \$18,800.00
- (10) David Holtzclaw, claim number 99970057 \$15,154.52
- (11) Gary Richey, claim number 99970063 \$9,020.00
- (12) Shelly Porter, claim number 99970054 \$12,525.72
- (13) Yakov Topik, claim number 99970047 \$28,500.00
- (14) Luther Wallace, claim number 99970060 \$76,256.93
- (15) Mark Fenton, claim number 99970064 \$27,637.50
- (16) Reid Woods, claim number 99970065 \$7,296.38
- (17) James Daniel Emmett, claim number 99970067 \$9,000.00
- (18) Matthew Collet, claim number 99970068 \$55,000.00
- (19) Michael Otto, claim number SCJ-2008-12 \$4,250.00

**PART XVIII
OTHER TRANSFERS AND APPROPRIATIONS**

Sec. 1801. 2012 2nd sp.s. c 7 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	((\$8,289,000)) <u>\$7,773,000</u>
General Fund Appropriation for public utility district excise tax distributions	((\$44,078,000)) <u>\$49,883,000</u>
General Fund Appropriation for prosecuting attorney distributions	((\$6,281,000)) <u>\$5,804,000</u>
General Fund Appropriation for boating safety and education distributions	\$4,000,000
General Fund Appropriation for other tax distributions	((\$58,000)) <u>\$63,000</u>
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	((\$58,229,000)) <u>\$61,983,000</u>
County Criminal Justice Assistance Appropriation	((\$69,566,000)) <u>\$69,532,000</u>
Municipal Criminal Justice Assistance Appropriation.	((\$26,843,000)) <u>\$26,833,000</u>
City-County Assistance Account Appropriation for local government financial assistance distribution	((\$12,159,000)) <u>\$14,922,000</u>
Liquor Excise Tax Account Appropriation for liquor excise tax distribution	((\$25,617,000)) <u>\$25,889,000</u>
Streamlined Sales and Use Tax Mitigation Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes.	\$49,309,000
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation	((\$7,478,000)) <u>\$7,481,000</u>
Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians	((\$4,794,000)) <u>\$4,795,000</u>
Liquor Revolving Account Appropriation for liquor profits distribution	((\$85,132,000)) <u>\$96,456,000</u>

TOTAL APPROPRIATION((~~\$407,953,000~~))
\$426,843,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 1802. 2012 2nd sp.s. c 7 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation((~~\$2,439,000~~))
\$2,422,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2011-2013 fiscal biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 1803. 2012 2nd sp.s. c 7 s 803 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation((~~\$1,626,000~~))
\$1,615,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2011-2013 biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 1804. 2011 1st sp.s. c 50 s 804 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—FEDERAL REVENUES FOR DISTRIBUTION

General Fund Appropriation for federal flood control funds distribution	((\$74,000))
	<u>\$52,000</u>
General Fund Appropriation for federal grazing fees distribution	((\$2,430,000))
	<u>\$1,747,000</u>
Forest Reserve Fund Appropriation for federal forest reserve fund distribution	((\$29,175,000))
	<u>\$39,776,000</u>
TOTAL APPROPRIATION	((\$31,679,000))
	<u>\$41,575,000</u>

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 1805. 2012 2nd sp.s. c 7 s 804 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—TRANSFERS

State Treasurer's Service Account: For transfer to the state general fund, \$16,300,000 for fiscal year 2012 and (\$24,800,000) <u>\$26,600,000</u> for fiscal year 2013	((\$41,100,000))
	<u>\$42,900,000</u>
Waste Reduction, Recycling, and Litter Control Account: For transfer to the state general fund, \$4,847,000 for fiscal year 2012 and \$4,847,000 for fiscal year 2013	\$9,694,000
Aquatics Lands Enhancement Account: For transfer to the state general fund, \$3,500,000 for fiscal year 2012 and \$3,500,000 for fiscal year 2013	\$7,000,000
Savings Incentive Account: For transfer to the state general fund, \$44,618,000 for fiscal year 2012	\$44,618,000
Distinguished Professorship Trust Fund: For transfer to the state general fund for fiscal year 2012, an amount not to exceed the actual cash balance of the fund	\$3,024,000
Washington Graduate Fellowship Trust Fund: For transfer to the state general fund for fiscal year 2012, an amount not to exceed the actual cash balance of the fund	\$1,028,000
College Faculty Awards Trust Fund: For transfer to the state general fund for fiscal year 2012, an amount not to exceed the actual cash balance of the fund	\$1,996,000

Data Processing Revolving Account: For transfer to the state general fund, \$5,960,000 for fiscal year 2012	\$5,960,000
Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account	\$38,000,000
Economic Development Strategic Reserve Account: For transfer to the state general fund, \$2,100,000 for fiscal year 2012 and \$2,100,000 for fiscal year 2013	\$4,200,000
General Fund: For transfer to the streamlined sales and use tax account, \$24,520,000 for fiscal year 2012 and \$24,789,000 for fiscal year 2013	\$49,309,000
Public Works Assistance Account: For transfer to the water pollution control revolving account, \$7,750,000 for fiscal year 2012 and \$7,750,000 for fiscal year 2013	\$15,500,000
The Charitable, Educational, Penal, and Reformatory Institutions Account: For transfer to the state general fund, \$4,500,000 for fiscal year 2012 and \$4,500,000 for fiscal year 2013	\$9,000,000
Thurston County Capital Facilities Account: For transfer to the state general fund, \$4,000,000 for fiscal year 2012 and \$4,000,000 for fiscal year 2013	\$8,000,000
Public Works Assistance Account: For transfer to the drinking water assistance account, \$10,000,000 for fiscal year 2012 and \$5,000,000 for fiscal year 2013	\$15,000,000
Liquor Control Board Construction and Maintenance Account: For transfer to the state general fund, \$500,000 for fiscal year 2012	\$500,000
Education Savings Account: For transfer to the state general fund, \$54,431,000 for fiscal year 2012	\$54,431,000
Department of Retirement Systems Expense Account: For transfer to the state general fund, \$2,330,000 for fiscal year 2012 and \$4,330,000 for fiscal year 2013	\$6,660,000
Education Construction Account: For transfer to the state general fund, \$102,000,000 for fiscal year 2012 and \$102,000,000 for fiscal year 2013	\$204,000,000
Public Works Assistance Account: For transfer to the state general fund, \$40,000,000 for fiscal year 2012 and \$40,000,000 for fiscal year 2013	\$80,000,000
Foster Care Endowed Scholarship Trust Fund: For transfer to the state general fund, \$200,000 for fiscal year 2012 and \$200,000 for fiscal year 2013	\$400,000

Affordable Housing For All Account: For transfer to the home security fund, \$1,000,000 for fiscal year 2012 and \$1,000,000 for fiscal year 2013	\$2,000,000
Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed the actual amount of the annual base payment to the tobacco settlement account	\$158,205,000
Tobacco Settlement Account: For transfer to the basic health plan stabilization account from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2012	\$22,000,000
Tobacco Settlement Account: For transfer to the basic health plan stabilization account from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2013	\$22,000,000
Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2012	\$6,000,000
Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2013	\$6,000,000
<p>The transfer to the life sciences discovery fund is subject to the following conditions: All new grants awarded during the 2011-2013 fiscal biennium shall support and accelerate the commercialization of an identifiable product.</p>	
Financial Services Regulation Fund: For transfer to the state general fund, \$4,000,000 for fiscal year 2012	\$4,000,000
State Nursery Revolving Account: For transfer to the state general fund, \$250,000 for fiscal year 2012 and \$250,000 for fiscal year 2013	\$500,000
Washington State Heritage Center Account: For transfer to the state general fund, \$2,000,000 for fiscal year 2013	\$2,000,000
Local Toxics Control Account: For transfer to the state toxics control account, \$15,000,000 for fiscal year 2012 and \$16,000,000 for fiscal year 2013	\$31,000,000
Coastal Protection Account: For transfer to the state general fund, \$500,000 for fiscal year 2012 and \$500,000 for fiscal year 2013	\$1,000,000
Multimodal Transportation Account—State: For transfer to the Public Transportation Grant Program Account for the purposes of distributions of \$3,000,000 on	

each of the last working days of December, March, and June in fiscal year 2013.	\$9,000,000
Aquatic Lands Enhancement Account: For transfer to the marine resources stewardship trust account, \$2,100,000 for fiscal year 2013.	\$2,100,000

**PART XIX
MISCELLANEOUS**

Sec. 1901. 2011 1st sp.s. c 41 s 3 (uncodified) is amended to read as follows:

Upon implementation of the expansion directed in RCW 74.09.659, the office of financial management shall reduce general fund—state allotments for the medical assistance program by one million five hundred thousand dollars for fiscal year 2012 (~~and by two million three hundred fifty thousand dollars for fiscal year 2013~~). The amounts reduced from allotments shall be placed in reserve status and remain unexpended.

Sec. 1902. RCW 74.09.215 and 2012 c 241 s 103 are each amended to read as follows:

The medicaid fraud penalty account is created in the state treasury. All receipts from civil penalties collected under RCW 74.09.210, all receipts received under judgments or settlements that originated under a filing under the federal false claims act, and all receipts received under judgments or settlements that originated under the state medicaid fraud false claims act, chapter 74.66 RCW must be deposited into the account. Moneys in the account may be spent only after appropriation and must be used only for medicaid services, fraud detection and prevention activities, recovery of improper payments, and for other medicaid fraud enforcement activities. For the 2011-2013 fiscal biennium, moneys in the account may be spent on inpatient and outpatient rebasing.

NEW SECTION. **Sec. 1903.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 1904.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately; except for section 952 of this act which takes effect August 1, 2013, section 968 of this act which takes effect June 30, 2013; sections 978 and 996 of this act which take effect July 28, 2013; and sections 991 and 992 of this act which take effect July 1, 2013.

NEW SECTION. **Sec. 1905.** Section 957 of this act expires August 1, 2018.

NEW SECTION. **Sec. 1906.** Section 984 of this act expires June 30, 2016.

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 COORDINATING BOARD 2222

Passed by the Senate June 28, 2013.

Passed by the House June 28, 2013.

Approved by the Governor June 30, 2013, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State July 1, 2013.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 103(10); 103(11); 114(3); 124(2); 124(3); 124(4); 124(5); 130(5); 148(4); 150, page 37, lines 33-36 and page 38, lines 1-7; 205(1)(e); 208(7); 213(35); 213(36); 217(5); 219(25); 302(8); 307(15); 501(1)(a)(v); 610(1); 610(2); and 610(8), Third Engrossed Substitute Senate Bill 5034 entitled:

"AN ACT Relating to fiscal matters."

Section 103(10), page 6, Joint Legislative Audit and Review Committee, Study of State Agency Performance Indicators and Performance Measurement Process

This proviso directs the Joint Legislative Audit and Review Committee to study the effectiveness of state agency performance indicators and performance measurement processes established in Chapter 43.88 RCW, the state Budget and Accounting Act. My administration is already conducting a thorough and rigorous review of state agency performance indicators and measurements through our Results Washington initiative. I appreciate the Legislature's interest in performance management, but this review would be unnecessarily duplicative. For these reasons, I have vetoed Section 103(10).

Section 103(11), page 6, Joint Legislative Audit and Review Committee, Study of Electricity Cost Impacts from Renewable Energy Standards

This proviso directs the Joint Legislative Audit and Review Committee to assess the cost impacts of the state's renewable electricity standards without also evaluating the economic and environmental

benefits of renewable energy. The study is unnecessary, as there are cost controls built into the standards. In addition, improvements to the Energy Independence Act will also be considered through the ongoing efforts of the Climate Legislative and Executive Workgroup created in Chapter 6, Laws 2013 (E2SSB 5802). For these reasons, I have vetoed Section 103(11).

Section 114(3), page 9, Administrator for the Courts, Office of Chief Information Officer Approval of Judicial Technology Expenditures

This proviso requires the Administrative Office of the Courts (AOC) to work with the Office of the Chief Information Officer (OCIO) to analyze the feasibility of moving judicial branch information technology equipment into the state data center. AOC is willing to undertake this analysis, in conjunction with the OCIO, as requested. However, the proviso also prohibits AOC from expending funds appropriated for an information network hub project and computer equipment replacement unless approved by the OCIO. This limitation on AOC's appropriation authority is not necessary given AOC's commitment to work cooperatively with the OCIO. I am willing to revisit this issue, however, should the necessary analysis not proceed in a timely and efficient manner. For this reason, I have vetoed Section 114(3).

Sections 124(2), 124(3), 124(4), 124(5), pages 16-17, State Auditor, Audit and Evaluation Requests

The State Auditor's is requested by the Legislature to conduct various audits and evaluations on actuarial functions, managed care systems, federal compliance and fraud activity, and inmate intake and reception processes. The budget reduces the State Auditor's ability to conduct performance audits by diverting nearly \$10 million from the Performance Audits of Government Account to funds to other activities, including \$5.6 million of funding for the Joint Legislative Audit and Review Committee (JLARC). Initiative 900 created the Performance Audits of Government Account to fund comprehensive performance audits independently chosen by the State Auditor. Therefore, the State Auditor should select the audits he will perform within his limited funds. Legislatively directed audits should be performed by JLARC. For these reasons, I have vetoed Sections 124(2), 124(3), 124(4), 125(5).

Section 130(5), page 28, Office of Financial Management, One-Stop Portal Monitoring

This proviso requires the Office of the Chief Information Officer to submit a plan to establish performance benchmarks and measuring results of implementing a one-stop integrated system for business interactions with government. A similar reporting requirement is contained in Substitute Senate Bill 5718, which passed the Legislature, making this proviso unnecessary. For this reason, I have vetoed Section 130(5).

Section 148(4), page 36, Department of Enterprise Services, Building Code Council Aspirational Codes

This proviso prohibits the State Building Code Council from working on aspirational codes, which are voluntary codes that offer builders options to demonstrate new energy efficiency measures that are economically and technically feasible. Energy efficiency is the cheapest, quickest, and cleanest way to meet rising energy needs, confront climate change, and boost our economy. Therefore, I believe the Building Code Council should continue this work for the benefit of our state's taxpayers. For this reason, I have vetoed Section 148(4). Moreover, while I have not vetoed subsection (3) of this section, the proviso attempts to amend substantive law through the budget by "modifying" the Council's statutory authority and by restricting member compensation as allowed under RCW 19.27.070. Therefore, this improper proviso does not restrict the appropriation authority or activities of the Building Code Council.

Section 150, page 37, lines 33-36 and page 38, lines 1-7, Department of Archaeology and Historic Preservation, Agency Survey and Inventory Processes

The Department of Archaeology and Historic Preservation is directed to report to the Legislature by December 1, 2013, and a second report by December 1, 2014, regarding the agency's survey and inventory processes. No funding was provided to compile the necessary data, which is not readily available to the Department, to complete these reports. For this reason, I have vetoed Section 150, page 37, lines 33-36 and page 38, lines 1-7. However, I am directing the Department to work with interested stakeholders to provide useful and available information about the survey and inventory processes within existing resources.

Section 205(l)(e), page 61, Department of Social and Health Services, Rate Disparity Report

The Department of Social and Health Services is directed to report to the Legislature by December 31, 2013, with a strategy to reduce the rate disparity between urban and suburban residential service providers. No funding was provided to the Department and it does not currently collect the data necessary to complete the report. For this reason I have vetoed Section 205(l)(e).

Section 208(7), page 73, Department of Social and Health Services, Chemical Dependency Treatment Study

This proviso requires the Department of Social and Health Services to contract with the Washington State Institute for Public Policy (WSIPP) to study the long-term efficacy of the chemical dependency treatment program. Under Chapter 338, Laws of 2013 (2SSB 5732), WSIPP will develop an inventory of evidence-based and research-based prevention and intervention services for the Department to use in preparing a behavioral health improvement strategy. Additionally, no funding is provided to the Department to contract for this study. For these reasons, I have vetoed Section 208(7).

Section 213(35), page 88, Health Care Authority, Rebates for Brand Name Drugs

This proviso requires the Health Care Authority to purchase brand name drugs when it determines the cost of the brand name drug after rebate is less than the cost of generic alternatives and that the purchase of the brand rather than generic version can save at least \$250,000. The state has made a concerted effort to reduce pharmaceutical drug costs through increasing generic drug use when clinically appropriate. This requirement is administratively burdensome to implement and will likely result in increased costs rather than savings. For these reasons I have vetoed section 213(35).

Section 213(36), page 88, Health Care Authority, Preferred Drug List Exclusions

This proviso prohibits the Health Care Authority from including specific drugs in the Medicaid preferred drug list for the fee-for-service population. This proviso is in direct conflict with the state's goal of ensuring that our expenditures on services, devices, and medications provide the greatest health benefit for employees and clients. Excluding classes of drugs from evidence-based medicine is inconsistent with improving health care quality and reducing costs. For this reason I have vetoed Section 213(36).

Section 217(5), page 96, Department of Labor and Industries; Section 219(25), page 105, Department of Health; Section 302(8), pages 119-120, Department of Ecology; Formal Review Process Existing Rules

These provisos require the Departments of Labor and Industries, Health, and Ecology to establish and perform a formal review process of its existing rules within existing funds. A similar reporting requirement is included in SSB 5679, which passed the Legislature, making these provisos unnecessary. For this reason, I have vetoed Sections 217(5), 219(25), and 302(8).

Section 307(15), pages 126-127, Department of Fish and Wildlife, Payments in Lieu of Taxes Methodology

The Department of Fish and Wildlife is directed to develop and submit a revised payment methodology for certain counties that receive payments in lieu of taxes (PILT) for game lands managed by the Department. The revised methodology is directed to provide supplemental payments to these counties. I believe a comprehensive review of PILT for game lands should be conducted without any predetermined outcome. Therefore, I am directing the Department of Revenue to work with the Department of Fish and Wildlife and the Office of Financial Management to examine the current PILT methodologies, as well as methodologies used by other states and the federal government, to develop by December 1, 2013, options and recommendations to revise the PILT program. For this reason, I have vetoed Section 307(15).

Section 501(l)(a)(v), page 136, Superintendent of Public Instruction

This proviso requires the Office of the Superintendent of Public Instruction to review career and technical education and skill center formulas by October 1, 2013. The due date does not provide enough time for staff to accomplish the task. The Superintendent has expressed a commitment to completing the review by June 1, 2014. For these reasons, I have vetoed Section 501(l)(a)(v).

Section 610(1), page 190, The Evergreen State College, Extraordinary Foster Care Cost Study

This proviso directs the Washington State Institute for Public Policy to examine the extraordinary costs of individual foster care children to identify whether the cost of placements is consistent across similarly acute children. The Children's Administration of the Department of Social and Health Services routinely evaluates high cost placements and services but must make decisions based on the

unique needs of each child. A study is not necessary at this time. For this reason, I have vetoed Section 610(1).

Section 610(2), page 190, The Evergreen State College, Safety Assessment Tool Study

This proviso directs the Washington State Institute for Public Policy to conduct an empirical study of the validity and reliability of the safety assessment tool used by the Children's Administration of the Department of Social and Health Services. The Department is currently evaluating the assessment tool as it implements the family assessment response system required by Chapter 259, Laws 2012 (ESSB 6555). A study at this time would be premature when the Department has not yet determined whether the assessment tool will continue to be used, modified or maintained. For this reason, I have vetoed Section 610(2).

Section 610(8), page 191-192, The Evergreen State College, K-12 Funding Task Force

This proviso establishes an eleven member task force on K-12 funding, to be staffed by the Washington State Institute for Public Policy. The task force is to examine and provide options on the following topics: salary allocation methodologies, career and technical education, and the appropriate use of state and local property taxes to finance public schools. Within the past three years, legislatively authorized working groups have conducted thorough reviews of compensation, career and technical education, and use of local levies. Another task force is duplicative of proposals from recent workgroups. For this reason, I have vetoed Section 610(8).

For these reasons I have vetoed Sections 103(10); 103(11); 114(3); 124(2); 124(3); 124(4); 124(5); 130(5); 148(4); 150, page 37, lines 33-36 and page 38, lines 1-7; 205(1)(e); 208(7); 213(35); 213(36); 217(5); 219(25); 302(8); 307(15); 501(1)(a)(v); 610 (1); 610 (2); and 610(8) of Third Engrossed Substitute Senate Bill 5034.

With the exception of Sections 103(10); 103(11); 114(3); 124(2); 124(3); 124(4); 124(5); 130(5); 148(4); 150, page 37, lines 33-36 and page 38, lines 1-7; 205(1)(e); 208(7); 213(35); 213(36); 217(5); 219(25); 302(8); 307(15); 501(1)(a)(v); 610 (1); 610 (2); and 610(8), Third Engrossed Substitute Senate Bill 5034 is approved."

CHAPTER 5

[House Bill 2043]

EDUCATION EMPLOYEES—COMPENSATION

AN ACT Relating to temporarily suspending inflationary increases in educational employee compensation; amending RCW 28A.400.205, 28B.50.465, 28B.50.468, and 28A.405.415; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.400.205 and 2011 1st sp.s. c 18 s 1 are each amended to read as follows:

(1) School district employees shall be provided an annual salary cost-of-living increase in accordance with this section.

(a) The cost-of-living increase shall be calculated by applying the rate of the yearly increase in the cost-of-living index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the 2001-02 school year, and for each subsequent school year, except for the ((2011-12 and 2012-13)) 2013-14 and 2014-15 school years, each school district shall be provided a cost-of-living allocation sufficient to grant this cost-of-living increase.

(b) A school district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and compensation policies. No later than the end of the school year, each school district shall certify to the superintendent of

public instruction that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) Any funded cost-of-living increase shall be included in the salary base used to determine cost-of-living increases for school employees in subsequent years. For teachers and other certificated instructional staff, the rate of the annual cost-of-living increase funded for certificated instructional staff shall be applied to the base salary used with the statewide salary allocation schedule established under RCW 28A.150.410 and to any other salary models used to recognize school district personnel costs.

(2) For the purposes of this section, "cost-of-living index" means, for any school year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

Sec. 2. RCW 28B.50.465 and 2011 1st sp.s. c 18 s 2 are each amended to read as follows:

(1) Academic employees of community and technical college districts shall be provided an annual salary cost-of-living increase in accordance with this section. For purposes of this section, "academic employee" has the same meaning as defined in RCW 28B.52.020.

(a) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year, except as provided in (d) of this subsection, each college district shall receive a cost-of-living allocation sufficient to increase academic employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

(b) A college district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each college district shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for academic employees in subsequent years.

(d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the (~~2011-2012 and 2012-2013~~) 2013-2014 and 2014-2015 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.

(2) For the purposes of this section, "cost-of-living index" means, for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

Sec. 3. RCW 28B.50.468 and 2011 1st sp.s. c 18 s 3 are each amended to read as follows:

(1) Classified employees of technical colleges shall be provided an annual salary cost-of-living increase in accordance with this section. For purposes of this section, "technical college" has the same meaning as defined in RCW 28B.50.030. This section applies to only those classified employees under the jurisdiction of chapter 41.56 RCW.

(a) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year, except as provided in (d) of this subsection, each technical college board of trustees shall receive a cost-of-living allocation sufficient to increase classified employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

(b) A technical college board of trustees shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the technical college's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each technical college shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for technical college classified employees in subsequent years.

(d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the ~~((2011-2012 and 2012-2013))~~ 2013-2014 and 2014-2015 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.

(2) For the purposes of this section, "cost-of-living index" means, for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

Sec. 4. RCW 28A.405.415 and 2011 1st sp.s. c 18 s 4 are each amended to read as follows:

(1) Certificated instructional staff who have attained certification from the national board for professional teaching standards shall receive a bonus each year in which they maintain the certification. The bonus shall be calculated as follows: The annual bonus shall be five thousand dollars in the 2007-08 school year. Thereafter, the annual bonus shall increase by inflation, except that the bonus shall not be increased during the 2013-14 and 2014-15 school years. ~~((For the 2011-12 and 2012-13 school years the annual bonus shall be subject to the availability of amounts appropriated for this purpose.))~~

(2) Certificated instructional staff who have attained certification from the national board for professional teaching standards shall be eligible for bonuses in addition to that provided by subsection (1) of this section if the individual is in an instructional assignment in a school in which at least seventy percent of the students qualify for the free and reduced-price lunch program.

(3) The amount of the additional bonus under subsection (2) of this section for those meeting the qualifications of subsection (2) of this section is five thousand dollars.

(4) The bonuses provided under this section are in addition to compensation received under a district's salary schedule adopted in accordance with RCW 28A.405.200 and shall not be included in calculations of a district's average salary and associated salary limitations under RCW 28A.400.200.

(5) The bonuses provided under this section shall be paid in a lump sum amount.

NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2013.

Passed by the House June 27, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 01, 2013.

CHAPTER 6

[Engrossed Substitute House Bill 1947]

HEALTH BENEFIT EXCHANGE—OPERATING EXPENSES

AN ACT Relating to ensuring the ongoing sustainability and vitality of the Washington health benefit exchange by providing a financing mechanism sufficient to defray the exchange's operating expenses; amending RCW 43.71.010, 43.71.060, 48.14.0201, 48.14.020, and 48.41.090; adding a new section to chapter 43.71 RCW; adding a new section to chapter 43.135 RCW; adding a new section to chapter 82.04 RCW; creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.71.010 and 2012 c 87 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise. Terms and phrases used in this chapter that are not defined in this section must be defined as consistent with implementation of a state health benefit exchange pursuant to the affordable care act.

(1) "Affordable care act" means the federal patient protection and affordable care act, P.L. 111-148, as amended by the federal health care and education reconciliation act of 2010, P.L. 111-152, or federal regulations or guidance issued under the affordable care act.

(2) "Authority" means the Washington state health care authority, established under chapter 41.05 RCW.

(3) "Board" means the governing board established in RCW 43.71.020.

(4) "Commissioner" means the insurance commissioner, established in Title 48 RCW.

(5) "Exchange" means the Washington health benefit exchange established in RCW 43.71.020.

(6) "Self-sustaining" means capable of operating (~~without direct state tax subsidy~~) with revenue attributable to the operations of the exchange. Self-sustaining sources include, but are not limited to, federal grants, federal premium tax subsidies and credits, charges to health carriers, (~~and~~) premiums

paid by enrollees, and premium taxes under RCW 48.14.0201(5)(b) and 48.14.020(2).

Sec. 2. RCW 43.71.060 and 2012 c 87 s 5 are each amended to read as follows:

(1) The health benefit exchange account is created in the ~~((eustody of the state treasurer))~~ state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may only be used to fund the operation of the exchange and identification, collection, and distribution of premium taxes collected under RCW 48.14.0201(5)(b) and 48.14.020(2).

(2) The following funds must be deposited in the account:

(a) Premium taxes collected under RCW 48.14.0201(5)(b) and 48.14.020(2);

(b) Assessments authorized under section 3 of this act; and

(c) Amounts transferred by the pool administrator as specified in the state omnibus appropriations act pursuant to RCW 48.41.090.

(3) All receipts from federal grants received under the affordable care act may be deposited into the account. Expenditures from the account may be used only for purposes consistent with the grants~~((—Until March 15, 2012, only the administrator of the health care authority, or his or her designee, may authorize expenditures from the account. Beginning March 15, 2012, only the board of the Washington health benefit exchange or designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.~~

(2) This section expires January 1, 2014).

(4) During the 2013-2015 fiscal biennium, the legislature may transfer from the health benefit exchange account to the state general fund such amounts as reflect the excess fund balance of the account.

NEW SECTION. Sec. 3. A new section is added to chapter 43.71 RCW to read as follows:

(1)(a) Beginning January 1, 2015, the exchange may require each issuer writing premiums for qualified health benefit plans or stand-alone dental plans offered through the exchange to pay an assessment in an amount necessary to fund the operations of the exchange, applicable to operational costs incurred beginning January 1, 2015.

(b) The assessment is an exchange user fee as that term is used in 45 C.F.R. 156.80. Assessments of issuers may be made only if the amount of expected premium taxes, as provided under RCW 48.14.0201(5)(b) and 48.14.020(2), and other funds deposited in the health benefit exchange account in the current calendar year are insufficient to fund exchange operations in the following calendar year at the level authorized by the legislature for that purpose in the omnibus appropriations act.

(c) If the exchange is charging an assessment, the exchange shall display the amount of the assessment per member per month for enrollees. A health benefit plan or stand-alone dental plan may identify the amount of the assessment to enrollees, but must not bill the enrollee for the amount of the assessment separately from the premium.

(2) The board, in collaboration with the issuers, the health care authority, and the commissioner, must establish a fair and transparent process for

calculating the assessment amount. The process must meet the following requirements:

(a) The assessment only applies to issuers that offer coverage in the exchange and only for those market segments offered and must be based on the number of enrollees in qualified health plans and stand-alone dental plans in the exchange for a calendar year;

(b) The assessment must be established on a flat dollar and cents amount per member per month, and the assessment for dental plans must be proportional to the premiums paid for stand-alone dental plans in the exchange;

(c) Issuers must be notified of the assessment amount by the exchange on a timely basis;

(d) An appropriate assessment reconciliation process must be established by the exchange that is administratively efficient;

(e) Issuers must remit the assessment due to the exchange in quarterly installments after receiving notification from the exchange of the due dates of the quarterly installments;

(f) A procedure must be established to allow issuers subject to assessments under this section to have grievances reviewed by an impartial body and reported to the board; and

(g) A procedure for enforcement must be established if an issuer fails to remit its assessment amount to the exchange within ten business days of the quarterly installment due date.

(3) The exchange shall deposit proceeds from the assessments in the health benefit exchange account under RCW 43.71.060.

(4) The assessment described in this section shall be considered a special purpose obligation or assessment in connection with coverage described in this section for the purpose of funding the operations of the exchange, and may not be applied by issuers to vary premium rates at the plan level.

(5) The exchange shall monitor enrollment and provide periodic reports which must be available on its web site.

(6) The board shall offer all qualified health plans through the exchange, and the exchange shall not add criteria for certification of qualified health plans beyond those set out in RCW 43.71.065 without specific statutory direction. Nothing shall be construed to limit duties, obligations, and authority otherwise legislatively delegated or granted to the exchange.

(7) The exchange shall report to the joint select committee on health care oversight on a quarterly basis with an update on budget expenses and operations.

(8) By July 1, 2016, the state auditor shall conduct a performance review of the cost of exchange operations and shall make recommendations to the board and the health care committees of the legislature addressing improvements in cost performance and adoption of best practices. The auditor shall further evaluate the potential cost and customer service benefits through regionalization with other states of some exchange operation functions or through a partnership with the federal government. The cost of the state auditor review must be borne by the exchange.

NEW SECTION. Sec. 4. A new section is added to chapter 43.135 RCW to read as follows:

RCW 43.135.034(4) does not apply to the dedication of premium taxes established under RCW 48.14.0201(5)(b) or 48.14.020(2).

Sec. 5. RCW 48.14.0201 and 2013 c 325 s 3 are each amended to read as follows:

(1) As used in this section, "taxpayer" means a health maintenance organization as defined in RCW 48.46.020, a health care service contractor as defined in chapter 48.44 RCW, or a self-funded multiple employer welfare arrangement as defined in RCW 48.125.010.

(2) Each taxpayer must pay a tax on or before the first day of March of each year to the state treasurer through the insurance commissioner's office. The tax must be equal to the total amount of all premiums and prepayments for health care services collected or received by the taxpayer under RCW 48.14.090 during the preceding calendar year multiplied by the rate of two percent. For tax purposes, the reporting of premiums and prepayments must be on a written basis or on a paid-for basis consistent with the basis required by the annual statement.

(3) Taxpayers must prepay their tax obligations under this section. The minimum amount of the prepayments is the percentages of the taxpayer's tax obligation for the preceding calendar year recomputed using the rate in effect for the current year. For the prepayment of taxes due during the first calendar year, the minimum amount of the prepayments is the percentages of the taxpayer's tax obligation that would have been due had the tax been in effect during the previous calendar year. The tax prepayments must be paid to the state treasurer through the commissioner's office by the due dates and in the following amounts:

- (a) On or before June 15, forty-five percent;
- (b) On or before September 15, twenty-five percent;
- (c) On or before December 15, twenty-five percent.

(4) For good cause demonstrated in writing, the commissioner may approve an amount smaller than the preceding calendar year's tax obligation as recomputed for calculating the health maintenance organization's, health care service contractor's, self-funded multiple employer welfare arrangement's, or certified health plan's prepayment obligations for the current tax year.

(5)(a) Except as provided in (b) of this subsection, moneys collected under this section are deposited in the general fund.

(b) Beginning January 1, 2014, moneys collected from taxpayers for premiums written on qualified health benefit plans and stand-alone dental plans offered through the health benefit exchange under chapter 43.71 RCW must be deposited in the health benefit exchange account under RCW 43.71.060.

(6) The taxes imposed in this section do not apply to:

(a) Amounts received by any taxpayer from the United States or any instrumentality thereof as prepayments for health care services provided under Title XVIII (medicare) of the federal social security act.

(b) Amounts received by any taxpayer from the state of Washington as prepayments for health care services provided under:

(i) The medical care services program as provided in RCW 74.09.035; or

(ii) The Washington basic health plan on behalf of subsidized enrollees as provided in chapter 70.47 RCW.

(c) Amounts received by any health care service contractor as defined in chapter 48.44 RCW, or any health maintenance organization as defined in chapter 48.46 RCW, as prepayments for health care services included within the definition of practice of dentistry under RCW 18.32.020, except amounts

received for pediatric oral services that qualify as coverage for the minimum essential coverage requirement under P.L. 111-148 (2010), as amended.

(d) Participant contributions to self-funded multiple employer welfare arrangements that are not taxable in this state.

(7) Beginning January 1, 2000, the state preempts the field of imposing excise or privilege taxes upon taxpayers and no county, city, town, or other municipal subdivision has the right to impose any such taxes upon such taxpayers. This subsection is limited to premiums and payments for health benefit plans offered by health care service contractors under chapter 48.44 RCW, health maintenance organizations under chapter 48.46 RCW, and self-funded multiple employer welfare arrangements as defined in RCW 48.125.010. The preemption authorized by this subsection must not impair the ability of a county, city, town, or other municipal subdivision to impose excise or privilege taxes upon the health care services directly delivered by the employees of a health maintenance organization under chapter 48.46 RCW.

(8)(a) The taxes imposed by this section apply to a self-funded multiple employer welfare arrangement only in the event that they are not preempted by the employee retirement income security act of 1974, as amended, 29 U.S.C. Sec. 1001 et seq. The arrangements and the commissioner must initially request an advisory opinion from the United States department of labor or obtain a declaratory ruling from a federal court on the legality of imposing state premium taxes on these arrangements. Once the legality of the taxes has been determined, the multiple employer welfare arrangement certified by the insurance commissioner must begin payment of these taxes.

(b) If there has not been a final determination of the legality of these taxes, then beginning on the earlier of (i) the date the fourth multiple employer welfare arrangement has been certified by the insurance commissioner, or (ii) April 1, 2006, the arrangement must deposit the taxes imposed by this section into an interest bearing escrow account maintained by the arrangement. Upon a final determination that the taxes are not preempted by the employee retirement income security act of 1974, as amended, 29 U.S.C. Sec. 1001 et seq., all funds in the interest bearing escrow account must be transferred to the state treasurer.

(9) The effect of transferring contracts for health care services from one taxpayer to another taxpayer is to transfer the tax prepayment obligation with respect to the contracts.

(10) On or before June 1st of each year, the commissioner must notify each taxpayer required to make prepayments in that year of the amount of each prepayment and must provide remittance forms to be used by the taxpayer. However, a taxpayer's responsibility to make prepayments is not affected by failure of the commissioner to send, or the taxpayer to receive, the notice or forms.

Sec. 6. RCW 48.14.020 and 2013 c 325 s 4 are each amended to read as follows:

(1) Subject to other provisions of this chapter, each authorized insurer except title insurers shall on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax on premiums. Except as provided in subsection (3) of this section, such tax shall be in the amount of two percent of all premiums, excluding amounts returned to or the amount of reductions in premiums allowed to holders of industrial life policies for payment

of premiums directly to an office of the insurer, collected or received by the insurer under RCW 48.14.090 during the preceding calendar year other than ocean marine and foreign trade insurances, after deducting premiums paid to policyholders as returned premiums, upon risks or property resident, situated, or to be performed in this state. For tax purposes, the reporting of premiums shall be on a written basis or on a paid-for basis consistent with the basis required by the annual statement. For the purposes of this section the consideration received by an insurer for the granting of an annuity shall not be deemed to be a premium.

(2)(a) The taxes imposed in this section do not apply to amounts received by any life and disability insurer for health care services included within the definition of practice of dentistry under RCW 18.32.020 except amounts received for pediatric oral services that qualify as coverage for the minimum essential coverage requirement under P.L. 111-148 (2010), as amended.

(b) Beginning January 1, 2014, moneys collected for premiums written on qualified health benefit plans and stand-alone dental plans offered through the health benefit exchange under chapter 43.71 RCW must be deposited in the health benefit exchange account under RCW 43.71.060.

(3) In the case of insurers which require the payment by their policyholders at the inception of their policies of the entire premium thereon in the form of premiums or premium deposits which are the same in amount, based on the character of the risks, regardless of the length of term for which such policies are written, such tax shall be in the amount of two percent of the gross amount of such premiums and premium deposits upon policies on risks resident, located, or to be performed in this state, in force as of the thirty-first day of December next preceding, less the unused or unabsorbed portion of such premiums and premium deposits computed at the average rate thereof actually paid or credited to policyholders or applied in part payment of any renewal premiums or premium deposits on one-year policies expiring during such year.

(4) Each authorized insurer shall with respect to all ocean marine and foreign trade insurance contracts written within this state during the preceding calendar year, on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax of ninety-five one-hundredths of one percent on its gross underwriting profit. Such gross underwriting profit shall be ascertained by deducting from the net premiums (i.e., gross premiums less all return premiums and premiums for reinsurance) on such ocean marine and foreign trade insurance contracts the net losses paid (i.e., gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts. In the case of insurers issuing participating contracts, such gross underwriting profit shall not include, for computation of the tax prescribed by this subsection, the amounts refunded, or paid as participation dividends, by such insurers to the holders of such contracts.

(5) The state does hereby preempt the field of imposing excise or privilege taxes upon insurers or their appointed insurance producers, other than title insurers, and no county, city, town or other municipal subdivision shall have the right to impose any such taxes upon such insurers or these insurance producers.

(6) If an authorized insurer collects or receives any such premiums on account of policies in force in this state which were originally issued by another insurer and which other insurer is not authorized to transact insurance in this

state on its own account, such collecting insurer shall be liable for and shall pay the tax on such premiums.

Sec. 7. RCW 48.41.090 and 2005 c 405 s 2 are each amended to read as follows:

(1) Following the close of each accounting year, the pool administrator shall determine the total net cost of pool operation which shall include:

(a) Net premium (premiums less administrative expense allowances), the pool expenses of administration, and incurred losses for the year, taking into account investment income and other appropriate gains and losses; and

(b) The amount of pool contributions specified in the state omnibus appropriations act for deposit into the health benefit exchange account under RCW 43.71.060, to assist with the transition of enrollees from the pool into the health benefit exchange created by chapter 43.71 RCW.

(2)(a) Each member's proportion of participation in the pool shall be determined annually by the board based on annual statements and other reports deemed necessary by the board and filed by the member with the commissioner; and shall be determined by multiplying the total cost of pool operation by a fraction. The numerator of the fraction equals that member's total number of resident insured persons, including spouse and dependents, covered under all health plans in the state by that member during the preceding calendar year. The denominator of the fraction equals the total number of resident insured persons, including spouses and dependents, covered under all health plans in the state by all pool members during the preceding calendar year.

(b) For purposes of calculating the numerator and the denominator under (a) of this subsection:

(i) All health plans in the state by the state health care authority include only the uniform medical plan;

(ii) Each ten resident insured persons, including spouse and dependents, under a stop loss plan or the uniform medical plan shall count as one resident insured person;

(iii) Health plans serving medical care services program clients under RCW 74.09.035 are exempted from the calculation; and

(iv) Health plans established to serve elderly clients or (~~disabled~~) medicaid clients with disabilities under chapter 74.09 RCW when the plan has been implemented on a demonstration or pilot project basis are exempted from the calculation until July 1, 2009.

(c) Except as provided in RCW 48.41.037, any deficit incurred by the pool, including pool contributions for deposit into the health benefit exchange account, shall be recouped by assessments among members apportioned under this subsection pursuant to the formula set forth by the board among members. The monthly per member assessment may not exceed the 2013 assessment level. If the maximum assessment is insufficient to cover a pool deficit the assessment shall be used first to pay all incurred losses and pool administrative expenses, with the remainder being available for deposit in the health benefit exchange account.

(3) The board may abate or defer, in whole or in part, the assessment of a member if, in the opinion of the board, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations. If an assessment against a member is abated or deferred in whole or in part, the

amount by which such assessment is abated or deferred may be assessed against the other members in a manner consistent with the basis for assessments set forth in subsection (2) of this section. The member receiving such abatement or deferment shall remain liable to the pool for the deficiency.

(4) Subject to the limitation imposed in subsection (2)(c) of this section, the pool administrator shall transfer the assessments for pool contributions for the operation of the health benefit exchange to the treasurer for deposit into the health benefit exchange account with the quarterly assessments for 2014 as specified in the state omnibus appropriations act. If assessments exceed actual losses and administrative expenses of the pool and pool contributions for deposit into the health benefit exchange account, the excess shall be held at interest and used by the board to offset future losses or to reduce pool premiums. As used in this subsection, "future losses" includes reserves for incurred but not reported claims.

NEW SECTION. Sec. 8. A new section is added to chapter 82.04 RCW to read as follows:

(1) The taxes imposed by this chapter do not apply to amounts received by the Washington health benefit exchange established under chapter 43.71 RCW.

(2) This section expires July 1, 2023.

NEW SECTION. Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 10. Section 8 of this act applies both prospectively and retroactively.

Passed by the House June 28, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 01, 2013.

CHAPTER 7

[Substitute House Bill 1961]

JUDICIAL STABILIZATION TRUST ACCOUNT

AN ACT Relating to judicial stabilization trust account surcharges; amending RCW 3.62.060, 36.18.018, and 36.18.020; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 3.62.060 and 2012 c 199 s 1 are each amended to read as follows:

(1) Clerks of the district courts shall collect the following fees for their official services:

(a) In any civil action commenced before or transferred to a district court, the plaintiff shall, at the time of such commencement or transfer, pay to such court a filing fee of forty-three dollars plus any surcharge authorized by RCW 7.75.035. Any party filing a counterclaim, cross-claim, or third-party claim in such action shall pay to the court a filing fee of forty-three dollars plus any surcharge authorized by RCW 7.75.035. No party shall be compelled to pay to

the court any other fees or charges up to and including the rendition of judgment in the action other than those listed.

(b) For issuing a writ of garnishment or other writ, or for filing an attorney issued writ of garnishment, a fee of twelve dollars.

(c) For filing a supplemental proceeding a fee of twenty dollars.

(d) For demanding a jury in a civil case a fee of one hundred twenty-five dollars to be paid by the person demanding a jury.

(e) For preparing a transcript of a judgment a fee of twenty dollars.

(f) For certifying any document on file or of record in the clerk's office a fee of five dollars.

(g) At the option of the district court:

(i) For preparing a certified copy of an instrument on file or of record in the clerk's office, for the first page or portion of the first page, a fee of five dollars, and for each additional page or portion of a page, a fee of one dollar;

(ii) For authenticating or exemplifying an instrument, a fee of two dollars for each additional seal affixed;

(iii) For preparing a copy of an instrument on file or of record in the clerk's office without a seal, a fee of fifty cents per page;

(iv) When copying a document without a seal or file that is in an electronic format, a fee of twenty-five cents per page;

(v) For copies made on a compact disc, an additional fee of twenty dollars for each compact disc.

(h) For preparing the record of a case for appeal to superior court a fee of forty dollars including any costs of tape duplication as governed by the rules of appeal for courts of limited jurisdiction (RALJ).

(i) At the option of the district court, for clerk's services such as processing ex parte orders, performing historical searches, compiling statistical reports, and conducting exceptional record searches, a fee not to exceed twenty dollars per hour or portion of an hour.

(j) For duplication of part or all of the electronic recording of a proceeding ten dollars per tape or other electronic storage medium.

(k) For filing any abstract of judgment or transcript of judgment from a municipal court or municipal department of a district court organized under the laws of this state a fee of forty-three dollars.

(1) At the option of the district court, a service fee of up to three dollars for the first page and one dollar for each additional page for receiving faxed documents, pursuant to Washington state rules of court, general rule 17.

(2)(a) Until July 1, ((2013)) 2017, in addition to the fees required to be collected under this section, clerks of the district courts must collect a surcharge of thirty dollars on all fees required to be collected under subsection (1)(a) of this section.

(b) Seventy-five percent of each surcharge collected under this subsection (2) must be remitted to the state treasurer for deposit in the judicial stabilization trust account.

(c) Twenty-five percent of each surcharge collected under this subsection (2) must be retained by the county.

(3) The fees or charges imposed under this section shall be allowed as court costs whenever a judgment for costs is awarded.

Sec. 2. RCW 36.18.018 and 2012 c 199 s 2 are each amended to read as follows:

(1) State revenue collected by county clerks under subsection (2) of this section must be transmitted to the appropriate state court. The administrative office of the courts shall retain fees collected under subsection (3) of this section.

(2) For appellate review under RAP 5.1(b), two hundred fifty dollars must be charged.

(3) For all copies and reports produced by the administrative office of the courts as permitted under RCW 2.68.020 and supreme court policy, a variable fee must be charged.

(4) Until July 1, (~~2013~~) 2017, in addition to the fee established under subsection (2) of this section, a surcharge of forty dollars is established for appellate review. The county clerk shall transmit seventy-five percent of this surcharge to the state treasurer for deposit in the judicial stabilization trust account and twenty-five percent must be retained by the county.

Sec. 3. RCW 36.18.020 and 2012 c 199 s 3 are each amended to read as follows:

(1) Revenue collected under this section is subject to division with the state under RCW 36.18.025 and with the county or regional law library fund under RCW 27.24.070, except as provided in subsection (5) of this section.

(2) Clerks of superior courts shall collect the following fees for their official services:

(a) In addition to any other fee required by law, the party filing the first or initial document in any civil action, including, but not limited to an action for restitution, adoption, or change of name, and any party filing a counterclaim, cross-claim, or third-party claim in any such civil action, shall pay, at the time the document is filed, a fee of two hundred dollars except, in an unlawful detainer action under chapter 59.18 or 59.20 RCW for which the plaintiff shall pay a case initiating filing fee of forty-five dollars, or in proceedings filed under RCW 28A.225.030 alleging a violation of the compulsory attendance laws where the petitioner shall not pay a filing fee. The forty-five dollar filing fee under this subsection for an unlawful detainer action shall not include an order to show cause or any other order or judgment except a default order or default judgment in an unlawful detainer action.

(b) Any party, except a defendant in a criminal case, filing the first or initial document on an appeal from a court of limited jurisdiction or any party on any civil appeal, shall pay, when the document is filed, a fee of two hundred dollars.

(c) For filing of a petition for judicial review as required under RCW 34.05.514 a filing fee of two hundred dollars.

(d) For filing of a petition for unlawful harassment under RCW 10.14.040 a filing fee of fifty-three dollars.

(e) For filing the notice of debt due for the compensation of a crime victim under RCW 7.68.120(2)(a) a fee of two hundred dollars.

(f) In probate proceedings, the party instituting such proceedings, shall pay at the time of filing the first document therein, a fee of two hundred dollars.

(g) For filing any petition to contest a will admitted to probate or a petition to admit a will which has been rejected, or a petition objecting to a written agreement or memorandum as provided in RCW 11.96A.220, there shall be paid a fee of two hundred dollars.

(h) Upon conviction or plea of guilty, upon failure to prosecute an appeal from a court of limited jurisdiction as provided by law, or upon affirmation of a conviction by a court of limited jurisdiction, a defendant in a criminal case shall be liable for a fee of two hundred dollars.

(i) With the exception of demands for jury hereafter made and garnishments hereafter issued, civil actions and probate proceedings filed prior to midnight, July 1, 1972, shall be completed and governed by the fee schedule in effect as of January 1, 1972. However, no fee shall be assessed if an order of dismissal on the clerk's record be filed as provided by rule of the supreme court.

(3) No fee shall be collected when a petition for relinquishment of parental rights is filed pursuant to RCW 26.33.080 or for forms and instructional brochures provided under RCW 26.50.030.

(4) No fee shall be collected when an abstract of judgment is filed by the county clerk of another county for the purposes of collection of legal financial obligations.

(5)(a) Until July 1, ((2013)) 2017, in addition to the fees required to be collected under this section, clerks of the superior courts must collect surcharges as provided in this subsection (5) of which seventy-five percent must be remitted to the state treasurer for deposit in the judicial stabilization trust account and twenty-five percent must be retained by the county.

(b) On filing fees required to be collected under subsection (2)(b) of this section, a surcharge of thirty dollars must be collected.

(c) On all filing fees required to be collected under this section, except for fees required under subsection (2)(b), (d), and (h) of this section, a surcharge of forty dollars must be collected.

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2013.

Passed by the House June 23, 2013.

Passed by the Senate June 23, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 8

[Second Engrossed Second Substitute House Bill 1971]

COMMUNICATION SERVICES

AN ACT Relating to communications services reform; amending RCW 82.14B.040, 82.14B.042, 82.14B.030, 82.14B.200, 80.36.430, 43.20A.725, 80.36.420, 80.36.450, 80.36.460, 80.36.470, and 80.36.610; reenacting and amending RCW 82.14B.020 and 82.08.0289; adding new sections to chapter 80.36 RCW; creating new sections; repealing RCW 82.72.010, 82.72.020, 82.72.030, 82.72.040, 82.72.050, 82.72.060, 82.72.070, 82.72.080, 82.72.090, and 80.36.600; prescribing penalties; providing effective dates; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART I

Providing Communications Services Tax Reform

NEW SECTION. Sec. 101. (1) The legislature finds that:

(a) The communications industry is undergoing rapid change due to technological advances and deregulation. The legislature further finds that an industry that began with the telephone now includes cable, wireless, and satellite communications, as well as the internet;

(b) Washington's tax system has not kept pace with this industry;

(c) There are a vast array of state taxes and other charges on communications services in Washington that were established for a far different technological, legal, and structural landscape than what exists today;

(d) Many taxes and fees remain targeted to a specific technology (e.g., telephone taxes or cable franchise fees), despite the blurring of distinctions between technologies that provide similar services (e.g., the telephone and internet telephony); and

(e) The convergence of formerly distinct communications technologies renders the existing tax structure difficult to justify in terms of economic efficiency or equity.

(2) It is the legislature's intent to address the vast disparity in tax policy for communications services in an effort to minimize the existing inequity, inefficiency, and administrative complexity while preserving revenue sufficiency.

(3) With respect to section 107 of this act, the legislature further finds that:

(a) The department of revenue has consistently interpreted the phrase "a residential class of telephone service" as it would have been understood when the residential telephone service exemption was enacted in 1983;

(b) In 1983, all telephone service was divided into separate "local" and "toll" services for "residential" and "business" classifications, as defined by regulatory tariffs filed with the utilities and transportation commission. As a result, the department of revenue has consistently restricted the residential telephone service exemption in RCW 82.08.0289 to nontoll telephone service provided under a residential customer regulatory tariff. This includes traditional landline telephone service but excludes cellular telephone service and voice over internet protocol telephone services, which are not subject to regulatory tariffs;

(c) The department of revenue's interpretation of the residential telephone service exemption has been upheld by the board of tax appeals but was rejected by the Thurston county superior court in a 2011 decision; and

(d) Further litigation would be costly and could result in the unintended expansion of the exemption to all telephone services that a carrier treats as residential, such as cellular and voice over internet protocol telephone services provided to nonbusiness customers, and to long-distance service provided to residential customers for a flat rate. This could result in extremely large and devastating revenue impacts for the state and local governments.

(4) The legislature intends section 107 of this act to clarify retroactively that, prior to this act, the residential telephone service exemption in RCW 82.08.0289 has always applied only to residential nontoll telephone service offered under a tariff filed with the utilities and transportation commission, consistent with the department of revenue's long-standing interpretation of the exemption.

Sec. 102. RCW 82.14B.020 and 2010 1st sp.s. c 19 s 2 are each reenacted and amended to read as follows:

As used in this chapter:

(1) "Consumer" means a person who purchases a prepaid wireless telecommunications service in a retail transaction.

(2) "Emergency services communication system" means a multicounty or countywide communications network, including an enhanced 911 emergency communications system, which provides rapid public access for coordinated dispatching of services, personnel, equipment, and facilities for police, fire, medical, or other emergency services.

~~((2))~~ (3) "Enhanced 911 emergency communications system" means a public communications system consisting of a network, database, and on-premises equipment that is accessed by dialing or accessing 911 and that enables reporting police, fire, medical, or other emergency situations to a public safety answering point. The system includes the capability to selectively route incoming 911 voice or data to the appropriate public safety answering point that operates in a defined 911 service area and the capability to automatically display the name, address, and telephone number of incoming 911 voice or data at the appropriate public safety answering point. "Enhanced 911 emergency communications system" includes the modernization to next generation 911 systems.

~~((3))~~ (4) "Interconnected voice over internet protocol service" has the same meaning as provided by the federal communications commission in 47 C.F.R. Sec. 9.3 on January 1, 2009, or a subsequent date determined by the department.

~~((4))~~ (5) "Interconnected voice over internet protocol service line" means an interconnected voice over internet protocol service that offers an active telephone number or successor dialing protocol assigned by a voice over internet protocol provider to a voice over internet protocol service customer that has inbound and outbound calling capability, which can directly access a public safety answering point when such a voice over internet protocol service customer has a place of primary use in the state.

~~((5))~~ (6) "Local exchange company" has the meaning ascribed to it in RCW 80.04.010.

~~((6))~~ (7) "Place of primary use" means the street address representative of where the subscriber's use of the radio access line or interconnected voice over internet protocol service line occurs, which must be:

(a) The residential street address or primary business street address of the subscriber; and

(b) In the case of radio access lines, within the licensed service area of the home service provider.

~~((7))~~ (8) "Prepaid wireless telecommunications service" means a telecommunications service that provides the right to use mobile wireless service as well as other nontelecommunications services including the download of digital products delivered electronically, content, and ancillary services, which must be paid for in full in advance and sold in predetermined units or dollars of which the number declines with use in a known amount.

(9) "Private telecommunications system" has the meaning ascribed to it in RCW 80.04.010.

~~((8))~~ (10) "Radio access line" means the telephone number assigned to or used by a subscriber for two-way local wireless voice service available to the public for hire from a radio communications service company. Radio access

lines include, but are not limited to, radio-telephone communications lines used in cellular telephone service, personal communications services, and network radio access lines, or their functional and competitive equivalent. Radio access lines do not include lines that provide access to one-way signaling service, such as paging service, or to communications channels suitable only for data transmission, or to nonlocal radio access line service, such as wireless roaming service, or to a private telecommunications system.

~~((9))~~ (11) "Radio communications service company" has the meaning ascribed to it in RCW 80.04.010, except that it does not include radio paging providers. It does include those persons or entities that provide commercial mobile radio services, as defined by 47 U.S.C. Sec. 332(d)(1), and both facilities-based and nonfacilities-based resellers.

~~((40))~~ (12) "Retail transaction" means the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.

(13) "Seller" means a person who sells prepaid wireless telecommunications service to another person.

(14) "Subscriber" means the retail purchaser of telecommunications service, a competitive telephone service, or interconnected voice over internet protocol service. "Subscriber" does not include a consumer, as defined in this section.

~~((44))~~ (15) "Switched access line" means the telephone service line which connects a subscriber's main telephone(s) or equivalent main telephone(s) to the local exchange company's switching office.

Sec. 103. RCW 82.14B.040 and 2010 1st sp.s. c 19 s 6 are each amended to read as follows:

Subject to the enactment into law of the 2013 amendments to RCW 82.08.0289 in section 107 of this act, the 2013 amendments to RCW 80.36.430 in section 108 of this act, and the 2013 amendments to RCW 43.20A.725 in section 109 of this act:

(1) Except as provided otherwise in subsection (2) of this section:

(a) The state enhanced 911 excise tax and the county enhanced 911 excise tax on switched access lines must be collected from the subscriber by the local exchange company providing the switched access line.

~~((2))~~ (b) The state enhanced 911 excise tax and the county enhanced 911 excise tax on radio access lines must be collected from the subscriber by the radio communications service company, including those companies that resell radio access lines, providing the radio access line to the subscriber, and the seller of prepaid wireless telecommunications service.

~~((3))~~ (c) The state and county enhanced 911 excise taxes on interconnected voice over internet protocol service lines must be collected from the subscriber by the interconnected voice over internet protocol service company providing the interconnected voice over internet protocol service line to the subscriber.

~~((4))~~ (d) The amount of the tax must be stated separately on the billing statement which is sent to the subscriber.

(2)(a) The state and county enhanced 911 excise taxes imposed by this chapter must be collected from the consumer by the seller of a prepaid wireless telecommunications service for each retail transaction occurring in this state.

(b) The department must transfer all tax proceeds remitted by a seller under this subsection (2) as provided in RCW 82.14B.030 (2) and (6).

(c) The taxes required by this subsection to be collected by the seller must be separately stated in any sales invoice or instrument of sale provided to the consumer.

Sec. 104. RCW 82.14B.042 and 2010 1st sp.s. c 19 s 7 are each amended to read as follows:

Subject to the enactment into law of the 2013 amendments to RCW 82.08.0289 in section 107 of this act, the 2013 amendments to RCW 80.36.430 in section 108 of this act, and the 2013 amendments to RCW 43.20A.725 in section 109 of this act:

(1)(a) The state and county enhanced 911 excise taxes imposed by this chapter must be paid by:

(i) The subscriber to the local exchange company providing the switched access line, the radio communications service company providing the radio access line, or the interconnected voice over internet protocol service company providing the interconnected voice over internet protocol service line; or

(ii) The consumer to the seller of prepaid wireless telecommunications service.

(b) Each local exchange company, each radio communications service company, and each interconnected voice over internet protocol service company must collect from the subscriber, and each seller of prepaid wireless telecommunications service must collect from the consumer, the full amount of the taxes payable. The state and county enhanced 911 excise taxes required by this chapter to be collected by a company or seller, are deemed to be held in trust by the company or seller until paid to the department. Any local exchange company, radio communications service company, seller of prepaid wireless telecommunications service, or interconnected voice over internet protocol service company that appropriates or converts the tax collected to its own use or to any use other than the payment of the tax to the extent that the money collected is not available for payment on the due date as prescribed in this chapter is guilty of a gross misdemeanor.

(2) If any local exchange company, radio communications service company, seller of prepaid wireless telecommunications service, or interconnected voice over internet protocol service company fails to collect the state or county enhanced 911 excise tax or, after collecting the tax, fails to pay it to the department in the manner prescribed by this chapter, whether such failure is the result of its own act or the result of acts or conditions beyond its control, the company or seller is personally liable to the state for the amount of the tax, unless the company or seller has taken from the buyer in good faith documentation, in a form and manner prescribed by the department, stating that the buyer is not a subscriber or consumer or is otherwise not liable for the state or county enhanced 911 excise tax.

(3) The amount of tax, until paid by the subscriber to the local exchange company, the radio communications service company, the interconnected voice over internet protocol service company, or to the department, or until paid by the consumer to the seller of prepaid wireless telecommunications service, or to the department, constitutes a debt from the subscriber to the company, or from the consumer to the seller. Any company or seller that fails or refuses to collect the tax as required with intent to violate the provisions of this chapter or to gain some advantage or benefit, either direct or indirect, and any subscriber or

consumer who refuses to pay any tax due under this chapter is guilty of a misdemeanor. The state and county enhanced 911 excise taxes required by this chapter to be collected by the local exchange company, radio communications service company, or interconnected voice over internet protocol service company must be stated separately on the billing statement that is sent to the subscriber.

(4) If a subscriber has failed to pay to the local exchange company, radio communications service company, or interconnected voice over internet protocol service company, or a consumer has failed to pay to the seller of prepaid wireless telecommunications service, the state or county enhanced 911 excise taxes imposed by this chapter and the company or seller has not paid the amount of the tax to the department, the department may, in its discretion, proceed directly against the subscriber or consumer for collection of the tax, in which case a penalty of ten percent may be added to the amount of the tax for failure of the subscriber or consumer to pay the tax to the company or seller, regardless of when the tax is collected by the department. Tax under this chapter is due as provided under RCW 82.14B.061.

Sec. 105. RCW 82.14B.030 and 2010 1st sp.s. c 19 s 3 are each amended to read as follows:

Subject to the enactment into law of the 2013 amendments to RCW 82.08.0289 in section 107 of this act, the 2013 amendments to RCW 80.36.430 in section 108 of this act, and the 2013 amendments to RCW 43.20A.725 in section 109 of this act:

(1) The legislative authority of a county may impose a county enhanced 911 excise tax on the use of switched access lines in an amount not exceeding seventy cents per month for each switched access line. The amount of tax must be uniform for each switched access line. Each county must provide notice of the tax to all local exchange companies serving in the county at least sixty days in advance of the date on which the first payment is due. The tax imposed under this subsection must be remitted to the department by local exchange companies on a tax return provided by the department. The tax must be deposited in the county enhanced 911 excise tax account as provided in RCW 82.14B.063.

(2)(a) The legislative authority of a county may also impose a county enhanced 911 excise tax on the use of radio access lines;

(i) By subscribers whose place of primary use is located within the county in an amount not exceeding seventy cents per month for each radio access line. The amount of tax must be uniform for each radio access line under this subsection (2)(a)(i); and

(ii) By consumers whose retail transaction occurs within the county in an amount not exceeding seventy cents per retail transaction. The amount of tax must be uniform for each retail transaction under this subsection (2)(a)(ii).

(b) The county must provide notice of the tax to all radio communications service companies serving in the county at least sixty days in advance of the date on which the first payment is due. The tax imposed under this section must be remitted to the department by radio communications service companies, including those companies that resell radio access lines, and sellers of prepaid wireless telecommunications services, on a tax return provided by the department. The tax must be deposited in the county enhanced 911 excise tax account as provided in RCW 82.14B.063.

(3)(a) The legislative authority of a county may impose a county enhanced 911 excise tax on the use of interconnected voice over internet protocol service lines in an amount not exceeding seventy cents per month for each interconnected voice over internet protocol service line. The amount of tax must be uniform for each line and must be levied on no more than the number of voice over internet protocol service lines on an account that are capable of simultaneous unrestricted outward calling to the public switched telephone network.

(b) The interconnected voice over internet protocol service company must use the place of primary use of the subscriber to determine which county's enhanced 911 excise tax applies to the service provided to the subscriber.

(c) The tax imposed under this section must be remitted to the department by interconnected voice over internet protocol service companies on a tax return provided by the department.

(d) The tax must be deposited in the county enhanced 911 excise tax account as provided in RCW 82.14B.063.

(e) To the extent that a local exchange carrier and an interconnected voice over internet protocol service company contractually jointly provide a single service line, only one service company is responsible for remitting the enhanced 911 excise taxes, and nothing in this section precludes service companies who jointly provide service from agreeing by contract which of them (~~shall~~) must remit the taxes collected.

(4) Counties imposing a county enhanced 911 excise tax must provide an annual update to the enhanced 911 coordinator detailing the proportion of their county enhanced 911 excise tax that is being spent on:

(a) Efforts to modernize their existing enhanced 911 communications system; and

(b) Enhanced 911 operational costs.

(5) A state enhanced 911 excise tax is imposed on all switched access lines in the state. The amount of tax may not exceed twenty-five cents per month for each switched access line. The tax must be uniform for each switched access line. The tax imposed under this subsection must be remitted to the department by local exchange companies on a tax return provided by the department. Tax proceeds must be deposited by the treasurer in the enhanced 911 account created in RCW 38.52.540.

(6)(a) A state enhanced 911 excise tax is imposed on the use of all radio access lines;

(i) By subscribers whose place of primary use is located within the state in an amount of twenty-five cents per month for each radio access line. The tax must be uniform for each radio access line under this subsection (6)(a)(i); and

(ii) By consumers whose retail transaction occurs within the state in an amount of twenty-five cents per retail transaction. The tax must be uniform for each retail transaction under this subsection (6)(a)(ii). Until July 1, 2018, a seller of prepaid wireless telecommunications service may charge an additional five cents per retail transaction as compensation for the cost of collecting and remitting the tax.

(b) The tax imposed under this section must be remitted to the department by radio communications service companies, including those companies that resell radio access lines, and sellers of prepaid wireless telecommunications

service, on a tax return provided by the department. Tax proceeds must be deposited by the treasurer in the enhanced 911 account created in RCW 38.52.540. The tax imposed under this section is not subject to the state sales and use tax or any local tax.

(7) For purposes of the state and county enhanced 911 excise taxes imposed by subsections (2) and (6) of this section, the retail transaction is deemed to occur at the location where the transaction is sourced to under RCW 82.32.520(3)(c).

(8) A state enhanced 911 excise tax is imposed on all interconnected voice over internet protocol service lines in the state. The amount of tax may not exceed twenty-five cents per month for each interconnected voice over internet protocol service line whose place of primary use is located in the state. The amount of tax must be uniform for each line and must be levied on no more than the number of voice over internet protocol service lines on an account that are capable of simultaneous unrestricted outward calling to the public switched telephone network. The tax imposed under this subsection must be remitted to the department by interconnected voice over internet protocol service companies on a tax return provided by the department. Tax proceeds must be deposited by the treasurer in the enhanced 911 account created in RCW 38.52.540.

~~((8))~~ (9) For calendar year 2011, the taxes imposed by subsections (5) and ~~((7))~~ (8) of this section must be set at their maximum rate. By August 31, 2011, and by August 31st of each year thereafter, the state enhanced 911 coordinator must recommend the level for the next year of the state enhanced 911 excise tax imposed by subsections (5) and ~~((7))~~ (8) of this section, based on a systematic cost and revenue analysis, to the utilities and transportation commission. The commission must by the following October 31st determine the level of the state enhanced 911 excise taxes imposed by subsections (5) and ~~((7))~~ (8) of this section for the following year.

Sec. 106. RCW 82.14B.200 and 2010 1st sp.s. c 19 s 12 are each amended to read as follows:

Subject to the enactment into law of the 2013 amendments to RCW 82.08.0289 in section 107 of this act, the 2013 amendments to RCW 80.36.430 in section 108 of this act, and the 2013 amendments to RCW 43.20A.725 in section 109 of this act:

(1) Unless a seller, local exchange company, radio communications service company, or interconnected voice over internet protocol service company has taken from the buyer documentation, in a form and manner prescribed by the department, stating that the buyer is not a subscriber, consumer, or is otherwise not liable for the tax, the burden of proving that a sale of the use of a switched access line, radio access line, or interconnected voice over internet protocol service line was not a sale to a subscriber, consumer, or was not otherwise subject to the tax is upon the person who made the sale.

(2) If a seller, local exchange company, radio communications service company, or interconnected voice over internet protocol service company does not receive documentation, in a form and manner prescribed by the department, stating that the buyer is not a subscriber, consumer, or is otherwise not liable for the tax at the time of the sale, have such documentation on file at the time of the sale, or obtain such documentation from the buyer within a reasonable time after the sale, the seller, local exchange company, radio communications service

company, or interconnected voice over internet protocol service company remains liable for the tax as provided in RCW 82.14B.042, unless the seller, local exchange company, radio communications service company, or interconnected voice over internet protocol service company can demonstrate facts and circumstances according to rules adopted by the department that show the sale was properly made without payment of the state or county enhanced 911 excise tax.

(3) The penalty imposed by RCW 82.32.291 may not be assessed on state or county enhanced 911 excise taxes due but not paid as a result of the improper use of documentation stating that the buyer is not a subscriber or consumer or is otherwise not liable for the state or county enhanced 911 excise tax. This subsection does not prohibit or restrict the application of other penalties authorized by law.

Sec. 107. RCW 82.08.0289 and 2007 c 6 s 1006 and 2007 c 6 s 1005 are each reenacted and amended to read as follows:

Subject to the enactment into law of the 2013 amendments to RCW 82.14B.040 in section 103 of this act, the 2013 amendments to RCW 82.14B.042 in section 104 of this act, the 2013 amendments to RCW 82.14B.030 in section 105 of this act, the 2013 amendments to RCW 82.14B.200 in section 106 of this act, the 2013 amendments to RCW 80.36.430 in section 108 of this act, and the 2013 amendments to RCW 43.20A.725 in section 109 of this act;

(1) Until the effective date of this section, the tax levied by RCW 82.08.020 (~~shall~~) does not apply to sales of:

- (a) Local service;
- (b) Coin-operated telephone service; and
- (c) Mobile telecommunications services, including any toll service, provided to a customer whose place of primary use is outside this state.

(2) The definitions in RCW 82.04.065, as well as the definitions in this subsection, apply to this section.

(a) "Local service" means: (i) Ancillary services and telecommunications service, as those terms are defined in RCW 82.04.065, other than toll service, provided to an individual subscribing to a residential class of telephone service offered under a tariff required to be filed with the Washington utilities and transportation commission under Title 80 RCW; and (ii) fixed interconnected voice over internet protocol service, other than the nonlocal service allocation attributable to that service, sold by a provider to an individual classified as residential by that provider.

(b) "Toll service" means long distance service regardless of the method of billing for such service, but does not include customer access line charges for access to a toll calling network.

(c) "Coin-operated telephone service" means a telecommunications service paid for by inserting money into a telephone accepting direct deposits of money to operate.

(d) "Fixed interconnected voice over internet protocol service" means a service that meets the definition of interconnected voice over internet protocol service in 47 C.F.R. Sec. 9.3 on January 1, 2009, and that offers an active telephone number or successor dialing protocol assigned by a provider; provides inbound and outbound calling capability; and can be used for transmission of telephone calls only from a fixed location.

(e) "Nonlocal service allocation" means the portion of the provider's fixed interconnected voice over internet protocol service attributable to the provider's nationwide nonlocal service activity as determined using a method sanctioned by the federal communications commission in FCC 06-94 and reported to the federal communications commission for the same calendar quarter. If the provider does not report any nonlocal service activity to the federal communications commission, the full revenue derived from the fixed interconnected voice over internet protocol service is deemed part of the nonlocal service allocation.

(f) "Provider" means a provider of a fixed interconnected voice over internet protocol service that is, or is affiliated with a person that is, subject to a franchise fee in this state under the authority of Title 47 U.S.C. Sec. 542(a). A provider is affiliated with a person if the provider and the person have one hundred percent common ownership.

Sec. 108. RCW 80.36.430 and 2011 1st sp.s. c 50 s 968 are each amended to read as follows:

Subject to the enactment into law of the 2013 amendments to RCW 82.14B.040 in section 103 of this act, the 2013 amendments to RCW 82.14B.042 in section 104 of this act, the 2013 amendments to RCW 82.14B.030 in section 105 of this act, the 2013 amendments to RCW 82.14B.200 in section 106 of this act, and the 2013 amendments to RCW 82.08.0289 in section 107 of this act:

(1) The Washington telephone assistance program (~~(shall be)~~) is funded by (~~(a telephone assistance excise tax on all switched access lines)~~) the legislature by means of a biennial general fund appropriation to the department and by funds from any federal government or other programs for this purpose. (~~(Switched access lines are defined in RCW 82.14B.020. The telephone assistance excise tax shall be applied equally to all residential and business access lines not to exceed fourteen cents per month. The department shall submit an approved annual budget for the Washington telephone assistance program to the department of revenue no later than March 1st prior to the beginning of each fiscal year. The department of revenue shall then determine the amount of telephone assistance excise tax to be placed on each switched access line and shall inform local exchange companies and the utilities and transportation commission of this amount no later than May 1st. The department of revenue shall determine the amount of telephone assistance excise tax by dividing the total of the program budget funded by the telephone assistance excise tax, as submitted by the department, by the total number of switched access lines in the prior calendar year. The telephone assistance excise tax shall be separately identified on each ratepayer's bill as the "Washington telephone assistance program." All money collected from the telephone assistance excise tax shall be transferred to a telephone assistance fund administered by the department.)~~)

(2) Local exchange companies (~~(shall)~~) must bill the (~~(fund)~~) department for their expenses incurred in offering the telephone assistance program, including administrative and program expenses. The department (~~(shall)~~) must disburse the money to the local exchange companies. The department is exempted from having to conclude a contract with local exchange companies in order to effect this reimbursement. The department (~~(shall)~~) must recover its administrative costs (~~(from the fund)~~). The department may specify by rule the range and

extent of administrative and program expenses that will be reimbursed to local exchange companies.

(3) The department (~~shall~~) must enter into an agreement with the department of commerce for an amount not to exceed eight percent of the prior fiscal year's total revenue for the administrative and program expenses of providing community service voice mail services. The community service voice mail service may include toll-free lines in community action agencies through which recipients can access their community service voice mailboxes at no charge.

~~((4) During the 2009-2011 and 2011-2013 biennia, the department shall enter into an agreement with the WIN 211 organization for operational support. During the 2011-2013 biennium, the department shall provide five hundred thousand dollars per fiscal year for this purpose.~~

~~(5) During the 2009-2011 biennium, the telephone assistance fund shall also be used in support of the economic services administration call centers and related operations.))~~

(4) The department shall enter into an agreement with the Washington information network 211 organization for operational support, subject to the availability of amounts appropriated for this purpose.

Sec. 109. RCW 43.20A.725 and 2011 1st sp.s. c 50 s 944 are each amended to read as follows:

Subject to the enactment into law of the 2013 amendments to RCW 82.14B.040 in section 103 of this act, the 2013 amendments to RCW 82.14B.042 in section 104 of this act, the 2013 amendments to RCW 82.14B.030 in section 105 of this act, the 2013 amendments to RCW 82.14B.200 in section 106 of this act, and the 2013 amendments to RCW 82.08.0289 in section 107 of this act:

(1) The department, through the sole authority of the office or its successor organization, (~~shall~~) must maintain a program whereby an individual of school age or older who possesses a hearing or speech impairment is provided with telecommunications equipment, software, and/or peripheral devices, digital or otherwise, that is determined by the office to be necessary for such a person to access and use telecommunications transmission services effectively.

(2) The department, through the sole authority of the office or its successor organization, (~~shall~~) must maintain a program where telecommunications relay services of a human or electronic nature will be provided to connect hearing impaired, deaf-blind, or speech impaired persons with persons who do not have a hearing or speech impairment. Such telecommunications relay services (~~shall~~) must provide the ability for an individual who has a hearing or speech impairment to engage in voice, tactile, or visual communication by wire or radio with a hearing individual in a manner that is functionally equivalent to the ability of an individual who does not have a hearing or speech impairment to communicate using voice or visual communication services by wire or radio subject to subsection (4)(b) of this section.

(3) The telecommunications relay service and equipment distribution program may operate in such a manner as to provide communications transmission opportunities that are capable of incorporating new technologies that have demonstrated benefits consistent with the intent of this chapter and are in the best interests of the citizens of this state.

(4) The office (~~shall~~) must administer and control the award of money to all parties incurring costs in implementing and maintaining telecommunications services, programs, equipment, and technical support services according to this section. The relay service contract (~~shall~~) must be awarded to an individual company registered as a telecommunications company by the utilities and transportation commission, to a group of registered telecommunications companies, or to any other company or organization determined by the office as qualified to provide relay services, contingent upon that company or organization being approved as a registered telecommunications company prior to final contract approval. The relay system providers and telecommunications equipment vendors (~~shall~~) must be selected on the basis of cost-effectiveness and utility to the greatest extent possible under the program and technical specifications established by the office.

(a) To the extent funds are available (~~under the then-current rate and not otherwise held in reserve or required for other~~) for the purposes authorized by this chapter, the office may award contracts for communications and related services and equipment for hearing impaired or speech impaired individuals accessing or receiving services provided by, or contracted for, the department to meet access obligations under Title 2 of the federal Americans with disabilities act or related federal regulations.

(b) The office (~~shall~~) must perform its duties under this section with the goal of achieving functional equivalency of access to and use of telecommunications services similar to the enjoyment of access to and use of such services experienced by an individual who does not have a hearing or speech impairment only to the extent that funds are available (~~under the then-current rate and not otherwise held in reserve or required for other~~) for the purposes authorized by this chapter.

(5) The program (~~shall~~) must be funded by (~~a telecommunications relay service (TRS) excise tax applied to each switched access line provided by the local exchange companies. The office shall determine, in consultation with the office's program advisory committee, the budget needed to fund the program on an annual basis, including both operational costs and a reasonable amount for capital improvements such as equipment upgrade and replacement. The budget proposed by the office, together with documentation and supporting materials, shall be submitted to the office of financial management for review and approval. The approved budget shall be given by the department in an annual budget to the department of revenue no later than March 1st prior to the beginning of the fiscal year. The department of revenue shall then determine the amount of telecommunications relay service excise tax to be placed on each switched access line and shall inform local exchange companies and the utilities and transportation commission of this amount no later than May 1st. The department of revenue shall determine the amount of telecommunications relay service excise tax to be collected in the following fiscal year by dividing the total of the program budget, as submitted by the office, by the total number of switched access lines in the prior calendar year, as reported to the department of revenue under chapter 82.14B RCW, and shall not exercise any further oversight of the program under this subsection other than administering the collection of the telecommunications relay service excise tax as provided in RCW 82.72.010 through 82.72.090. The telecommunications relay service excise tax shall not~~

~~exceed nineteen cents per month per access line. The telecommunications relay service excise tax shall be separately identified on each ratepayer's bill with the following statement: "Funds federal ADA requirement." All proceeds from the telecommunications relay service excise tax shall be put into a fund to be administered by the office through the department. During the 2009-2011 and 2011-2013 fiscal biennia, the funds may also be used to provide individualized employment services and employment-related counseling to people with disabilities, and technical assistance to employers about the employment of people with disabilities. "Switched access line" has the meaning provided in RCW 82.14B.020)) the legislature by means of a biennial general fund appropriation to the department for the purposes of the program.~~

(6) The telecommunications relay service program and equipment vendors ~~((shall))~~ must provide services and equipment consistent with the requirements of federal law for the operation of both interstate and intrastate telecommunications services for the hearing impaired or speech impaired. The department and the utilities and transportation commission ~~((shall be))~~ are responsible for ensuring compliance with federal requirements and ~~((shall))~~ must provide timely notice to the legislature of any legislation that may be required to accomplish compliance.

(7) The department ~~((shall))~~ must adopt rules establishing eligibility criteria, ownership obligations, financial contributions, and a program for distribution to individuals requesting and receiving such telecommunications devices distributed by the office, and other rules necessary to administer programs and services consistent with this chapter.

NEW SECTION. Sec. 110. For services affected by the expiration of the exemption for local service under RCW 82.08.0289(1) that cover a billing period starting before and ending after the effective date of section 107 of this act, RCW 82.08.064(3)(a) is deemed to apply, and retail sales tax will apply to the first billing period starting on or after the effective date of section 107 of this act.

NEW SECTION. Sec. 111. Section 107 of this act applies prospectively as well as retroactively to tax periods open for assessment or refund of taxes under RCW 82.32.050 or 82.32.060, including any refund claims or disputed assessments pending before the department of revenue, board of tax appeals, or any court of law.

NEW SECTION. Sec. 112. In accordance with Article VIII, section 5 of the state Constitution, section 107 of this act does not authorize refunds of sales tax validly collected before the effective date of this section on fixed interconnected voice over internet protocol service as defined in section 107 of this act.

NEW SECTION. Sec. 113. The following acts or parts of acts are each repealed:

- (1) RCW 82.72.010 (Definitions) and 2007 c 6 s 1010 & 2004 c 254 s 3;
- (2) RCW 82.72.020 (Authorization to administer telephone program excise taxes) and 2004 c 254 s 4;
- (3) RCW 82.72.030 (Collection of tax by local exchange company) and 2004 c 254 s 5;
- (4) RCW 82.72.040 (Tax payment and collection requirements) and 2009 c 563 s 214 & 2004 c 254 s 6;

(5) RCW 82.72.050 (Administration of telephone program excise taxes) and 2004 c 254 s 7;

(6) RCW 82.72.060 (Tax returns) and 2004 c 254 s 8;

(7) RCW 82.72.070 (Liability for payment of taxes) and 2009 c 563 s 215 & 2004 c 254 s 9;

(8) RCW 82.72.080 (Liability for payment of taxes upon termination, dissolution, or abandonment of business) and 2004 c 254 s 10; and

(9) RCW 82.72.090 (Applicability of chapter 82.32 RCW) and 2004 c 254 s 11.

NEW SECTION. Sec. 114. The repeals in section 113 of this act do not affect any existing right acquired or liability or obligation incurred under the statutes repealed or under any rule or order adopted under those statutes nor do they it affect any proceedings instituted under them.

Sec. 115. RCW 80.36.420 and 2003 c 134 s 3 are each amended to read as follows:

The Washington telephone assistance program (~~shall~~) may be available to participants of programs set forth in RCW 80.36.470. Within funds specifically appropriated by the legislature for the Washington telephone assistance program, assistance (~~shall~~) may consist of the following components:

(1) A discount on service connection fees of fifty percent or more as set forth in RCW 80.36.460.

(2) A waiver of deposit requirements on local exchange service, as set forth in RCW 80.36.460.

(3) A discounted flat rate service for local exchange service, which (~~shall be~~) is subject to the following conditions:

(a) The commission (~~shall~~) must establish a single telephone assistance rate for all local exchange companies operating in the state of Washington. The telephone assistance rate (~~shall~~) must include any federal end user charges and any other charges necessary to obtain local exchange service.

(b) The commission (~~shall~~) must, in establishing the telephone assistance rate, consider all charges for local exchange service, including federal end user charges, mileage charges, extended area service, and any other charges necessary to obtain local exchange service.

(c) The telephone assistance rate (~~shall~~) is only (~~be~~) available to eligible customers subscribing to the lowest priced local exchange flat rate service, where the lowest priced local exchange flat rate service, including any federal end user charges and any other charges necessary to obtain local exchange service, is greater than the telephone assistance rate.

(d) The cost of providing the service (~~shall~~) must be paid, to the maximum extent possible, by a waiver of all or part of federal end user charges and, to the extent necessary, from the (~~telephone assistance fund created by RCW 80.36.430~~) available appropriated funds.

(4) A discount on a community service voice mailbox that provides recipients with (a) an individually assigned telephone number; (b) the ability to record a personal greeting; and (c) a secure private security code to retrieve messages.

Sec. 116. RCW 80.36.450 and 2003 c 134 s 6 are each amended to read as follows:

Within funds specifically appropriated by the legislature for the Washington telephone assistance program, the Washington telephone assistance program ((shall)) **must** limit reimbursement to one residential switched access line per eligible household, or one discounted community service voice mailbox per eligible person.

Sec. 117. RCW 80.36.460 and 2003 c 134 s 7 are each amended to read as follows:

Local exchange companies ((shall)) **must** waive deposits on local exchange service for eligible subscribers and provide a fifty percent discount on the company's customary charge for commencing telecommunications service for eligible subscribers. ~~((Part or all of the remaining fifty percent of service connection fees may be paid by funds from federal government or other programs for this purpose.))~~ The commission or other appropriate agency ((shall)) **must** make timely application for any available federal funds. The remaining portion of the connection fee to be paid by the subscriber ((shall)) **must** be expressly payable by installment fees spread over a period of months. A subscriber may, however, choose to pay the connection fee in a lump sum. Costs associated with the waiver and discount ((shall)) **must** be accounted for separately and recovered from the telephone assistance ~~((fund))~~ **appropriation**.

Sec. 118. RCW 80.36.470 and 2003 c 134 s 8 are each amended to read as follows:

(1) Adult recipients of department-administered programs for the financially needy which provide continuing financial or medical assistance, food stamps, or supportive services to persons in their own homes are eligible for participation in the telephone assistance program. The department ((shall)) **must** notify the participants of their eligibility.

(2) Participants in community service voice mail programs are eligible for participation in services available under RCW 80.36.420 (1), (2), and (3) after completing use of community service voice mail services. Eligibility ((shall)) **must** be for a period including the remainder of the current service year and the following service year. Community agencies ((shall)) **must** notify the department of participants eligible under this subsection.

(3) Enrollment in the Washington telephone assistance program may not result in expenditures that exceed the total amount of funds made available by the legislature for the Washington telephone assistance program. When the department finds that there is a danger of an overexpenditure of appropriated funds, the department must close the Washington telephone assistance program enrollment until the department finds the danger no longer exists.

PART II

Establishing a Temporary Universal Communications Services Program

NEW SECTION. **Sec. 201.** (1) The legislature finds that:

(a) The benefit that all consumers and communications providers derive from connection to the legacy public telephone network is enhanced by a universal service program that enables as many consumers to be connected to the public network as possible; and

(b) Consumers in all areas of the state should continue to have access to communications services at reasonable rates.

(2) The state has long relied on incumbent local exchange carriers to provide a ubiquitous incumbent public network as carriers of last resort. Significant changes are occurring in the communications marketplace, including: (a) The migration from customer reliance on access lines for voice service to the use of broadband for a number of communications applications; and (b) changes in federal regulations governing: How communications providers compensate other providers for the use of the network; and eligibility for federal universal service funds. These changes are adversely affecting the ability of some communications providers to continue to offer communications services in rural areas of the state of Washington at rates that are comparable to those prevailing in urban areas. These changes, absent explicit federal and state universal service support for such communications providers, may lead, in the short term, to unreasonable telephone service rate increases or cessation of service for some Washington consumers. Therefore, it is in the best interest of the state to ensure that incumbent local exchange carriers are able to continue to provide services as the carrier of last resort.

(3) As a result of the foregoing and to enable all consumers in Washington to access and benefit from a ubiquitous public network, the legislature intends to create a targeted and temporary universal service program that supports the legacy public telephone network of Washington's smaller incumbent communications providers and ensures access to the network during this transition to broadband services, is operated in a transparent manner pursuant to rules adopted by the utilities and transportation commission, and advances universal service in a manner not inconsistent with the requirements of 47 U.S.C. Sec. 254, the federal telecommunications act of 1996.

NEW SECTION. Sec. 202. A new section is added to chapter 80.36 RCW to read as follows:

(1) The definitions in this section apply throughout this section and sections 203 through 209 and 212 of this act unless the context clearly requires otherwise.

(a) "Basic residential service" means those services set out in 47 C.F.R. Sec. 54.101(a)(2011) and mandatory extended area service approved by the commission.

(b) "Basic telecommunications services" means the following services:

- (i) Single-party service;
- (ii) Voice grade access to the public switched network;
- (iii) Support for local usage;
- (iv) Dual tone multifrequency signaling (touch-tone);
- (v) Access to emergency services (911);
- (vi) Access to operator services;
- (vii) Access to interexchange services;
- (viii) Access to directory assistance; and
- (ix) Toll limitation services.

(c) "Communications provider" means a provider of communications services that assigns a working telephone number to a final consumer for intrastate wireline or wireless communications services or interconnected voice over internet protocol service, and includes local exchange carriers.

(d) "Communications services" includes telecommunications services and information services and any combination thereof.

(e) "Incumbent local exchange carrier" has the same meaning as set forth in 47 U.S.C. Sec. 251(h).

(f) "Incumbent public network" means the network established by incumbent local exchange carriers for the delivery of communications services to customers that is used by communications providers for origination or termination of communications services by or to customers.

(g) "Interconnected voice over internet protocol service" means an interconnected voice over internet protocol service that: (a) Enables real-time, two-way voice communications; (b) requires a broadband connection from the user's location; (c) requires internet protocol-compatible customer premises equipment; and (d) permits users generally to receive calls that originate on the public network and to terminate calls to the public network.

(h) "Program" means the state universal communications services program created in section 203 of this act.

(i) "Telecommunications" has the same meaning as defined in 47 U.S.C. Sec. 153(43).

(j) "Telecommunications act of 1996" means the telecommunications act of 1996 (P.L. 104-104, 110 Stat. 56).

(k) "Working telephone number" means a north American numbering plan telephone number, or successor dialing protocol, that is developed for use in placing calls to or from the public network, that enables a consumer to make or receive calls.

(2) This section expires July 1, 2020.

NEW SECTION. Sec. 203. A new section is added to chapter 80.36 RCW to read as follows:

(1) A state universal communications services program is established. The program is established to protect public safety and welfare under the authority of the state to regulate telecommunications under Article XII, section 19 of the state Constitution. The purpose of the program is to support continued provision of basic telecommunications services under rates, terms, and conditions established by the commission during the time over which incumbent communications providers in the state are adapting to changes in federal universal service fund and intercarrier compensation support.

(2) Under the program, eligible communications providers may receive distributions from the universal communications services account created in section 208 of this act in exchange for the affirmative agreement to provide continued services under the rates, terms, and conditions established by the commission under this chapter for the period covered by the distribution. The commission must implement and administer the program under terms and conditions established in sections 202 through 208 of this act. Expenditures for the program may not exceed five million dollars per fiscal year.

(3) A communications provider is eligible to receive distributions from the account if:

(a) The communications provider is: (i) An incumbent local exchange carrier serving fewer than forty thousand access lines in the state; or (ii) a radio communications service company providing wireless two-way voice communications service to less than the equivalent of forty thousand access lines in the state. For purposes of determining the access line threshold in this

subsection, the access lines or equivalents of all affiliates must be counted as a single threshold, if the lines or equivalents are located in Washington;

(b) The customers of the communications provider are at risk of rate instability or service interruptions or cessations absent a distribution to the provider that will allow the provider to maintain rates reasonably close to the benchmark; and

(c) The communications provider meets any other requirements established by the commission pertaining to the provision of communications services, including basic telecommunications services.

(4)(a) Distributions to eligible communications providers are based on a benchmark established by the commission. The benchmark is the rate the commission determines to be a reasonable amount customers should pay for basic residential service provided over the incumbent public network. However, if an incumbent local exchange carrier is charging rates above the benchmark for the basic residential service, that provider may not seek distributions from the fund for the purpose of reducing those rates to the benchmark.

(b) To receive a distribution under the program, an eligible communications provider must affirmatively consent to continue providing communications services to its customers under rates, terms, and conditions established by the commission pursuant to this chapter for the period covered by the distribution.

(5) The program is funded from amounts deposited by the legislature in the universal communications services account established in section 208 of this act. The commission must operate the program within amounts appropriated for this purpose and deposited in the account.

(6) The commission must periodically review the accounts and records of any communications provider that receives distributions under the program to ensure compliance with the program and monitor the providers' use of the funds.

(7) The commission must establish an advisory board, consisting of a reasonable balance of representatives from different types of communications providers and consumers, to advise the commission on any rules and policies governing the operation of the program.

(8) The program terminates on June 30, 2019, and no distributions may be made after that date.

(9) This section expires July 1, 2020.

NEW SECTION. Sec. 204. A new section is added to chapter 80.36 RCW to read as follows:

(1) To implement the program, the commission must adopt rules for the following purposes:

(a) Operation of the program, including criteria for: Eligibility for distributions; use of the funds; identification of any reports or data that must be filed with the commission, including, but not limited to, how a communication provider used the distributed funds; and the communications provider's infrastructure;

(b) Operation of the universal communications services account established in section 208 of this act;

(c) Establishment of the benchmark used to calculate distributions; and

(d) Readoption, amendment, or repeal of any existing rules adopted pursuant to RCW 80.36.610 and 80.36.620 as necessary to be consistent with sections 202 through 209 of this act.

(2) This section expires July 1, 2020.

NEW SECTION. Sec. 205. A new section is added to chapter 80.36 RCW to read as follows:

(1) In addition to any other penalties prescribed by law, the commission may impose penalties for failure to make or delays in making or filing any reports required by the commission for administration of the program. In addition, the commission may recover amounts determined to have been improperly distributed under section 203 of this act. For the purposes of this section, the provisions of RCW 80.04.380 through 80.04.405, inclusive, apply to all companies that receive support from the universal communications services account created in section 208 of this act.

(2) Any action taken under this section must be taken only after providing the affected communications provider with notice and an opportunity for a hearing, unless otherwise provided by law.

(3) Any amounts recovered under this section must be deposited in the universal communications services account created in section 208 of this act.

(4) This section expires July 1, 2020.

NEW SECTION. Sec. 206. A new section is added to chapter 80.36 RCW to read as follows:

(1) The commission may delegate to the commission secretary or other staff the authority to resolve disputes and make other administrative decisions necessary to the administration and supervision of the program consistent with the relevant statutes and commission rules.

(2) This section expires July 1, 2020.

NEW SECTION. Sec. 207. (1) To ensure that this act is implemented in a timely manner, the utilities and transportation commission must adopt rules under section 204 of this act prior to July 1, 2014. To ensure timely implementation of this act, the utilities and transportation commission may initiate efforts to establish an advisory board and other actions under sections 203 and 204 of this act prior to July 1, 2014.

(2) This section expires July 1, 2020.

NEW SECTION. Sec. 208. A new section is added to chapter 80.36 RCW to read as follows:

(1) The universal communications services account is created in the custody of the state treasurer. Revenues to the account consist of moneys deposited in the account by the legislature and any penalties or other recoveries received pursuant to section 205 of this act. Expenditures from the account may be used only for the purposes of the universal communications services program established in section 203 of this act. Only the secretary of the commission or the secretary's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) This section expires July 1, 2020.

Sec. 209. RCW 80.36.610 and 1998 c 337 s 2 are each amended to read as follows:

((+)) The commission is authorized to take actions, conduct proceedings, and enter orders as permitted or contemplated for a state commission under the ((federal)) telecommunications act of 1996((, P.L. 104-104 (110 Stat. 56), but

~~the commission's authority to either establish a new state program or to adopt new rules to preserve and advance universal service under section 254(f) of the federal act is limited to the actions expressly authorized by RCW 80.36.600)). The commission may establish by rule fees to be paid by persons seeking commission action under the ((federal)) telecommunications act of 1996, and by parties to proceedings under that act, to offset in whole or part the commission's expenses that are not otherwise recovered through fees in implementing the act((, but new fees or assessments charged telecommunications carriers to either establish a state program or to adopt rules to preserve and advance universal service under section 254(f) of the federal act do not take effect until the legislature has approved a state universal service program.~~

~~(2) The legislature intends that under the future universal service program established in this state:~~

~~(a) Every telecommunications carrier that provides intrastate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the preservation and advancement of universal service in the state;~~

~~(b) The contributions shall be competitively and technologically neutral; and~~

~~(c) The universal service program to be established in accordance with RCW 80.36.600 shall not be inconsistent with the requirements of 47 U.S.C. Sec. 254)).~~

NEW SECTION. Sec. 210. RCW 80.36.600 (Universal service program—Planning and preparation—Commission's duties—Approval of legislature required—Definitions) and 1999 c 372 s 16 & 1998 c 337 s 1 are each repealed.

NEW SECTION. Sec. 211. A new section is added to chapter 80.36 RCW to read as follows:

(1) The universal communications services program established in sections 201 through 208 of this act terminates on June 30, 2019.

(2) This section expires July 1, 2020.

NEW SECTION. Sec. 212. By December 1, 2017, and in compliance with RCW 43.01.036, the Washington utilities and transportation commission must report to the appropriate committees of the legislature, on the following: (1) Whether funding levels for each small telecommunications company have been adequate to maintain reliable universal service; (2) the future impacts on small telecommunications companies from the elimination of funding under this act; (3) the impacts on customer rates from the current level of funding and the future impacts when the funding terminates under this act; and (4) the impacts on line and service delivery investments when the funding is terminated under this act.

PART III Miscellaneous Provisions

NEW SECTION. Sec. 301. (1) Except as provided otherwise in this section, part I of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect August 1, 2013.

(2) Sections 102 through 106 of this act take effect January 1, 2014.

NEW SECTION. Sec. 302. Sections 201 through 206, 208, 209, and 211 of this act take effect July 1, 2014.

NEW SECTION. Sec. 303. Section 209 of this act expires July 1, 2020.

NEW SECTION. Sec. 304. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House June 27, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 9

[Engrossed Substitute House Bill 2051]

K-12 EDUCATION—EXPENDITURES

AN ACT Relating to implementation of basic education expenditures; amending RCW 28A.150.220, 28A.180.030, 28A.180.040, 82.16.020, and 82.18.040; reenacting and amending RCW 43.135.045 and 82.45.060; creating a new section; providing effective dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature intends to fund a plan to carry out the reforms enacted in chapter 548, Laws of 2009, and chapter 236, Laws of 2010, and to make the statutory changes necessary to support this plan.

Sec. 2. RCW 28A.150.220 and 2013 c 323 s 2 are each amended to read as follows:

(1) In order for students to have the opportunity to develop the basic education knowledge and skills under RCW 28A.150.210, school districts must provide instruction of sufficient quantity and quality and give students the opportunity to complete graduation requirements that are intended to prepare them for postsecondary education, gainful employment, and citizenship. The program established under this section shall be the minimum instructional program of basic education offered by school districts.

(2) Each school district shall make available to students the following minimum instructional offering each school year:

(a) For students enrolled in grades one through twelve, at least a district-wide annual average of one thousand hours, which shall be increased to at least one thousand eighty instructional hours for students enrolled in each of grades seven through twelve and at least one thousand instructional hours for students in each of grades one through six according to an implementation schedule adopted by the legislature, but not before the 2014-15 school year; and

(b) For students enrolled in kindergarten, at least four hundred fifty instructional hours, which shall be increased to at least one thousand instructional hours according to the implementation schedule under RCW 28A.150.315.

(3) The instructional program of basic education provided by each school district shall include:

(a) Instruction in the essential academic learning requirements under RCW 28A.655.070;

(b) Instruction that provides students the opportunity to complete twenty-four credits for high school graduation, subject to a phased-in implementation of the twenty-four credits as established by the legislature. Course distribution requirements may be established by the state board of education under RCW 28A.230.090;

(c) If the essential academic learning requirements include a requirement of languages other than English, the requirement may be met by students receiving instruction in one or more American Indian languages;

(d) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;

(e) Supplemental instruction and services for eligible and enrolled students and exited students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;

(f) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020; and

(g) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030.

(4) Nothing contained in this section shall be construed to require individual students to attend school for any particular number of hours per day or to take any particular courses.

(5) Each school district's kindergarten through twelfth grade basic educational program shall be accessible to all students who are five years of age, as provided by RCW 28A.225.160, and less than twenty-one years of age and shall consist of a minimum of one hundred eighty school days per school year in such grades as are conducted by a school district, and one hundred eighty half-days of instruction, or equivalent, in kindergarten, to be increased to a minimum of one hundred eighty school days per school year according to the implementation schedule under RCW 28A.150.315. However, schools administering the Washington kindergarten inventory of developing skills may use up to three school days at the beginning of the school year to meet with parents and families as required in the parent involvement component of the inventory. In addition, effective May 1, 1979, a school district may schedule the last five school days of the one hundred and eighty day school year for noninstructional purposes in the case of students who are graduating from high school, including, but not limited to, the observance of graduation and early release from school upon the request of a student, and all such students may be claimed as a full-time equivalent student to the extent they could otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260.

(6) Nothing in this section precludes a school district from enriching the instructional program of basic education, such as offering additional instruction or providing additional services, programs, or activities that the school district determines to be appropriate for the education of the school district's students.

(7) The state board of education shall adopt rules to implement and ensure compliance with the program requirements imposed by this section, RCW 28A.150.250 and 28A.150.260, and such related supplemental program approval requirements as the state board may establish.

Sec. 3. RCW 28A.180.030 and 2001 1st sp.s. c 6 s 3 are each amended to read as follows:

As used throughout this chapter, unless the context clearly indicates otherwise:

(1) "Transitional bilingual instruction" means:

(a) A system of instruction which uses two languages, one of which is English, as a means of instruction to build upon and expand language skills to enable the pupil to achieve competency in English. Concepts and information are introduced in the primary language and reinforced in the second language: PROVIDED, That the program shall include testing in the subject matter in English; or

(b) In those cases in which the use of two languages is not practicable as established by the superintendent of public instruction and unless otherwise prohibited by law, an alternative system of instruction which may include English as a second language and is designed to enable the pupil to achieve competency in English.

(2) "Primary language" means the language most often used by the student for communication in his/her home.

(3) "Eligible pupil" means any enrollee of the school district whose primary language is other than English and whose English language skills are sufficiently deficient or absent to impair learning.

(4) "Exited pupil" means a student previously enrolled in the transitional bilingual instruction program who is no longer eligible for the program based on his or her performance on an English proficiency assessment approved by the superintendent of public instruction.

Sec. 4. RCW 28A.180.040 and 2009 c 380 s 5 are each amended to read as follows:

(1) Every school district board of directors shall:

(a) Make available to each eligible pupil transitional bilingual instruction to achieve competency in English, in accord with rules of the superintendent of public instruction;

(b) Wherever feasible, ensure that communications to parents emanating from the schools shall be appropriately bilingual for those parents of pupils in the bilingual instruction program;

(c) Determine, by administration of an English test approved by the superintendent of public instruction the number of eligible pupils enrolled in the school district at the beginning of a school year and thereafter during the year as necessary in individual cases;

(d) Ensure that a student who is a child of a military family in transition and who has been assessed as in need of, or enrolled in, a bilingual instruction program, the receiving school shall initially honor placement of the student into a like program.

(i) The receiving school shall determine whether the district's program is a like program when compared to the sending school's program; and

(ii) The receiving school may conduct subsequent assessments pursuant to RCW 28A.180.090 to determine appropriate placement and continued enrollment in the program;

(e) Before the conclusion of each school year, measure each eligible pupil's improvement in learning the English language by means of a test approved by the superintendent of public instruction; ~~(and)~~

(f) Provide in-service training for teachers, counselors, and other staff, who are involved in the district's transitional bilingual program. Such training shall include appropriate instructional strategies for children of culturally different backgrounds, use of curriculum materials, and program models; and

(g) Make available a program of instructional support for up to two years immediately after pupils exit from the program, for exited pupils who need assistance in reaching grade-level performance in academic subjects even though they have achieved English proficiency for purposes of the transitional bilingual instructional program.

(2) The definitions in Article II of RCW 28A.705.010 apply to subsection (1)(d) of this section.

Sec. 5. RCW 43.135.045 and 2012 2nd sp.s. c 5 s 1 and 2012 1st sp.s. c 10 s 5 are each reenacted and amended to read as follows:

The education construction fund is hereby created in the state treasury.

(1) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction. ~~((During the 2007-2009 fiscal biennium, funds may also be used for higher education facilities preservation and maintenance. During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the education construction fund to the state general fund such amounts as reflect the excess fund balance of the fund.))~~

(2) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection must result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and does not affect any subsequent fiscal period.

~~((3) After July 1, 2010, the state treasurer must transfer one hundred two million dollars from the general fund to the education construction fund by June 30th of each year. However, the transfers may not take place in the fiscal biennium ending June 30, 2015.))~~

Sec. 6. RCW 82.45.060 and 2011 1st sp.s. c 50 s 975 and 2011 1st sp.s. c 48 s 7035 are each reenacted and amended to read as follows:

There is imposed an excise tax upon each sale of real property at the rate of one and twenty-eight one-hundredths percent of the selling price. Beginning July 1, 2013, and ending June 30, 2019, an amount equal to two percent of the proceeds of this tax must be deposited in the public works assistance account created in RCW 43.155.050, and an amount equal to four and one-tenth percent must be deposited in the education legacy trust account created in RCW 83.100.230. Thereafter, an amount equal to six and one-tenth percent of the proceeds of this tax to the state treasurer must be deposited in the public works assistance account created in RCW 43.155.050~~((- PROVIDED, That during the fiscal year 2011, six and one-tenth percent of the proceeds of this tax must be deposited in the general fund for general purpose expenditures))~~. Except as otherwise provided in this section, an amount equal to one and six-tenths percent

of the proceeds of this tax to the state treasurer must be deposited in the city-county assistance account created in RCW 43.08.290. (~~During the 2011-2013 fiscal biennium, 1.546 percent of the proceeds of this tax to the state treasurer must be deposited in the city-county assistance account.~~)

Sec. 7. RCW 82.16.020 and 2011 1st sp.s. c 48 s 7033 are each amended to read as follows:

(1) There is levied and there shall be collected from every person a tax for the act or privilege of engaging within this state in any one or more of the businesses herein mentioned. The tax shall be equal to the gross income of the business, multiplied by the rate set out after the business, as follows:

(a) Express, sewerage collection, and telegraph businesses: Three and six-tenths percent;

(b) Light and power business: Three and sixty-two one-hundredths percent;

(c) Gas distribution business: Three and six-tenths percent;

(d) Urban transportation business: Six-tenths of one percent;

(e) Vessels under sixty-five feet in length, except tugboats, operating upon the waters within the state: Six-tenths of one percent;

(f) Motor transportation, railroad, railroad car, and tugboat businesses, and all public service businesses other than ones mentioned above: One and eight-tenths of one percent;

(g) Water distribution business: Four and seven-tenths percent.

(2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.

(3) Twenty percent of the moneys collected under subsection (1) of this section on water distribution businesses and sixty percent of the moneys collected under subsection (1) of this section on sewerage collection businesses shall be deposited in the education legacy trust account created in RCW 83.100.230 from July 1, 2013, through June 30, 2019, and thereafter in the public works assistance account created in RCW 43.155.050(~~(= PROVIDED, That during the fiscal year 2011, twenty percent of the moneys collected under subsection (1) of this section on water distribution businesses and sixty percent of the moneys collected under subsection (1) of this section on sewerage collection businesses must be deposited in the general fund for general purpose expenditures).~~)).

Sec. 8. RCW 82.18.040 and 2012 2nd sp.s. c 5 s 2 are each amended to read as follows:

(1) Taxes collected under this chapter must be held in trust until paid to the state. Except as otherwise provided in this subsection (1), taxes received by the state must be deposited in the public works assistance account created in RCW 43.155.050. For the period beginning July 1, 2011, and ending June 30, 2015, taxes received by the state under this chapter must be deposited in the general fund for general purpose expenditures. For fiscal years 2016, 2017, and 2018, one-half of the taxes received by the state under this chapter must be deposited in the general fund for general purpose expenditures and the remainder deposited in the (~~public works assistance account~~) education legacy trust account created in RCW 83.100.230. For fiscal year 2019, taxes received by the state under this chapter must be deposited in the education legacy trust account created in RCW 83.100.230. Any person collecting the tax who appropriates or converts the tax

collected is guilty of a gross misdemeanor if the money required to be collected is not available for payment on the date payment is due. If a taxpayer fails to pay the tax imposed by this chapter to the person charged with collection of the tax and the person charged with collection fails to pay the tax to the department, the department may, in its discretion, proceed directly against the taxpayer for collection of the tax.

(2) The tax is due from the taxpayer within twenty-five days from the date the taxpayer is billed by the person collecting the tax.

(3) The tax is due from the person collecting the tax at the end of the tax period in which the tax is received from the taxpayer. If the taxpayer remits only a portion of the total amount billed for taxes, consideration, and related charges, the amount remitted must be applied first to payment of the solid waste collection tax and this tax has priority over all other claims to the amount remitted.

NEW SECTION. Sec. 9. (1) Sections 2 through 4 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect September 1, 2013.

(2) Section 7 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2013.

(3) Sections 5, 6, and 8 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

Passed by the House June 28, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 10

[Substitute House Bill 2069]

SAFETY NET BENEFITS

AN ACT Relating to continuation of safety net benefits for persons determined to have a physical or mental disability which makes them eligible for the aged, blind, and disabled program under RCW 74.62.030 or the essential needs and housing program under RCW 43.185C.220; amending RCW 74.62.030, 74.62.030, 43.185C.220, and 43.185C.230; reenacting and amending RCW 74.09.510, 74.09.035, and 74.09.010; adding a new section to chapter 74.04 RCW; and providing effective dates.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 74.62.030 and 2011 1st sp.s. c 36 s 3 are each amended to read as follows:

(1)(a) Effective November 1, 2011, the aged, blind, or disabled assistance program shall provide financial grants to persons in need who:

(i) Are not eligible to receive federal aid assistance, other than basic food benefits transferred electronically and medical assistance;

(ii) Meet the eligibility requirements of subsection (3) of this section; and

(iii) Are aged, blind, or disabled. For purposes of determining eligibility for assistance for the aged, blind, or disabled assistance program, the following definitions apply:

(A) "Aged" means age sixty-five or older.

(B) "Blind" means statutorily blind as defined for the purpose of determining eligibility for the federal supplemental security income program.

(C) "Disabled", until June 30, 2015, means a bodily or mental infirmity that will (I) likely continue for a minimum of nine months; (II) prevent the individual from currently performing work that the individual was able to perform as a substantial gainful activity within the prior ten years; and (III) is otherwise likely to meet the federal supplemental security income disability standard as determined by the department. In making this determination, the department should give full consideration to the cumulative impact of an applicant's multiple impairments, an applicant's age, and vocational and educational history.

In determining whether a person is disabled, the department may rely on, but is not limited to, the following:

~~((H))~~ (1) A previous disability determination by the social security administration or the disability determination service entity within the department; or

~~((H))~~ (2) A determination that an individual is eligible to receive optional categorically needy medicaid as a disabled person under the federal regulations at 42 C.F.R. Parts 435, Secs. 201(a)(3) and 210.

(b) The following persons are not eligible for the aged, blind, or disabled assistance program:

(i) Persons who are not able to engage in gainful employment due primarily to alcohol or drug addiction. These persons shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. This subsection may not be construed to prohibit the department from granting aged, blind, or disabled assistance benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for the aged, blind, or disabled assistance program; or

(ii) Persons for whom there has been a final determination of ineligibility for federal supplemental security income benefits.

(c) Persons may receive aged, blind, or disabled assistance benefits pending application for federal supplemental security income benefits. The monetary value of any aged, blind, or disabled assistance benefit that is subsequently duplicated by the person's receipt of supplemental security income for the same period shall be considered a debt due the state and shall by operation of law be subject to recovery through all available legal remedies.

(2) Effective November 1, 2011, the pregnant women assistance program shall provide financial grants to persons who:

(a) Are not eligible to receive federal aid assistance other than basic food benefits or medical assistance; and

(b) Are pregnant and in need, based upon the current income and resource standards of the federal temporary assistance for needy families program, but are ineligible for federal temporary assistance for needy families benefits for a reason other than failure to cooperate in program requirements; and

(c) Meet the eligibility requirements of subsection (3) of this section.

(3) To be eligible for the aged, blind, or disabled assistance program under subsection (1) of this section or the pregnant women assistance program under subsection (2) of this section, a person must:

(a) Be a citizen or alien lawfully admitted for permanent residence or otherwise residing in the United States under color of law;

(b) Meet the income and resource standards described in section 3(1) (d) and (e) of this act;

(c) Have furnished the department his or her social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of benefits, and the social security number shall be provided to the department upon receipt;

~~((e)) (d) Not have ((not))~~ refused or failed without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

~~((d)) (e)~~ Not have refused or failed to cooperate in obtaining federal aid assistance, without good cause.

(4) Effective November 1, 2011, referrals for essential needs and housing support under RCW 43.185C.220 shall be provided to persons found eligible ~~((for medical care services under RCW 74.09.035 who are not recipients of alcohol and addiction services provided under chapter 74.50 RCW or are not recipients of aged, blind, or disabled assistance))~~ under section 3 of this act.

(5) No person may be considered an eligible individual for benefits under this section with respect to any month if during that month the person:

(a) Is fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or

(b) Is violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

~~((6) The department must review the cases of all persons, except recipients of alcohol and addiction treatment under chapter 74.50 RCW, or recipients of aged, blind, or disabled assistance, who have received medical care services for twelve consecutive months, and at least annually after the first review, to determine whether they are eligible for the aged, blind, or disabled assistance program.))~~

Sec. 2. RCW 74.62.030 and 2013 2nd sp.s. c ... s 1 (section 1 of this act) are each amended to read as follows:

(1)(a) Effective November 1, 2011, the aged, blind, or disabled assistance program shall provide financial grants to persons in need who:

(i) Are not eligible to receive federal aid assistance, other than basic food benefits transferred electronically and medical assistance;

(ii) Meet the eligibility requirements of subsection (3) of this section; and
 (iii) Are aged, blind, or disabled. For purposes of determining eligibility for assistance for the aged, blind, or disabled assistance program, the following definitions apply:

(A) "Aged" means age sixty-five or older.

(B) "Blind" means statutorily blind as defined for the purpose of determining eligibility for the federal supplemental security income program.

(C) "Disabled" (~~(, until June 30, 2015,)~~) means (~~(a bodily or mental infirmity that will (I) likely continue for a minimum of nine months; (II) prevent the individual from currently performing work that the individual was able to perform as a substantial gainful activity within the prior ten years; and (III) is otherwise)~~) likely to meet the federal supplemental security income disability standard (~~(as determined by the department)~~). In making this determination, the department should give full consideration to the cumulative impact of an applicant's multiple impairments, an applicant's age, and vocational and educational history.

In determining whether a person is disabled, the department may rely on, but is not limited to, the following:

~~((+))~~ (I) A previous disability determination by the social security administration or the disability determination service entity within the department; or

~~((=))~~ (II) A determination that an individual is eligible to receive optional categorically needy medicaid as a disabled person under the federal regulations at 42 C.F.R. Parts 435, Secs. 201(a)(3) and 210.

(b) The following persons are not eligible for the aged, blind, or disabled assistance program:

(i) Persons who are not able to engage in gainful employment due primarily to alcohol or drug addiction. These persons shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. This subsection may not be construed to prohibit the department from granting aged, blind, or disabled assistance benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for the aged, blind, or disabled assistance program; or

(ii) Persons for whom there has been a final determination of ineligibility for federal supplemental security income benefits.

(c) Persons may receive aged, blind, or disabled assistance benefits pending application for federal supplemental security income benefits. The monetary value of any aged, blind, or disabled assistance benefit that is subsequently duplicated by the person's receipt of supplemental security income for the same period shall be considered a debt due the state and shall by operation of law be subject to recovery through all available legal remedies.

(2) Effective November 1, 2011, the pregnant women assistance program shall provide financial grants to persons who:

(a) Are not eligible to receive federal aid assistance other than basic food benefits or medical assistance; and

(b) Are pregnant and in need, based upon the current income and resource standards of the federal temporary assistance for needy families program, but are

ineligible for federal temporary assistance for needy families benefits for a reason other than failure to cooperate in program requirements; and

(c) Meet the eligibility requirements of subsection (3) of this section.

(3) To be eligible for the aged, blind, or disabled assistance program under subsection (1) of this section or the pregnant women assistance program under subsection (2) of this section, a person must:

(a) Be a citizen or alien lawfully admitted for permanent residence or otherwise residing in the United States under color of law;

(b) Meet the income and resource standards described in section 3(1) (d) and (e) of this act;

(c) Have furnished the department his or her social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of benefits, and the social security number shall be provided to the department upon receipt;

(d) Not have refused or failed without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

(e) Not have refused or failed to cooperate in obtaining federal aid assistance, without good cause.

(4) Effective November 1, 2011, referrals for essential needs and housing support under RCW 43.185C.220 shall be provided to persons found eligible under section 3 of this act.

(5) No person may be considered an eligible individual for benefits under this section with respect to any month if during that month the person:

(a) Is fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or

(b) Is violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

NEW SECTION. Sec. 3. A new section is added to chapter 74.04 RCW to read as follows:

(1) The department is responsible for determining eligibility for referral for essential needs and housing support under RCW 43.185C.220. Persons eligible are persons who:

(a) Are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of ninety days. The standard for incapacity in this subsection, as evidenced by the ninety-day duration standard, is not intended to be as stringent as federal supplemental security income disability standards;

(b) Are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law;

(c) Have furnished the department their social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number must be made prior to authorization of benefits, and the social security number must be provided to the department upon receipt;

(d) Have countable income as described in RCW 74.04.005 at or below four hundred twenty-eight dollars for a married couple or at or below three hundred thirty-nine dollars for a single individual;

(e) Do not have countable resources in excess of those described in RCW 74.04.005; and

(f) Are not eligible for:

(i) The aged, blind, or disabled assistance program;

(ii) The pregnant women assistance program; or

(iii) Federal aid assistance, other than basic food benefits transferred electronically and medical assistance.

(2) The following persons are not eligible for a referral for essential needs and housing support:

(a) Persons who are unemployable due primarily to alcohol or drug addiction, except as provided in subsection (3) of this subsection. These persons must be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals must be made at the time of application or at the time of eligibility review. This subsection may not be construed to prohibit the department from making a referral for essential needs and housing report for persons who have a substance abuse addiction who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for a referral for essential needs and housing support.

(b) Persons who refuse or fail to cooperate in obtaining federal aid assistance, without good cause;

(c) Persons who refuse or fail without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

(d) Persons who are fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or who are violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

(3) For purposes of determining whether a person is incapacitated from gainful employment under subsection (1) of this section:

(a) The department shall adopt by rule medical criteria for incapacity determinations to ensure that eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information; and

(b) The process implementing the medical criteria must involve consideration of opinions of the treating or consulting physicians or health care professionals regarding incapacity, and any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for doing so.

(4) For purposes of reviewing a person's continuing eligibility and in order to remain eligible for the program, persons who have been found to have an incapacity from gainful employment must demonstrate that there has been no material improvement in their medical or mental health condition. The department may discontinue benefits when there was specific error in the prior determination that found the person eligible by reason of incapacitation.

(5) The department must review the cases of all persons who have received benefits under the essential needs and housing support program for twelve consecutive months, and at least annually after the first review, to determine whether they are eligible for the aged, blind, or disabled assistance program.

Sec. 4. RCW 43.185C.220 and 2011 1st sp.s. c 36 s 4 are each amended to read as follows:

(1) The department shall distribute funds for the essential needs and housing support program established under this section in a manner consistent with the requirements of this section and the biennial operating budget. The first distribution of funds must be completed by September 1, 2011. Essential needs or housing support is only for persons found eligible for such services under ((RCW 74.62.030(4))) section 3 of this act and is not considered an entitlement.

(2) The department shall distribute funds appropriated for the essential needs and housing support program in the form of grants to designated essential needs support and housing support entities within each county. The department shall not distribute any funds until it approves the expenditure plan submitted by the designated essential needs support and housing support entities. The amount of funds to be distributed pursuant to this section shall be designated in the biennial operating budget. For the sole purpose of meeting the initial distribution of funds date, the department may distribute partial funds upon the department's approval of a preliminary expenditure plan. The department shall not distribute the remaining funds until it has approved a final expenditure plan.

(3)(a) During the 2011-2013 biennium, in awarding housing support that is not funded through the contingency fund in this subsection, the designated housing support entity shall provide housing support to clients who are homeless persons as defined in RCW 43.185C.010. As provided in the biennial operating budget for the 2011-2013 biennium, a contingency fund shall be used solely for those clients who are at substantial risk of losing stable housing or at substantial risk of losing one of the other services defined in RCW 74.62.010(6). For purposes of this chapter, "substantial risk" means the client has provided documentation that he or she will lose his or her housing within the next thirty days or that the services will be discontinued within the next thirty days.

(b) After July 1, 2013, the designated housing support entity shall give first priority to clients who are homeless persons as defined in RCW 43.185C.010 and second priority to clients who would be at substantial risk of losing stable housing without housing support.

(4) For each county, the department shall designate an essential needs support entity and a housing support entity that will begin providing these

supports to medical care services program recipients on November 1, 2011. Essential needs and housing support entities are not required to provide assistance to every ~~((medical care services recipient that is))~~ person referred to the local entity or who meets the priority standards in subsection (3) of this section.

(a) Each designated entity must be a local government or community-based organization, and may administer the funding for essential needs support, housing support, or both. Designated entities have the authority to subcontract with qualified entities. Upon request, and the approval of the department, two or more counties may combine resources to more effectively deliver services.

(b) The department's designation process must include a review of proficiency in managing housing or human services programs when designating housing support entities.

(c) Within a county, if the department directly awards separate grants to the designated housing support entity and the designated essential needs support entity, the department shall determine the amount allocated for essential needs support as directed in the biennial operating budget.

(5)(a) Essential needs and housing support entities must use funds distributed under this section as flexibly as is practicable to provide essential needs items and housing support to recipients of the essential needs and housing support program, subject to the requirements of this section.

(b) Benefits provided under the essential needs and housing support program shall not be provided to recipients in the form of cash assistance.

(c) The appropriations by the legislature for the purposes of the essential needs and housing support program established under this section shall be based on forecasted program caseloads. The caseload forecast council shall provide a courtesy forecast of the ~~((medical care services recipient))~~ population eligible for a referral for essential needs and housing support that is homeless or is included in reporting under subsection (7)(c)(iii) of this section. The department may move funds between entities or between counties to reflect actual caseload changes. In doing so, the department must: (i) Develop a process for reviewing the caseload of designated essential needs and housing support entities, and for redistributing grant funds from those entities experiencing reduced actual caseloads to those with increased actual caseloads; and (ii) inform all designated entities of the redistribution process. Savings resulting from program caseload attrition from the essential needs and housing support program shall not result in increased per-client expenditures.

(d) Essential needs and housing support entities must partner with other public and private organizations to maximize the beneficial impact of funds distributed under this section, and should attempt to leverage other sources of public and private funds to serve essential needs and housing support recipients. Funds appropriated in the operating budget for essential needs and housing support must be used only to serve persons eligible to receive services under that program.

(6) The department shall use no more than five percent of the funds for administration of the essential needs and housing support program. Each essential needs and housing support entity shall use no more than seven percent of the funds for administrative expenses.

(7) The department shall:

(a) Require housing support entities to enter data into the homeless client management information system;

(b) Require essential needs support entities to report on services provided under this section;

(c) In collaboration with the department of social and health services, submit a report annually to the relevant policy and fiscal committees of the legislature. A preliminary report shall be submitted by December 31, 2011, and must include (c)(i), (iii), and (v) of this subsection. Annual reports must be submitted beginning December 1, 2012, and must include:

(i) A description of the actions the department has taken to achieve the objectives of chapter 36, Laws of 2011 1st sp. sess.;

(ii) The amount of funds used by the department to administer the program;

(iii) Information on the housing status of essential needs and housing support recipients served by housing support entities, and individuals who have requested housing support but did not receive housing support;

(iv) Grantee expenditure data related to administration and services provided under this section; and

(v) Efforts made to partner with other entities and leverage sources of public and private funds;

(d) Review the data submitted by the designated entities, and make recommendations for program improvements and administrative efficiencies. The department has the authority to designate alternative entities as necessary due to performance or other significant issues. Such change must only be made after consultation with the department of social and health services and the impacted entity.

(8) The department, counties, and essential needs and housing support entities are not civilly or criminally liable and may not have any penalty or cause of action of any nature arise against them related to decisions regarding: (a) The provision or lack of provision of housing or essential needs support; or (b) the type of housing arrangement supported with funds allocated under this section, when the decision was made in good faith and in the performance of the powers and duties under this section. However, this section does not prohibit legal actions against the department, county, or essential needs or housing support entity to enforce contractual duties or obligations.

Sec. 5. RCW 43.185C.230 and 2011 1st sp.s. c 36 s 5 are each amended to read as follows:

The department, in collaboration with the department of social and health services, shall develop a mechanism through which the department and local governments or community-based organizations can verify a person has been determined eligible by the department of social and health services and remains eligible for ((medical care services under RCW 74.09.035 by the department of social and health services)) the essential needs and housing support program.

Sec. 6. RCW 74.09.510 and 2011 1st sp.s. c 36 s 9 and 2011 1st sp.s. c 15 s 25 are each reenacted and amended to read as follows:

Medical assistance may be provided in accordance with eligibility requirements established by the authority, as defined in the social security Title XIX state plan for mandatory categorically needy persons and:

(1) Individuals who would be eligible for cash assistance except for their institutional status;

(2) Individuals who are under twenty-one years of age, who would be eligible for medicaid, but do not qualify as dependent children and who are in (a) foster care, (b) subsidized adoption, (c) a nursing facility or an intermediate care facility for persons with intellectual disabilities, or (d) inpatient psychiatric facilities;

(3) Individuals who:

(a) Are under twenty-one years of age;

(b) On or after July 22, 2007, were in foster care under the legal responsibility of the department or a federally recognized tribe located within the state; and

(c) On their eighteenth birthday, were in foster care under the legal responsibility of the department or a federally recognized tribe located within the state;

(4) Persons who are aged, blind, or disabled who: (a) Receive only a state supplement, or (b) would not be eligible for cash assistance if they were not institutionalized;

(5) Categorically eligible individuals who meet the income and resource requirements of the cash assistance programs;

(6) Individuals who are enrolled in managed health care systems, who have otherwise lost eligibility for medical assistance, but who have not completed a current six-month enrollment in a managed health care system, and who are eligible for federal financial participation under Title XIX of the social security act;

(7) Children and pregnant women allowed by federal statute for whom funding is appropriated;

(8) Working individuals with disabilities authorized under section 1902(a)(10)(A)(ii) of the social security act for whom funding is appropriated;

(9) Other individuals eligible for medical services under ~~((RCW 74.09.035 based on age, blindness, or disability and income and resources standards for medical care services and))~~ RCW 74.09.700 for whom federal financial participation is available under Title XIX of the social security act;

(10) Persons allowed by section 1931 of the social security act for whom funding is appropriated; and

(11) Women who: (a) Are under sixty-five years of age; (b) have been screened for breast and cervical cancer under the national breast and cervical cancer early detection program administered by the department of health or tribal entity and have been identified as needing treatment for breast or cervical cancer; and (c) are not otherwise covered by health insurance. Medical assistance provided under this subsection is limited to the period during which the woman requires treatment for breast or cervical cancer, and is subject to any conditions or limitations specified in the omnibus appropriations act.

Sec. 7. RCW 74.09.035 and 2011 1st sp.s. c 36 s 6 and 2011 1st sp.s. c 15 s 3 are each reenacted and amended to read as follows:

(1) To the extent of available funds, medical care services may be provided to:

(a) ~~((Persons who:~~

~~(i) Are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of ninety days as determined by the department. The standard for incapacity in this subsection, as evidenced by the ninety-day duration standard, is not intended to be as stringent as federal supplemental security income disability standards;~~

~~(ii) Are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law;~~

~~(iii) Have furnished the department their social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of benefits, and the social security number shall be provided to the department upon receipt;~~

~~(iv) Have countable income as described in RCW 74.04.005 at or below four hundred twenty-eight dollars for a married couple or at or below three hundred thirty-nine dollars for a single individual; and~~

~~(v) Do not have countable resources in excess of those described in RCW 74.04.005.~~

~~(b)) Persons eligible for the aged, blind, or disabled assistance program authorized in RCW 74.62.030 and who are not eligible for medicaid under RCW 74.09.510; and~~

~~(b) Persons eligible for essential needs and housing support under section 3 of this act and who are not eligible for medicaid under RCW 74.09.510.~~

~~((c) Persons eligible for alcohol and drug addiction services provided under chapter 74.50 RCW, in accordance with medical eligibility requirements established by the department.~~

~~(d) The following persons are not eligible for medical care services:~~

~~(i) Persons who are unemployable due primarily to alcohol or drug addiction, except as provided in (c) of this subsection. These persons shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. This subsection shall not be construed to prohibit the department from granting medical care services benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for medical care services;~~

~~(ii) Persons who refuse or fail to cooperate in obtaining federal aid assistance, without good cause;~~

~~(iii) Persons who refuse or fail without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and~~

~~(iv) Persons who are fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or who are violating a condition of probation, community supervision, or parole~~

~~imposed under federal or state law for a felony or gross misdemeanor conviction.~~

~~(e) For purposes of determining whether a person is incapacitated from gainful employment under (a) of this subsection:~~

~~(i) The department shall adopt by rule medical criteria for incapacity determinations to ensure that eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information; and~~

~~(ii) The process implementing the medical criteria shall involve consideration of opinions of the treating or consulting physicians or health care professionals regarding incapacity, and any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for doing so.~~

~~(f) For purposes of reviewing a person's continuing eligibility and in order to remain eligible for the program, persons who have been found to have an incapacity from gainful employment must demonstrate that there has been no material improvement in their medical or mental health condition. The department may discontinue benefits when there was specific error in the prior determination that found the person eligible by reason of incapacitation.)~~

(2) Enrollment in medical care services may not result in expenditures that exceed the amount that has been appropriated in the operating budget. If it appears that continued enrollment will result in expenditures exceeding the appropriated level for a particular fiscal year, the department may freeze new enrollment and establish a waiting list of persons who may receive benefits only when sufficient funds are available.

(3) Determination of the amount, scope, and duration of medical care services shall be limited to coverage as defined by the authority, except that adult dental, and routine foot care shall not be included unless there is a specific appropriation for these services.

(4) The authority shall enter into performance-based contracts with one or more managed health care systems for the provision of medical care services under this section. The contract must provide for integrated delivery of medical and mental health services.

(5) The authority shall establish standards of assistance and resource and income exemptions, which may include deductibles and co-insurance provisions. In addition, the authority may include a prohibition against the voluntary assignment of property or cash for the purpose of qualifying for assistance.

~~(6) ((Residents of skilled nursing homes, intermediate care facilities, and intermediate care facilities for persons with intellectual disabilities, as that term is described by federal law, who are eligible for medical care services shall be provided medical services to the same extent as provided to those persons eligible under the medical assistance program.~~

~~(7)) Eligibility for medical care services shall commence with the date of ((certification for medical care services, date of) eligibility for the aged, blind, or disabled assistance program provided under RCW 74.62.030(;) or the date ((or) of eligibility for ((alcohol and drug addiction services provided under chapter 74.50 RCW)) the essential needs and housing support program under section 3 of this act.~~

Sec. 8. RCW 74.09.010 and 2011 1st sp.s. c 15 s 2 and 2011 c 316 s 2 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means the Washington state health care authority.

(2) "Children's health program" means the health care services program provided to children under eighteen years of age and in households with incomes at or below the federal poverty level as annually defined by the federal department of health and human services as adjusted for family size, and who are not otherwise eligible for medical assistance or the limited casualty program for the medically needy.

(3) "Chronic care management" means the health care management within a health home of persons identified with, or at high risk for, one or more chronic conditions. Effective chronic care management:

(a) Actively assists patients to acquire self-care skills to improve functioning and health outcomes, and slow the progression of disease or disability;

(b) Employs evidence-based clinical practices;

(c) Coordinates care across health care settings and providers, including tracking referrals;

(d) Provides ready access to behavioral health services that are, to the extent possible, integrated with primary care; and

(e) Uses appropriate community resources to support individual patients and families in managing chronic conditions.

(4) "Chronic condition" means a prolonged condition and includes, but is not limited to:

(a) A mental health condition;

(b) A substance use disorder;

(c) Asthma;

(d) Diabetes;

(e) Heart disease; and

(f) Being overweight, as evidenced by a body mass index over twenty-five.

(5) "County" means the board of county commissioners, county council, county executive, or tribal jurisdiction, or its designee.

(6) "Department" means the department of social and health services.

(7) "Department of health" means the Washington state department of health created pursuant to RCW 43.70.020.

(8) "Director" means the director of the Washington state health care authority.

(9) "Full benefit dual eligible beneficiary" means an individual who, for any month: Has coverage for the month under a medicare prescription drug plan or medicare advantage plan with part D coverage; and is determined eligible by the state for full medicaid benefits for the month under any eligibility category in the state's medicaid plan or a section 1115 demonstration waiver that provides pharmacy benefits.

(10) "Health home" or "primary care health home" means coordinated health care provided by a licensed primary care provider coordinating all medical care services, and a multidisciplinary health care team comprised of clinical and nonclinical staff. The term "coordinating all medical care services"

shall not be construed to require prior authorization by a primary care provider in order for a patient to receive treatment for covered services by an optometrist licensed under chapter 18.53 RCW. Primary care health home services shall include those services defined as health home services in 42 U.S.C. Sec. 1396w-4 and, in addition, may include, but are not limited to:

- (a) Comprehensive care management including, but not limited to, chronic care treatment and management;
- (b) Extended hours of service;
- (c) Multiple ways for patients to communicate with the team, including electronically and by phone;
- (d) Education of patients on self-care, prevention, and health promotion, including the use of patient decision aids;
- (e) Coordinating and assuring smooth transitions and follow-up from inpatient to other settings;
- (f) Individual and family support including authorized representatives;
- (g) The use of information technology to link services, track tests, generate patient registries, and provide clinical data; and
- (h) Ongoing performance reporting and quality improvement.

(11) "Internal management" means the administration of medical assistance, medical care services, the children's health program, and the limited casualty program.

(12) "Limited casualty program" means the medical care program provided to medically needy persons as defined under Title XIX of the federal social security act, and to medically indigent persons who are without income or resources sufficient to secure necessary medical services.

(13) "Medical assistance" means the federal aid medical care program provided to categorically needy persons as defined under Title XIX of the federal social security act.

(14) "Medical care services" means the limited scope of care financed by state funds and provided to ~~((disability lifeline benefits recipients, and recipients of alcohol and drug addiction services provided under chapter 74.50 RCW))~~ persons who are not eligible for medicaid under RCW 74.09.510 and who are eligible for the aged, blind, or disabled assistance program authorized in RCW 74.62.030 or the essential needs and housing support program pursuant to section 3 of this act.

(15) "Multidisciplinary health care team" means an interdisciplinary team of health professionals which may include, but is not limited to, medical specialists, nurses, pharmacists, nutritionists, dieticians, social workers, behavioral and mental health providers including substance use disorder prevention and treatment providers, doctors of chiropractic, physical therapists, licensed complementary and alternative medicine practitioners, home care and other long-term care providers, and physicians' assistants.

(16) "Nursing home" means nursing home as defined in RCW 18.51.010.

(17) "Poverty" means the federal poverty level determined annually by the United States department of health and human services, or successor agency.

(18) "Primary care provider" means a general practice physician, family practitioner, internist, pediatrician, osteopath, naturopath, physician assistant, osteopathic physician assistant, and advanced registered nurse practitioner licensed under Title 18 RCW.

(19) "Secretary" means the secretary of social and health services.

NEW SECTION. **Sec. 9.** Except for section 2 of this act, this act takes effect January 1, 2014.

NEW SECTION. **Sec. 10.** Section 2 of this act takes effect July 1, 2015.

Passed by the House June 28, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 11

[Second Substitute Senate Bill 5367]

YAKIMA RIVER BASIN RESOURCE MANAGEMENT

AN ACT Relating to Yakima river basin water resource management; authorizing the acquisition of public lands by the department of natural resources and management of community forest trust land to preserve water basin function; amending RCW 90.38.005, 90.38.010, 90.38.900, 90.38.902, and 84.33.140; reenacting and amending RCW 43.84.092 and 43.84.092; adding new sections to chapter 90.38 RCW; adding a new section to chapter 79.155 RCW; providing a contingent effective date; providing expiration dates; and providing a contingent expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 90.38.005 and 1989 c 429 s 1 are each amended to read as follows:

(1) The legislature finds that:

(a) Under present physical conditions in the Yakima river basin there is an insufficient supply of ground and surface water to satisfy the present needs of the basin, and that the general health, welfare, and safety of the people of the Yakima river basin depend upon the conservation, management, development, and optimum use of all the basin's water resources;

(b) (~~Pursuant to P.L. 96-162;~~) The future competition for water among municipal, domestic, industrial, agricultural, and instream water interests in the Yakima river basin will be intensified by continued population growth, and by changes in climate and precipitation anticipated to reduce the basin's snow pack and thereby reduce the total water supply available to existing water users, instream flows, and carryover storage;

(c) To address the challenges described in this subsection, congress has enacted several bills to promote Yakima river basin water enhancement, each of which was urged for enactment by this state, the United States (~~is now conducting~~) has completed a study of ways to provide needed waters through improvements of the federal water project presently existing in the Yakima river basin, and federal, tribal, state, and local cooperators have developed an integrated water resource management plan for improving water supply, habitat, and stream flow conditions in the Yakima river basin;

(d) As part of the Yakima river basin water enhancement project, the United States department of the interior's bureau of reclamation is now seeking funding to support implementation of the integrated water resource management plan for the Yakima river basin, which was jointly prepared by the Washington state department of ecology and the United States bureau of reclamation and published in a final programmatic environmental impact statement in March 2012;

~~((e))~~ (e) The interests of the state will be served by developing programs, in cooperation with the United States and the various water users in the basin, that increase the overall ability to manage basin waters in order to better satisfy both present and future needs for water in the Yakima river basin;

(f) The interests of the state will also be served through coordination of federal and state policies and procedures in order to develop and implement projects within the framework of the integrated water resource management plan for the Yakima river basin. The pace of integrated plan implementation over the long term depends upon adequate funding and is subject to the availability of amounts appropriated for this purpose;

(g) The current real estate market provides opportunities to acquire community forest lands that are useful for protecting and enhancing watershed function at affordable prices;

(h) Although significant benefits are anticipated to result from the implementation of the Yakima integrated plan, in light of its substantial costs and the state's limited capacity to absorb them within existing resources, there is a need to identify and evaluate potential new state and local revenue sources to assist in paying the state and local share of implementation costs.

(2) It is the purpose of this chapter, consistent with these findings, to:

(a) Improve the ability of the state to work with the United States and various water users of the Yakima river basin in a program designed to satisfy both existing rights, and other presently unmet as well as future needs of the basin;

(b) Establish legislative intent to promote timely and effective implementation of the integrated plan in the Yakima river basin, and to promote the aggressive pursuit of water supply solutions that provide concurrent benefits to both instream and out-of-stream uses in the Yakima river basin as rapidly as possible; and

(c) Take advantage of affordable real estate prices to acquire community forest lands that are useful for protecting and enhancing watershed function.

(3) The provisions of this chapter apply only to waters of the Yakima river basin.

Sec. 2. RCW 90.38.010 and 1989 c 429 s 2 are each amended to read as follows:

~~((Unless the context clearly requires otherwise,))~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Department" means the department of ecology.

(2) "Integrated plan" means the Yakima river basin integrated water resource management plan developed through a consensus-based approach by a diverse work group of representatives of the Yakama Nation, federal, state, county, and city governments, environmental organizations, and irrigation districts, which is to be implemented consistent with congressional Yakima river basin water enhancement project enactments and for which the final programmatic environmental impact statement was made available for review through public notice published in the federal register (77 FR 12076 (2012)).

(3) "Net water savings" means the amount of water that through hydrological analysis is determined to be conserved and usable for other purposes without impairing existing water rights, reducing the ability to deliver

water, or reducing the supply of water that otherwise would have been available to other water users.

~~((3))~~ (4) "Trust water right" means that portion of an existing water right, constituting net water savings, that is no longer required to be diverted for beneficial use due to the installation of a water conservation project that improves an existing system. The term "trust water right" also applies to any other water right acquired by the department under this chapter for management in the Yakima river basin trust water rights program.

~~((4))~~ (5) "Water conservation project" means any project funded to further the purposes of this chapter and that achieves physical or operational improvements of efficiency in existing systems for diversion, conveyance, or application of water under existing water rights.

(6) "Water supply facility permit and funding milestone" means a date prior to June 30, 2025, when required permits have been approved, and funding has been secured to begin construction on one or more water supply facilities designed to provide at least two hundred fourteen thousand acre feet of water to be used for instream and out-of-stream uses.

(7) "Yakima river basin water enhancement project" means a series of congressional enactments, originally initiated by the United States congress in 1979 under P.L. 96-162, with subsequent federal implementing legislation being passed in 1984 under section 109 of P.L. 98-381 to promote fish passage improvements, and in 1994 under P.L. 103-434, as amended by P.L. 105-62 in 1997 and P.L. 106-372 in 2000, to promote water conservation, water supply, habitat, and stream enhancement improvements in the Yakima river basin.

NEW SECTION. Sec. 3. A new section is added to chapter 90.38 RCW to read as follows:

The department is authorized to implement the integrated water resource management plan in the Yakima river basin, through a coordinated effort of affected federal, state, and local agencies and resources, to develop water supply solutions that provide concurrent benefits to both instream and out-of-stream uses, and to address a variety of water resource and ecosystem problems affecting fish passage, habitat functions, and agricultural, municipal, and domestic water supply in the Yakima river basin, consistent with the integrated plan.

(1) Authorized department actions include, but are not limited to:

(a) Accepting funds from any entity, public or private, as necessary to implement the objectives of this chapter;

(b) Assessing, planning, and developing projects under the Yakima river basin integrated water resource management plan, or for any other action designed to provide access to new water supplies within the Yakima river basin, consistent with the integrated plan and including but not limited to: Enhanced water conservation and efficiency measures, water reallocation markets, in-basin surface and groundwater storage facilities, fish passage at existing in-basin reservoirs, structural and operational modifications to existing facilities, habitat protection and restoration, and general watershed enhancements as necessary to implement the objectives of this chapter and the integrated plan; and

(c) Entering into contracts to ensure the effective delivery of water and to provide for the design and construction of facilities necessary to implement the objectives of the integrated plan and this chapter.

(2) Consistent with the integrated plan, the goals and objectives of department actions authorized under this chapter include, but are not limited to:

(a) Protection, mitigation, and enhancement of fish and wildlife through improved water management; improved instream flows; improved water quality; protection, creation, and enhancement of wetlands; improved fish passage, and by other appropriate means of habitat improvement, including the protection and enhancement of natural wetlands, floodplains, and groundwater storage systems;

(b) Improved water availability and reliability, and improved efficiency of water delivery and use, to enhance basin water supplies for agricultural irrigation, municipal, commercial, industrial, domestic, and environmental water uses;

(c) Establishment of more efficient water markets and more effective operational and structural changes to manage variability of water supplies and to prepare for the uncertainties of climate change, including but not limited to the facilitation of water banking, water right transfers, dry year options, the voluntary sale and lease of land, water, or water rights from any entity or individual willing to limit or forego water use on a temporary or permanent basis, and any other innovative water allocation tools used to maximize the utility of existing Yakima river basin water supplies, as long as the establishment and use of these tools is consistent with the integrated plan.

(3) Water supplies secured through the development of new storage facilities or expansion of existing storage facilities made possible with funding from the Yakima integrated plan implementation account, the Yakima integrated plan implementation taxable bond account, and the Yakima integrated plan implementation revenue recovery account must be allocated for out-of-stream uses and to augment instream flows consistent with the Yakima river basin integrated water resource management plan. Water to be made available to benefit out-of-stream uses under this subsection, but not yet appropriated, must be temporarily available to augment instream flows to the extent that it does not impair existing water rights and is consistent with the integrated plan.

NEW SECTION. Sec. 4. A new section is added to chapter 90.38 RCW to read as follows:

(1) The Yakima integrated plan implementation account is created in the state treasury. All receipts from direct appropriations from the legislature, moneys directed to the account pursuant to this chapter, or moneys directed to the account from any other sources must be deposited in the account. The account is intended to fund projects using tax exempt bonds. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as provided in this section. Interest earned by deposits in the account will be retained in the account.

(2) Expenditures from the account created in this section may be used to assess, plan, and develop projects under the Yakima river basin integrated water resource management plan or for any other actions designed to provide access to new water supplies within the Yakima river basin for both instream and out-of-stream uses, consistent with the integrated plan and the authorities, goals, and objectives set forth in section 3 of this act.

(3)(a) Funds may not be expended from the account for the construction of a new storage facility until the department evaluates the following:

(i) Water uses to be served by the facility;

- (ii) The quantity of water necessary to meet the needs of those uses;
- (iii) The benefits and costs to the state of serving those uses, including short-term and long-term economic, cultural, and environmental effects; and
- (iv) Alternative means of supplying water to meet those uses, including the costs of those alternatives and an analysis of the extent to which the long-term water supply needs are able to be met using those alternatives.

(b) The department may rely on studies and information developed through compliance with other state and federal requirements and other sources. The department shall compile its findings and conclusions and provide a summary of the information it reviewed.

(c) Before finalizing its evaluation under the provisions of this subsection, the department shall make the preliminary evaluation available to the public. Public comment may be made to the department within thirty days of the date the preliminary evaluation is made public.

(4) For water supplies developed under the integrated plan to support future municipal and domestic water needs, the department shall give preference to other entities in managing water service contracts. Where the department determines that the management of such contracts by other entities is not feasible or suitable, the department may enter into water service contracts with applicants receiving water from the program to recover all or a portion of the cost of developing water supplies made possible with funding from the account created in this section. The department may deny an application if the applicant does not enter into a water service contract. Revenue collected from water service contracts must be deposited into the Yakima integrated plan implementation revenue recovery account created in section 6 of this act. The department may adopt rules describing the methodology as to how charges will be established and direct costs recovered for water supply developed under the Yakima river basin integrated water resource management plan implementation program.

NEW SECTION. Sec. 5. A new section is added to chapter 90.38 RCW to read as follows:

(1) The Yakima integrated plan implementation taxable bond account is created in the state treasury. All receipts from direct appropriations from the legislature, moneys directed to the account pursuant to this chapter, or moneys directed to the account from any other sources must be deposited in the account. The account is intended to fund projects using taxable bonds. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as provided in this section. Interest earned by deposits in the account will be retained in the account.

(2) Expenditures from the account created in this section may be used to assess, plan, and develop projects under the Yakima river basin integrated water resource management plan or for any other actions designed to provide access to new water supplies within the Yakima river basin for both instream and out-of-stream uses, consistent with the integrated plan and the authorities, goals, and objectives set forth in section 3 of this act.

(3)(a) Funds may not be expended from the account for the construction of a new storage facility until the department evaluates the following:

- (i) Water uses to be served by the facility;
- (ii) The quantity of water necessary to meet the needs of those uses;

(iii) The benefits and costs to the state of serving those uses, including short-term and long-term economic, cultural, and environmental effects; and

(iv) Alternative means of supplying water to meet those uses, including the costs of those alternatives and an analysis of the extent to which the long-term water supply needs are able to be met using those alternatives.

(b) The department may rely on studies and information developed through compliance with other state and federal requirements and other sources. The department shall compile its findings and conclusions and provide a summary of the information it reviewed.

(c) Before finalizing its evaluation under the provisions of this subsection, the department shall make the preliminary evaluation available to the public. Public comment may be made to the department within thirty days of the date the preliminary evaluation is made public.

(4) For water supplies developed under the integrated plan to support future municipal and domestic water needs, the department shall give preference to other entities in managing water service contracts. Where the department determines that the management of such contracts by other entities is not feasible or suitable, the department may enter into water service contracts with applicants receiving water from the program to recover all or a portion of the cost of developing water supplies made possible with funding from the account created in this section. The department may deny an application if the applicant does not enter into a water service contract. Revenue collected from water service contracts must be deposited into the Yakima integrated plan implementation revenue recovery account created in section 6 of this act. The department may adopt rules describing the methodology as to how charges will be established and direct costs recovered for water supply developed under the Yakima river basin integrated water resource management plan implementation program.

NEW SECTION. Sec. 6. A new section is added to chapter 90.38 RCW to read as follows:

(1) The Yakima integrated plan implementation revenue recovery account is created in the state treasury. All receipts from direct appropriations from the legislature, moneys directed to the account pursuant to this chapter, or moneys directed to the account from any other sources must be deposited in the account. The account is intended to fund projects using revenues from water service contracts as authorized in this chapter. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only as provided in this section. Interest earned by deposits in the account will be retained in the account.

(2) Expenditures from the account created in this section may be used to assess, plan, and develop projects under the Yakima river basin integrated water resource management plan or for any other actions designed to provide access to new water supplies within the Yakima river basin for both instream and out-of-stream uses, consistent with the integrated plan and the authorities, goals, and objectives set forth in section 3 of this act.

(3)(a) Funds may not be expended from the account for the construction of a new storage facility until the department evaluates the following:

(i) Water uses to be served by the facility;

(ii) The quantity of water necessary to meet the needs of those uses;

(iii) The benefits and costs to the state of serving those uses, including short-term and long-term economic, cultural, and environmental effects; and

(iv) Alternative means of supplying water to meet those uses, including the costs of those alternatives and an analysis of the extent to which the long-term water supply needs are able to be met using those alternatives.

(b) The department may rely on studies and information developed through compliance with other state and federal requirements and other sources. The department shall compile its findings and conclusions and provide a summary of the information it reviewed.

(c) Before finalizing its evaluation under the provisions of this subsection, the department shall make the preliminary evaluation available to the public. Public comment may be made to the department within thirty days of the date the preliminary evaluation is made public.

(4) For water supplies developed under the integrated plan to support future municipal and domestic water needs in the Yakima basin, the department shall give preference to other entities in managing water service contracts. Where the department determines that the management of such contracts by other entities is not feasible or suitable, the department may enter into water service contracts with applicants receiving water from the program to recover all or a portion of the cost of developing water supplies made possible with funding from the account created in this section. The department may deny an application if the applicant does not enter into a water service contract. Revenue collected from water service contracts must be deposited into the Yakima integrated plan implementation revenue recovery account created in this section. The department may adopt rules describing the methodology as to how charges will be established and direct costs recovered for water supply developed under the Yakima river basin integrated water resource management plan implementation program.

Sec. 7. RCW 90.38.900 and 1989 c 429 s 7 are each amended to read as follows:

The policies and purposes of this chapter shall not be construed as replacing or amending the policies or the purposes for which funds available under chapter 43.83B ~~((ø¶))~~, 43.99E, or 90.90 RCW may be used within or without the Yakima river basin.

Sec. 8. RCW 90.38.902 and 1989 c 429 s 9 are each amended to read as follows:

(1) Nothing in this chapter shall authorize the impairment of, or operate to impair, any existing water rights.

(2) Nothing in this chapter may be construed to limit, impair, waive, abrogate, or diminish:

(a) Any treaty or other rights of the Yakama Nation;

(b) Any powers, rights, or authorities conferred upon irrigation districts under existing law;

(c) Any rights or jurisdictions of the United States, the state of Washington, or other person or entity over waters in the Yakima river basin.

NEW SECTION. Sec. 9. A new section is added to chapter 90.38 RCW to read as follows:

(1) By December 1, 2015, and by December 1st of every odd-numbered year thereafter, and in compliance with RCW 43.01.036, the department, in consultation with the United States bureau of reclamation, the Yakama Nation, Yakima river basin local governments, and key basin stakeholders, shall provide a Yakima river basin integrated water resource management plan implementation status report to the legislature and to the governor that includes: A description of measures that have been funded and implemented in the Yakima river basin and their effectiveness in meeting the objectives of this act, a project funding list that represents the state's percentage cost share to implement the integrated plan measures for the current biennium and cost estimates for subsequent biennia, a description of progress toward concurrent realization of the integrated plan's fish passage, watershed enhancement, and water supply goals, and an annual summary of all associated costs to develop and implement projects within the framework of the integrated water resource management plan for the Yakima river basin.

(2) The status report required in this section for December 1, 2021, must include a statement of progress in achieving the water supply facility permit and funding milestone, as defined in RCW 90.38.010. If, after a good faith effort to achieve the water supply facility permit and funding milestone, it appears that the milestone cannot or may not be met, the department, in consultation with the United States bureau of reclamation, the Yakama Nation, Yakima river basin local governments, and key basin stakeholders, shall provide a detailed description of the impediments to achieving the milestone, describe the strategy for resolving the identified impediments, and, if necessary, recommend modifications to the milestone.

(3) This section expires December 31, 2045.

NEW SECTION. Sec. 10. A new section is added to chapter 90.38 RCW to read as follows:

(1) Prior to the appropriation of funding for the construction of a water supply project proposed in the integrated plan with a cost of greater than one hundred million dollars, the state of Washington water research center shall review, evaluate, and prepare comments on the cost benefit analysis prepared for the project by the department and the United States bureau of reclamation.

(2) To the greatest extent possible, the center must use information from existing studies, supplemented by primary research, to measure and evaluate each project's benefits and costs.

(3) The center must measure and report the economic benefits of each project subject to subsection (1) of this section, so that it is clear the extent to which an individual project is expected to result in increases in fish populations, increases in the reliability of irrigation water during severe drought years, and improvements in municipal and domestic water supply.

(4) The center may enter into agreements with other state universities and with private consultants as needed to accomplish the scope of work.

(5) The center may consult, as necessary, with the department of ecology and the Yakima river basin water enhancement project work group.

(6) No more than twelve percent of any appropriations provided for the implementation of this section may be retained for administrative overhead expenses.

(7) This section expires July 1, 2025.

NEW SECTION, Sec. 11. A new section is added to chapter 90.38 RCW to read as follows:

(1)(a) It is the intent of the legislature for the state to pay its fair share of the cost to implement the integrated plan. At least one-half of the total costs to finance the implementation of the integrated plan must be funded through federal, private, and other nonstate sources, including a significant contribution of funding from local project beneficiaries. This section applies to the total costs of the integrated plan and not to individual projects within the plan.

(b) The state's continuing support for the integrated plan shall be formally reevaluated independently by the governor and the legislature if, after December 31, 2021, and periodically thereafter, the actual funding provided through nonstate sources is less than one-half of all costs and if funding from local project beneficiaries does not comprise a significant portion of the nonstate sources.

(2) The department shall deliver, consistent with the intent of this section, a cost estimate and financing plan that addresses the total estimated cost to implement the integrated plan and analyzes various financing options. The cost estimate and financing plan must include a description of state expenditures as of the effective date of this section incurred implementing the integrated plan and proposed state expenditures in the 2015-2017 biennium and beyond with proposed financing sources for each project.

(3) In addition, the office of the state treasurer shall prepare supplementary chapters to the cost estimate and financing plan for the department that:

(a) Identifies and evaluates potential new state financing sources to pay for the state's contribution towards the overall costs of the Yakima integrated plan's implementation;

(b) Identifies and evaluates potential new local financing sources to pay for a significant local contribution towards the overall costs of the Yakima integrated plan's implementation;

(c) Considers the viability, and evaluates the advantages and disadvantages of various financing mechanisms such as revenue bonds, general obligation bonds, and other financing models;

(d) Identifies past, current, and anticipated future costs that will be, or are anticipated to be, paid by nonstate sources such as federal sources, private sources, and local sources; and

(e) Considers how cost overruns of projects associated with the integrated plan could affect long-term financing of the overall integrated plan and provides options for how cost overruns can be addressed.

(4) The department may, in the sole discretion of the department, contract with state universities or private consultants for any part of the cost estimate and financing plan required under this section.

(5) The initial cost estimate and financing plan required by this section must be provided to the governor and the legislature, consistent with RCW 43.01.036, by no later than December 15, 2014, for consideration in preparing the 2015-2017 biennial budget and future budgets. The cost estimate and financing plan must be updated by September 1st of each successive even-numbered year.

NEW SECTION, Sec. 12. A new section is added to chapter 90.38 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department of natural resources is authorized to purchase land to be held in the community forest trust under RCW 79.155.040 to serve the purposes of the community forest trust including the protection of Yakima river basin functioning, without complying with the requirements of RCW 79.155.030(1), 79.155.060, or 79.155.070, relating to the identification, prioritization, local commitment, and financial contribution normally prerequisite to nominating and acquiring community forest trust lands. The purchase must be reviewed and approved by the board of natural resources. In its evaluation of this acquisition pursuant to RCW 79.155.040(3), the board is relieved from considering the criteria for identifying and prioritizing land set forth in RCW 79.155.050. Once purchased, the land must be managed by the department of natural resources in consultation with the department of fish and wildlife. Any investment in the land purchase with funds belonging to the common school trust constitutes a loan from the irreducible principal of the common school trust and may only be made if first determined to be a prudent investment by the board of natural resources. An annual interest payment on the loan of nine percent must be paid, with six percent deposited into the common school construction account and three percent deposited into the real property replacement account. Interest begins to accrue on the date the land purchase is completed and is due and payable July 1st following the completion of the state fiscal year. The principal of the loan must be repaid in accordance with the provisions of subsection (3) of this section.

(2) The land purchased under this authority must be managed under a transitional postacquisition management plan during the period between the date of purchase and the water supply facility permit and funding milestone or until June 30, 2025, whichever is sooner. The plan must be consistent with RCW 79.155.080(1), provided that the lands acquired as community forest trust lands are not required to generate financial support for their management as would otherwise be required by RCW 79.155.020(2), 79.155.030(2)(d), and 79.155.080(3), and provided further that the authority granted to the department to divest of the property under RCW 79.155.080(4) does not apply to these lands. The department of natural resources must develop the transitional postacquisition management plan in consultation with the department of fish and wildlife.

(a) The plan must ensure that the land is managed in a manner that is consistent with the Yakima basin integrated plan principles for forest land acquisitions, including the following:

- (i) To protect and enhance the water supply and protect the watershed;
- (ii) To maintain working lands for forestry and grazing while protecting key watershed functions and aquatic habitat;
- (iii) To maintain and where possible expand recreational opportunities consistent with watershed protection, for activities such as hiking, fishing, hunting, horseback riding, camping, birding, and snowmobiling;

(iv) To conserve and restore vital habitat for fish, including steelhead, spring chinook, and bull trout, and wildlife, including deer, elk, large predators, and spotted owls; and

(v) To support a strong community partnership, in which the Yakama Nation, residents, business owners, local governments, conservation groups, and others provide advice about ongoing land management.

(b) The department of natural resources, in consultation with the department of fish and wildlife, must establish the Teanaway community forest advisory committee that includes representatives from the department of ecology, the local community, land conservation organizations, the Yakama Nation, the Kittitas county commission, and local agricultural interests.

(c) By June 30, 2015, the department of natural resources must complete the transitional postacquisition management plan with a public process that involves interested stakeholders, particularly residents from Kittitas county, friends of the Teanaway, back country horsemen, off-road vehicle and snowmobile users, a representative from Kittitas field and stream, hikers and wildlife watchers, and ranchers who graze cattle.

(3) After the water supply facility permit and funding milestone or June 30, 2025, whichever is sooner, the land must be disposed of in the following manner:

(a) If the water supply facility permit and funding milestone conditions have been met, the land remains in the community forest trust and the transitional postacquisition management plan must be converted to a permanent postacquisition management plan with whatever updates and amendments are periodically adopted. Under these conditions, the remaining principal of any investment in the land purchased with funds belonging to the common school trust must be repaid to the real property replacement account.

(b) If the water supply facility permit and funding milestone conditions have not been met, the board of natural resources must decide between the following dispositions of the land:

(i) Deposit of the entire amount of land purchased into the ownership of the common school trust for management or disposition for the benefit of the common schools; or

(ii) Disposition under the terms of (a) of this subsection.

Sec. 13. RCW 84.33.140 and 2012 c 170 s 1 are each amended to read as follows:

(1) When land has been designated as forest land under RCW 84.33.130, a notation of the designation must be made each year upon the assessment and tax rolls. A copy of the notice of approval together with the legal description or assessor's parcel numbers for the land must, at the expense of the applicant, be filed by the assessor in the same manner as deeds are recorded.

(2) In preparing the assessment roll as of January 1, 2002, for taxes payable in 2003 and each January 1st thereafter, the assessor must list each parcel of designated forest land at a value with respect to the grade and class provided in this subsection and adjusted as provided in subsection (3) of this section. The assessor must compute the assessed value of the land using the same assessment ratio applied generally in computing the assessed value of other property in the county. Values for the several grades of bare forest land are as follows:

LAND GRADE	OPERABILITY CLASS	VALUES PER ACRE
	1	\$234
1	2	229
	3	217
	4	157
	1	198
2	2	190
	3	183
	4	132
	1	154
3	2	149
	3	148
	4	113
	1	117
4	2	114
	3	113
	4	86
	1	85
5	2	78
	3	77
	4	52
	1	43
6	2	39
	3	39
	4	37
	1	21
7	2	21
	3	20
	4	20
8		1

(3) On or before December 31, 2001, the department must adjust by rule under chapter 34.05 RCW, the forest land values contained in subsection (2) of this section in accordance with this subsection, and must certify the adjusted values to the assessor who will use these values in preparing the assessment roll as of January 1, 2002. For the adjustment to be made on or before December 31, 2001, for use in the 2002 assessment year, the department must:

(a) Divide the aggregate value of all timber harvested within the state between July 1, 1996, and June 30, 2001, by the aggregate harvest volume for

the same period, as determined from the harvester excise tax returns filed with the department under RCW 84.33.074; and

(b) Divide the aggregate value of all timber harvested within the state between July 1, 1995, and June 30, 2000, by the aggregate harvest volume for the same period, as determined from the harvester excise tax returns filed with the department under RCW 84.33.074; and

(c) Adjust the forest land values contained in subsection (2) of this section by a percentage equal to one-half of the percentage change in the average values of harvested timber reflected by comparing the resultant values calculated under (a) and (b) of this subsection.

(4) For the adjustments to be made on or before December 31, 2002, and each succeeding year thereafter, the same procedure described in subsection (3) of this section must be followed using harvester excise tax returns filed under RCW 84.33.074. However, this adjustment must be made to the prior year's adjusted value, and the five-year periods for calculating average harvested timber values must be successively one year more recent.

(5) Land graded, assessed, and valued as forest land must continue to be so graded, assessed, and valued until removal of designation by the assessor upon the occurrence of any of the following:

(a) Receipt of notice from the owner to remove the designation;

(b) Sale or transfer to an ownership making the land exempt from ad valorem taxation;

(c) Sale or transfer of all or a portion of the land to a new owner, unless the new owner has signed a notice of forest land designation continuance, except transfer to an owner who is an heir or devisee of a deceased owner, does not, by itself, result in removal of designation. The signed notice of continuance must be attached to the real estate excise tax affidavit provided for in RCW 82.45.150. The notice of continuance must be on a form prepared by the department. If the notice of continuance is not signed by the new owner and attached to the real estate excise tax affidavit, all compensating taxes calculated under subsection (11) of this section are due and payable by the seller or transferor at time of sale. The auditor may not accept an instrument of conveyance regarding designated forest land for filing or recording unless the new owner has signed the notice of continuance or the compensating tax has been paid, as evidenced by the real estate excise tax stamp affixed thereto by the treasurer. The seller, transferor, or new owner may appeal the new assessed valuation calculated under subsection (11) of this section to the county board of equalization in accordance with the provisions of RCW 84.40.038. Jurisdiction is hereby conferred on the county board of equalization to hear these appeals;

(d) Determination by the assessor, after giving the owner written notice and an opportunity to be heard, that:

(i) The land is no longer primarily devoted to and used for growing and harvesting timber. However, land may not be removed from designation if a governmental agency, organization, or other recipient identified in subsection (13) or (14) of this section as exempt from the payment of compensating tax has manifested its intent in writing or by other official action to acquire a property interest in the designated forest land by means of a transaction that qualifies for an exemption under subsection (13) or (14) of this section. The governmental agency, organization, or recipient must annually provide the assessor of the

county in which the land is located reasonable evidence in writing of the intent to acquire the designated land as long as the intent continues or within sixty days of a request by the assessor. The assessor may not request this evidence more than once in a calendar year;

(ii) The owner has failed to comply with a final administrative or judicial order with respect to a violation of the restocking, forest management, fire protection, insect and disease control, and forest debris provisions of Title 76 RCW or any applicable rules under Title 76 RCW; or

(iii) Restocking has not occurred to the extent or within the time specified in the application for designation of such land.

(6) Land may not be removed from designation if there is a governmental restriction that prohibits, in whole or in part, the owner from harvesting timber from the owner's designated forest land. If only a portion of the parcel is impacted by governmental restrictions of this nature, the restrictions cannot be used as a basis to remove the remainder of the forest land from designation under this chapter. For the purposes of this section, "governmental restrictions" includes: (a) Any law, regulation, rule, ordinance, program, or other action adopted or taken by a federal, state, county, city, or other governmental entity; or (b) the land's zoning or its presence within an urban growth area designated under RCW 36.70A.110.

(7) The assessor has the option of requiring an owner of forest land to file a timber management plan with the assessor upon the occurrence of one of the following:

(a) An application for designation as forest land is submitted; or

(b) Designated forest land is sold or transferred and a notice of continuance, described in subsection (5)(c) of this section, is signed.

(8) If land is removed from designation because of any of the circumstances listed in subsection (5)(a) through (c) of this section, the removal applies only to the land affected. If land is removed from designation because of subsection (5)(d) of this section, the removal applies only to the actual area of land that is no longer primarily devoted to the growing and harvesting of timber, without regard to any other land that may have been included in the application and approved for designation, as long as the remaining designated forest land meets the definition of forest land contained in RCW 84.33.035.

(9) Within thirty days after the removal of designation as forest land, the assessor must notify the owner in writing, setting forth the reasons for the removal. The seller, transferor, or owner may appeal the removal to the county board of equalization in accordance with the provisions of RCW 84.40.038.

(10) Unless the removal is reversed on appeal a copy of the notice of removal with a notation of the action, if any, upon appeal, together with the legal description or assessor's parcel numbers for the land removed from designation must, at the expense of the applicant, be filed by the assessor in the same manner as deeds are recorded and a notation of removal from designation must immediately be made upon the assessment and tax rolls. The assessor must revalue the land to be removed with reference to its true and fair value as of January 1st of the year of removal from designation. Both the assessed value before and after the removal of designation must be listed. Taxes based on the value of the land as forest land are assessed and payable up until the date of

removal and taxes based on the true and fair value of the land are assessed and payable from the date of removal from designation.

(11) Except as provided in subsection (5)(c), (13), or (14) of this section, a compensating tax is imposed on land removed from designation as forest land. The compensating tax is due and payable to the treasurer thirty days after the owner is notified of the amount of this tax. As soon as possible after the land is removed from designation, the assessor must compute the amount of compensating tax and mail a notice to the owner of the amount of compensating tax owed and the date on which payment of this tax is due. The amount of compensating tax is equal to the difference between the amount of tax last levied on the land as designated forest land and an amount equal to the new assessed value of the land multiplied by the dollar rate of the last levy extended against the land, multiplied by a number, in no event greater than nine, equal to the number of years for which the land was designated as forest land, plus compensating taxes on the land at forest land values up until the date of removal and the prorated taxes on the land at true and fair value from the date of removal to the end of the current tax year.

(12) Compensating tax, together with applicable interest thereon, becomes a lien on the land, which attaches at the time the land is removed from designation as forest land and has priority and must be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes as provided in RCW 84.64.050. Any compensating tax unpaid on its due date will thereupon become delinquent. From the date of delinquency until paid, interest is charged at the same rate applied by law to delinquent ad valorem property taxes.

(13) The compensating tax specified in subsection (11) of this section may not be imposed if the removal of designation under subsection (5) of this section resulted solely from:

(a) Transfer to a government entity in exchange for other forest land located within the state of Washington;

(b) A taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of such power;

(c) A donation of fee title, development rights, or the right to harvest timber, to a government agency or organization qualified under RCW 84.34.210 and 64.04.130 for the purposes enumerated in those sections, or the sale or transfer of fee title to a governmental entity or a nonprofit nature conservancy corporation, as defined in RCW 64.04.130, exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage council and natural heritage plan as defined in chapter 79.70 RCW or approved for state natural resources conservation area purposes as defined in chapter 79.71 RCW, or for acquisition and management as a community forest trust as defined in chapter 79.155 RCW. At such time as the land is not used for the purposes enumerated, the compensating tax specified in subsection (11) of this section is imposed upon the current owner;

(d) The sale or transfer of fee title to the parks and recreation commission for park and recreation purposes;

(e) Official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present use of the land;

(f) The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;

(g) The creation, sale, or transfer of a conservation easement of private forest lands within unconfined channel migration zones or containing critical habitat for threatened or endangered species under RCW 76.09.040;

(h) The sale or transfer of land within two years after the death of the owner of at least a fifty percent interest in the land if the land has been assessed and valued as classified forest land, designated as forest land under this chapter, or classified under chapter 84.34 RCW continuously since 1993. The date of death shown on a death certificate is the date used for the purposes of this subsection (13)(h); or

(i) The discovery that the land was designated under this chapter in error through no fault of the owner. For purposes of this subsection (13)(i), "fault" means a knowingly false or misleading statement, or other act or omission not in good faith, that contributed to the approval of designation under this chapter or the failure of the assessor to remove the land from designation under this chapter.

(ii) For purposes of this subsection (13), the discovery that land was designated under this chapter in error through no fault of the owner is not the sole reason for removal of designation under subsection (5) of this section if an independent basis for removal exists. An example of an independent basis for removal includes the land no longer being devoted to and used for growing and harvesting timber.

(14) In a county with a population of more than six hundred thousand inhabitants or in a county with a population of at least two hundred forty-five thousand inhabitants that borders Puget Sound as defined in RCW 90.71.010, the compensating tax specified in subsection (11) of this section may not be imposed if the removal of designation as forest land under subsection (5) of this section resulted solely from:

(a) An action described in subsection (13) of this section; or

(b) A transfer of a property interest to a government entity, or to a nonprofit historic preservation corporation or nonprofit nature conservancy corporation, as defined in RCW 64.04.130, to protect or enhance public resources, or to preserve, maintain, improve, restore, limit the future use of, or otherwise to conserve for public use or enjoyment, the property interest being transferred. At such time as the property interest is not used for the purposes enumerated, the compensating tax is imposed upon the current owner.

NEW SECTION. Sec. 14. A new section is added to chapter 79.155 RCW to read as follows:

The state treasurer, on behalf of the department, must distribute to counties for all lands acquired from private landowners for the purposes of this chapter an amount in lieu of real property taxes equal to the amount of tax that would be due if the land were taxable as open space land under chapter 84.34 RCW except taxes levied for any state purpose, plus an additional amount equal to the amount of weed control assessment that would be due if such lands were privately

owned. The county assessor and county legislative authority shall assist in determining the appropriate calculation of the amount of tax that would be due. The county shall distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county shall distribute the amount received under this section for weed control to the appropriate weed district.

Sec. 15. RCW 43.84.092 and 2013 c 251 s 3 and 2013 c 96 s 3 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of

licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of

Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, ~~((and))~~ the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 16. RCW 43.84.092 and 2013 c 251 s 4 and 2013 c 96 s 4 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf

of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public

facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, ~~((and))~~ the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 17. Section 15 of this act expires if the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. Sec. 18. Section 16 of this act takes effect if the requirements set out in section 7, chapter 36, Laws of 2012 are met.

Passed by the Senate June 28, 2013.

Passed by the House June 29, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 12

[Engrossed Substitute Senate Bill 5644]

SPIRITS DISTRIBUTORS—LICENSE ISSUANCE FEES

AN ACT Relating to license issuance fees of former contract liquor stores, former state store auction buyers, and spirits distributors; amending RCW 66.24.055; adding a new section to chapter 66.24 RCW; creating a new section; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 66.24.055 and 2012 c 2 s 105 (Initiative Measure No. 1183) are each amended to read as follows:

(1) There is a license for spirits distributors to (a) sell spirits purchased from manufacturers, distillers, or suppliers including, without limitation, licensed Washington distilleries, licensed spirits importers, other Washington spirits distributors, or suppliers of foreign spirits located outside of the United States, to spirits retailers including, without limitation, spirits retail licensees, special occasion license holders, interstate common carrier license holders, restaurant spirits retailer license holders, spirits, beer, and wine private club license holders, hotel license holders, sports entertainment facility license holders, and spirits, beer, and wine nightclub license holders, and to other spirits distributors; and (b) export the same from the state.

(2) By January 1, 2012, the board must issue spirits distributor licenses to all applicants who, upon December 8, 2011, have the right to purchase spirits from a spirits manufacturer, spirits distiller, or other spirits supplier for resale in the state, or are agents of such supplier authorized to sell to licensees in the state, unless the board determines that issuance of a license to such applicant is not in the public interest.

(3)(a) As limited by (b) of this subsection and subject to (c) of this subsection, each spirits distributor licensee must pay to the board, for deposit into the liquor revolving fund, a license issuance fee calculated as follows:

(i) In each of the first ~~((two years))~~ twenty-seven months of licensure, ten percent of the total revenue from all the licensee's sales of spirits made during the ~~((year))~~ month for which the fee is due, respectively; and

(ii) In the ~~((third year))~~ twenty-eighth month of licensure and each ~~((year))~~ month thereafter, five percent of the total revenue from all the licensee's sales of spirits made during the ~~((year))~~ month for which the fee is due, respectively.

(b) The fee required under this subsection (3) is calculated only on sales of items which the licensee was the first spirits distributor in the state to have received:

(i) In the case of spirits manufactured in the state, from the distiller; or

(ii) In the case of spirits manufactured outside the state, from an authorized out-of-state supplier.

(c) By March 31, 2013, all persons holding spirits distributor licenses on or before March 31, 2013, must have paid collectively one hundred fifty million dollars or more in spirits distributor license fees. If the collective payment through March 31, 2013, totals less than one hundred fifty million dollars, the board must, according to rules adopted by the board for the purpose, collect by May 31, 2013, as additional spirits distributor license fees the difference between one hundred fifty million dollars and the actual receipts, allocated among persons holding spirits distributor licenses at any time on or before March 31, 2013, ratably according to their spirits sales made during calendar year 2012. Any amount by which such payments exceed one hundred fifty million dollars by March 31, 2013, must be credited to future license issuance fee obligations of spirits distributor licensees according to rules adopted by the board.

(d) A retail licensee selling for resale must pay a distributor license fee under the terms and conditions in this section on resales of spirits the licensee has purchased on which no other distributor license fee has been paid. The board must establish rules setting forth the frequency and timing of such payments and reporting of sales dollar volume by the licensee, with payments due quarterly in arrears.

(e) No spirits inventory may be subject to calculation of more than a single spirits distributor license issuance fee.

(4) In addition to the payment set forth in subsection (3) of this section, each spirits distributor licensee renewing its annual license must pay an annual license renewal fee of one thousand three hundred twenty dollars for each licensed location.

(5) There is no minimum facility size or capacity for spirits distributor licenses, and no limit on the number of such licenses issued to qualified applicants. License applicants must provide physical security of the product that is substantially as effective as the physical security of the distribution facilities currently operated by the board with respect to preventing pilferage. License issuances and renewals are subject to RCW 66.24.010 and the regulations promulgated thereunder, including without limitation rights of cities, towns, county legislative authorities, the public, churches, schools, and public institutions to object to or prevent issuance of local liquor licenses. However, existing distributor premises licensed to sell beer and/or wine are deemed to be premises "now licensed" under RCW 66.24.010(9)(a) for the purpose of processing applications for spirits distributor licenses.

NEW SECTION. Sec. 2. The changes made in section 1 of this act apply to spirits distributors licensed on or after January 1, 2012.

NEW SECTION. Sec. 3. A new section is added to chapter 66.24 RCW to read as follows:

(1) Beginning on the effective date of this section, the license issuance fee under RCW 66.24.630(4) does not apply to a spirits retail licensee that was a contract liquor store manager with respect to sales of spirits in original containers from the location of its spirits retail licensed premises to retailers licensed to sell spirits for consumption on the premises for resale at their licensed premises.

(2) Beginning on the effective date of this section, the license issuance fee under RCW 66.24.630(4) does not apply to a spirits retail licensee that was a former state store auction buyer, with respect to sales of spirits in original containers from the location of its spirits retail licensed premises to retailers licensed to sell spirits for consumption on the premises for resale at their licensed premises.

(3) The exemptions created in this section attach to any successor, by purchase or otherwise, to the spirits retail license, except that an exemption does not attach to any such successor that owns, directly or indirectly, any interest in a spirits retail license that is not derived directly from a former contract liquor store manager or a former state store auction buyer.

NEW SECTION. **Sec. 4.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate June 29, 2013.

Passed by the House June 29, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 13

[Engrossed Substitute Senate Bill 5882]

TAX PREFERENCES

AN ACT Relating to creating, expanding, or extending tax preferences; amending RCW 82.04.260, 82.04.4268, 82.04.629, 82.04.630, 82.08.0204, 82.12.0204, 82.04.050, 82.04.294, 82.08.956, 82.12.956, 47.68.250, 82.48.100, 82.04.324, 82.08.962, 82.12.962, 82.08.963, and 82.12.963; reenacting and amending RCW 82.04.260; adding new sections to chapter 82.04 RCW; adding new sections to chapter 82.08 RCW; adding new sections to chapter 82.12 RCW; adding new sections to chapter 43.136 RCW; adding new sections to chapter 82.32 RCW; adding a new section to chapter 82.14B RCW; adding a new section to chapter 82.16 RCW; adding a new section to chapter 82.18 RCW; adding a new section to chapter 82.19 RCW; adding a new section to chapter 82.21 RCW; adding a new section to chapter 82.23A RCW; adding a new section to chapter 82.23B RCW; adding a new section to chapter 82.24 RCW; adding a new section to chapter 82.26 RCW; adding a new section to chapter 82.27 RCW; adding a new section to chapter 82.29A RCW; adding a new section to chapter 82.45 RCW; adding a new section to chapter 82.48 RCW; adding a new section to chapter 82.64 RCW; adding a new section to chapter 84.52 RCW; adding a new section to chapter 54.28 RCW; creating new sections; repealing 2008 c 314 s 7 (uncodified); repealing 2013 2nd sp.s. c ... s 1202; providing effective dates; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART I
Payroll Services

NEW SECTION. Sec. 101. (1) The legislature finds that the supreme court's decision in *William Rogers v. Tacoma*, while clarifying the taxation of temporary staffing agencies, resulted in differing interpretations of regulatory requirements in order to qualify for a pass-through exclusion from Washington B&O taxes for payroll reimbursements made within an affiliated group.

(2) The legislature passed Second Engrossed Substitute Senate Bill No. 6143 during the 2010 legislative session that directed the department of revenue to conduct a review and provide a report on the state's tax policies with respect to the taxation of intercompany transactions. The report affirms that centralized payroll reporting systems can result in an additional layer of tax for Washington businesses. Exclusions for payroll reimbursements allow businesses to have efficient administrative costs without incurring an additional tax obligation resulting exclusively from streamlining payroll processes. Further, this treatment of allowing for an exclusion of payroll cost reimbursements within a centralized payroll system is consistent with historical tax practices of the department of revenue prior to the *William Rogers* decision.

(3) The department of revenue continues to work with taxpayers to study taxation of transactions within and between affiliated business organizations in order to determine the appropriate policies and to identify areas where statutory and regulatory changes may be necessary.

(4) The legislature finds that the tax policy of allowing exclusions for payroll cost reimbursements within a centralized payroll reporting system is appropriate and should be affirmed. The legislature adopts the historical tax policy of allowing exclusions for payroll cost reimbursements within a centralized payroll reporting system of an affiliated group and requires the implementation of such tax policy from the effective date of this section. In affirming this tax policy, the legislature also intends to monitor these transactions to ensure they are being used appropriately and not for tax avoidance purposes and to monitor the potential impact on state revenue collections. The legislature does not intend for part I of this act to retroactively create a right of refund for taxes paid on payroll cost reimbursements prior to the enactment of this statute.

NEW SECTION. Sec. 102. A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing tax there may be deducted from the measure of tax, amounts that a qualified employer of record engaged in providing paymaster services receives from an affiliated business to cover employee costs of a qualified employee. However, no exclusion is allowed under this section for any employee costs incurred in connection with a contractual obligation of the taxpayer to provide services, including staffing services as defined in RCW 82.04.540.

(2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Affiliated" has the same meaning as provided in RCW 82.32.655(7).

(b) "Employee costs" are the actual cost of wages and salaries, benefits, workers' compensation, payroll taxes, withholding, or other assessments paid to or on behalf of an employee.

(c) "Functional employment relationship" means having control over the work schedule and activities of the employees and control over all employment decisions such as salary, discipline, hiring, or layoffs.

(d) "Paymaster services" means providing payroll and related human resource services.

(e) "Qualified employee" means an employee with whom the affiliated business has a functional employment relationship. Neither the employer of record, nor any other affiliate, may have a functional employment relationship with the employee.

(f) "Qualified employer of record" is a person who:

(i) Has no functional employment relationship with a qualified employee; and

(ii) Has no contractual liability with a qualified employee for the employee costs. A qualified employer of record may have statutory or common law liability to the qualified employees or to third parties for employee costs.

(3) Section 1701(1) of this act does not apply to the deduction authorized in this section.

PART II Dairy Products

NEW SECTION. Sec. 201. The intent of part II of this act is to incentivize the creation of additional jobs in Washington in the dairy industry and related industries that manufacture dairy-based products. More specifically, it is the intent of part II of this act to encourage infant formula producers to locate new facilities in Washington or expand existing facilities in Washington through an extension of a preferential business and occupation tax rate for dairy producers. It is the further intent of the legislature to provide this tax incentive in a fiscally responsible manner where the actual revenue impact of the legislation substantially conforms with the fiscal estimate provided in the legislation's fiscal note.

Sec. 202. RCW 82.04.260 and 2012 2nd sp.s. c 6 s 602 and 2012 2nd sp.s. c 6 s 204 are each reenacted and amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing:

(a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;

(b) Beginning July 1, 2015, seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of

the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(c)(i) ~~Beginning July 1, 2015, dairy products ((that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by products from the manufacturing of the dairy products such as whey and casein; or selling the same)); or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.~~

(ii) For the purposes of this subsection (1)(c), "dairy products" means:

(A) ~~Products that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and~~

(B) ~~Products comprised of not less than seventy percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.~~

(iii) ~~The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;~~

(d) Beginning July 1, 2015, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel feedstock, as those terms are defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of alcohol fuel, biodiesel fuel, or biodiesel feedstock manufactured, multiplied by the rate of 0.138 percent; and

(f) Wood biomass fuel as defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent.

(2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to

such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.

(3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.

(5) Upon every person engaging within this state in the business of acting as a travel agent or tour operator; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(8) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons

the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

(9) Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.

(10) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.

(11)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:

- (i) 0.4235 percent from October 1, 2005, through June 30, 2007; and
- (ii) 0.2904 percent beginning July 1, 2007.

(b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection (11) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.

(c) For the purposes of this subsection (11), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(d) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection (11) must file a complete annual report with the department under RCW 82.32.534.

(e) This subsection (11) does not apply on and after July 1, 2024.

(12)(a) Until July 1, 2024, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the

rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(b) Until July 1, 2024, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; or (ii) timber products into other timber products or wood products; as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including by-products, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(c) Until July 1, 2024, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; or (iii) wood products manufactured by that person from timber or timber products; as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, or wood products multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(d) Until July 1, 2024, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection (12)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within thirty months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.

(e) For purposes of this subsection, the following definitions apply:

(i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than fifty percent recycled paper and that also use nonpetroleum-based phenolic resin as a bonding agent.

(ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.

(iii) "Recycled paper" means paper and paper products having fifty percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection (12)(e)(iii), "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.

(iv) "Timber" means forest trees, standing or down, on privately or publicly owned land. "Timber" does not include Christmas trees that are cultivated by agricultural methods or short-rotation hardwoods as defined in RCW 84.33.035.

(v) "Timber products" means:

(A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;

(B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and

(C) Recycled paper, but only when used in the manufacture of biocomposite surface products.

(vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.

(f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection (12) must file a complete annual survey with the department under RCW 82.32.585.

(13) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(14)(a) Upon every person engaging within this state in the business of printing a newspaper, publishing a newspaper, or both, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of 0.365 percent through June 30, 2013, and beginning July 1, 2013, multiplied by the rate of 0.35 percent.

(b) A person reporting under the tax rate provided in this subsection (14) must file a complete annual report with the department under RCW 82.32.534.

Sec. 203. RCW 82.04.260 and 2012 2nd sp.s. c 6 s 204 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing:

(a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;

(b) Beginning July 1, 2015, seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(c)(i) Beginning July 1, 2015, dairy products (~~that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products such as whey and casein; or selling the same~~); or selling dairy products that the person has

manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.

(ii) For the purposes of this subsection (1)(c), "dairy products" means:

(A) Products that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and

(B) Products comprised of not less than seventy percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.

(iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;

(d) Beginning July 1, 2015, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel feedstock, as those terms are defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of alcohol fuel, biodiesel fuel, or biodiesel feedstock manufactured, multiplied by the rate of 0.138 percent; and

(f) Wood biomass fuel as defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent.

(2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.

(3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling

the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.

(5) Upon every person engaging within this state in the business of acting as a travel agent or tour operator; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(8) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

(9) Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line

broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.

(10) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.

(11)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:

(i) 0.4235 percent from October 1, 2005, through June 30, 2007; and

(ii) 0.2904 percent beginning July 1, 2007.

(b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection (11) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.

(c) For the purposes of this subsection (11), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(d) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection (11) must file a complete annual report with the department under RCW 82.32.534.

(e) This subsection (11) does not apply on and after July 1, 2024.

(12)(a) Until July 1, 2024, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(b) Until July 1, 2024, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; or (ii) timber products into other timber products or wood products; as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including by-products, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent

from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(c) Until July 1, 2024, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; or (iii) wood products manufactured by that person from timber or timber products; as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, or wood products multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

(d) Until July 1, 2024, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection (12)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within thirty months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.

(e) For purposes of this subsection, the following definitions apply:

(i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than fifty percent recycled paper and that also use nonpetroleum-based phenolic resin as a bonding agent.

(ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.

(iii) "Recycled paper" means paper and paper products having fifty percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection (12)(e)(iii), "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.

(iv) "Timber" means forest trees, standing or down, on privately or publicly owned land. "Timber" does not include Christmas trees that are cultivated by agricultural methods or short-rotation hardwoods as defined in RCW 84.33.035.

(v) "Timber products" means:

(A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;

(B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and

(C) Recycled paper, but only when used in the manufacture of biocomposite surface products.

(vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.

(f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection (12) must file a complete annual survey with the department under RCW 82.32.585.

(13) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(14)(a) Upon every person engaging within this state in the business of printing a newspaper, publishing a newspaper, or both, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of 0.2904 percent.

(b) A person reporting under the tax rate provided in this subsection (14) must file a complete annual report with the department under RCW 82.32.534.

Sec. 204. RCW 82.04.4268 and 2012 2nd sp.s. c 6 s 202 are each amended to read as follows:

(1) (~~(This chapter does not apply to)~~) In computing tax there may be deducted from the measure of tax, the value of products or the gross proceeds of sales derived from:

(a) Manufacturing dairy products; or

(b) ~~Selling ((manufactured dairy products to purchasers who transport in the ordinary course of business the goods out of this state))~~ dairy products manufactured by the seller to purchasers who either transport in the ordinary course of business the goods out of this state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product. A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.

(2) "Dairy products" (~~means dairy products that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including byproducts from the manufacturing of the dairy products such as whey and casein~~) has the same meaning as provided in RCW 82.04.260.

(3) A person claiming the exemption provided in this section must file a complete annual survey with the department under RCW 82.32.585.

(4) This section expires July 1, 2015.

PART III Honey Beekeepers

NEW SECTION. **Sec. 301.** (1) The legislature finds that in 2008 the legislature passed Second Substitute Senate Bill No. 6468, which provided temporary tax relief for honey beekeepers. The legislature further finds that the 2008 legislation included the following intent language: "The legislature finds that recent occurrences of colony collapse disorder and the resulting loss of bee

hives will have an economic impact on the state's agricultural sector. The legislature intends to provide temporary business and occupation tax relief for Washington's apiarists." The legislature further finds that in 2013, colony collapse disorder is still a significant problem for the apiary industry.

(2) Because of the continuing problems associated with colony collapse disorder, it is the legislature's intent to extend the tax relief provided in the 2008 legislation, subject to a rigorous and periodic review of the health of honey bee colonies in Washington to determine whether colony collapse disorder is still a significant problem in the apiary industry. It is the legislature's intent that the tax relief provided in part III of this act will not be extended when data indicates that honey bee colony survivorship has improved, as provided in the colony collapse disorder progress report, published annually by the United States department of agriculture, and data provided by the Washington state department of agriculture to the joint legislative audit and review committee.

NEW SECTION. Sec. 302. A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of feed to an eligible apiarist for use in the raising of a bee colony used to make honey bee products.

(2) This exemption is available only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department.

(3) The definitions in RCW 82.04.629 apply to this section.

(4) This section expires July 1, 2017.

NEW SECTION. Sec. 303. A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of feed to an eligible apiarist for use in the raising of a bee colony used to make honey bee products.

(2) The definitions in RCW 82.04.629 apply to this section.

(3) This section expires July 1, 2017.

NEW SECTION. Sec. 304. A new section is added to chapter 43.136 RCW to read as follows:

(1) As part of the joint legislative audit and review committee's tax preference review under this chapter for the tax preferences contained within part III of this act, the joint legislative audit and review committee must also evaluate whether Washington state taxes are a disproportionately large percentage of a commercial beekeeper's operational or capital costs, including an analysis of the impact of Washington state taxes on similar sized businesses.

(2) This section expires July 1, 2017.

NEW SECTION. Sec. 305. (1) The department of agriculture must convene a honey bee work group to address challenges facing the honey bee industry and to develop a report outlining solutions that bolster the use of Washington honey bee colonies used to pollinate tree fruits, berries, and seeds. The work group must include the following members: Two members from the Washington state beekeepers association; one apiarist as defined in RCW 15.60.005 with no less than one thousand hives; one apiarist as defined in RCW 15.60.005 with no more than twenty-five hives; one member from the Washington State University apiary lab; one member from the Washington state

department of agriculture; one member from the tree fruit industry; and one member from the seed industry.

(2) The work group may include or seek input from other agencies, organizations, or stakeholders. By December 31, 2014, and in compliance with RCW 43.01.036, the department must submit the work group's report to the legislature that includes the following: (a) Proposed changes to the industry's tax structure to increase competitiveness with out-of-state beekeepers for pollination contracts; (b) providing analytics and metrics to measure the value of the proposed tax structure changes; (c) proposed additional resources needed to continue applied and basic research to support commercial beekeepers in the state and to recover colony losses; (d) identifying colony levels needed to meet the pollination demands of the Washington agricultural industry; (e) identifying other policy changes that would increase the competitiveness of Washington beekeepers; (f) other industry needs that would increase the market share of pollination contracts awarded to Washington beekeepers; and (g) metrics needed to provide accountability for state resources invested in the honey bee industry.

(3) This section expires July 1, 2017.

Sec. 306. RCW 82.04.629 and 2008 c 314 s 2 are each amended to read as follows:

(1) This chapter does not apply to amounts derived from the wholesale sale of honey bee products by an eligible apiarist who owns or keeps bee colonies and who does not qualify for an exemption under RCW 82.04.330 in respect to such sales.

(2) The exemption provided in subsection (1) of this section does not apply to any person selling such products at retail or to any person selling manufactured substances or articles.

(3) The definitions in this subsection apply ~~((to))~~ throughout this section unless the context clearly requires otherwise.

(a) "Bee colony" means a natural group of honey bees containing seven thousand or more workers and one or more queens, housed in a man-made hive with movable frames, and operated as a beekeeping unit.

(b) "Eligible apiarist" means a person who owns or keeps one or more bee colonies and who grows, raises, or produces honey bee products for sale at wholesale and is registered under RCW 15.60.021.

(c) "Honey bee products" means queen honey bees, packaged honey bees, honey, pollen, bees wax, propolis, or other substances obtained from honey bees. "Honey bee products" does not include manufactured substances or articles.

(4) This section expires July 1, 2017.

Sec. 307. RCW 82.04.630 and 2008 c 314 s 3 are each amended to read as follows:

(1) This chapter does not apply to amounts received by an eligible apiarist, as defined in RCW 82.04.629, for providing bee pollination services to a farmer using a bee colony owned or kept by the person providing the pollination services.

(2) The definitions in RCW 82.04.213 apply to this section.

(3) This section expires July 1, 2017.

Sec. 308. RCW 82.08.0204 and 2008 c 314 s 4 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to the sale of honey bees to an eligible apiarist, as defined in RCW 82.04.629. This exemption is available only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department.

(2) This section expires July 1, 2017.

Sec. 309. RCW 82.12.0204 and 2008 c 314 s 5 are each amended to read as follows:

(1) The provisions of this chapter do not apply in respect to the use of honey bees by an eligible apiarist, as defined in RCW 82.04.629. This exemption is available only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department.

(2) This section expires July 1, 2017.

NEW SECTION. **Sec. 310.** 2008 c 314 s 7 (uncodified) is repealed.

PART IV **Clay Targets**

NEW SECTION. **Sec. 401.** The legislature intends for the tax preferences in sections 402 and 403 of this act to be temporary in order for the legislature to assess the actual fiscal impact of the tax preferences to ensure that they reasonably conform with the fiscal estimate provided in the legislation's fiscal note. It is not the legislature's intent to establish a broad policy of providing sales and use tax exemptions for business consumables used by businesses in the provision of services to customers.

NEW SECTION. **Sec. 402.** A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of clay targets purchased by a nonprofit gun club for use in providing the activity of clay target shooting for a fee.

(2) The exemption is available only when the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files. For sellers who electronically file their taxes, the department must provide a separate tax reporting line for exemption amounts claimed under this section.

(3) This section expires July 1, 2017.

NEW SECTION. **Sec. 403.** A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to the use by a nonprofit gun club of clay targets that are provided while conducting the activity of clay target shooting for a fee.

(2) This section expires July 1, 2017.

PART V **Products that Impart Flavor to Food**

NEW SECTION. **Sec. 501.** The intent of part V of this act is to provide tax relief to restaurants for business inputs that cannot be reused and are consumed for a specific purpose during the cooking process. More specifically, it is the

intent of part V of this act to provide a sales and use tax exemption for specific items used in the cooking process that impart flavor and therefore are similar to an ingredient added to a final product that is sold to the consumer. It is also the intent of the legislature to provide this tax preference in a fiscally responsible manner where the actual revenue impact of the legislation substantially conforms with the fiscal estimate provided in the legislation's fiscal note. Therefore, the legislature intends for this tax preference to be temporary so the legislature can assess the actual fiscal impact of the tax preference and whether the tangible personal property subject to the exemption is being used in a manner consistent with an ingredient or component that becomes part of a product sold to a final consumer.

NEW SECTION. Sec. 502. A new section is added to chapter 82.08 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, the tax levied by RCW 82.08.020 does not apply to sales to restaurants of products that impart flavor to food during the cooking process and that:

(a) Are completely or substantially consumed by combustion during the cooking process, such as wood chips, charcoal, charcoal briquettes, and grape vines; or

(b) Support the food during the cooking process and are comprised entirely of wood, such as cedar grilling planks.

(2) The exemption provided by this section does not apply to any type of gas fuel.

(3) Sellers making tax-exempt sales under this section must obtain an exemption certificate from the buyer in a form and manner prescribed by the department. The seller must retain a copy of the exemption certificate for the seller's files. In lieu of an exemption certificate, a seller may capture the relevant data elements as allowed under the streamlined sales and use tax agreement. For sellers who electronically file their taxes, the department must provide a separate tax reporting line for exemption amounts claimed under this section.

(4) For purposes of this subsection, "restaurant" has the same meaning as provided in RCW 82.08.9995.

(5) This section expires July 1, 2017.

NEW SECTION. Sec. 503. A new section is added to chapter 82.12 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, the provisions of this chapter do not apply to restaurants with respect to the use of products that impart flavor to food during the cooking process and that:

(a) Are completely or substantially consumed by combustion during the cooking process, such as wood chips, charcoal, charcoal briquettes, and grape vines; or

(b) Support the food during the cooking process and are comprised entirely of wood, such as cedar grilling planks.

(2) The exemption provided by this section does not apply to any type of gas fuel.

(3) For purposes of this subsection, "restaurant" has the same meaning as provided in RCW 82.08.9995.

(4) This section expires July 1, 2017.

PART VI
Cooperative Finance Organizations

NEW SECTION. Sec. 601. (1) The intent of part VI of this act is to provide tax relief for customers of rural electric cooperatives by providing a business and occupation tax deduction for interest income on loans made by certain finance organizations to rural electric cooperatives. It is the further intent of the legislature to provide this tax deduction in a fiscally responsible manner where the actual revenue impact of the legislation substantially conforms with the fiscal estimate provided in the legislation's fiscal note.

(2) To measure the effectiveness of this tax preference in meeting its policy objectives, the joint legislative audit and review committee shall specifically evaluate customer rates charged by rural electric cooperatives that are repaying debt to the national rural utilities cooperative finance organization, or any similar financing organization, and the impact the business and occupation deduction provided under part VI of this act has had on those rates.

NEW SECTION. Sec. 602. A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing tax there may be deducted from the measure of tax, amounts received by a cooperative finance organization where the amounts are derived from loans to rural electric cooperatives or other nonprofit or governmental providers of utility services organized under the laws of this state.

(2) For the purposes of this section, the following definitions apply:

(a) "Cooperative finance organization" means a nonprofit organization with the primary purpose of providing, securing, or otherwise arranging financing for rural electric cooperatives.

(b) "Rural electric cooperative" means a nonprofit, customer-owned organization that provides utility services to rural areas.

(3) This section expires July 1, 2017.

NEW SECTION. Sec. 603. Section 602 of this act applies to amounts received on or after October 1, 2013.

PART VII
Investment Data for Investment Firms

NEW SECTION. Sec. 701. (1) The legislature finds that in 2007, Engrossed Substitute House Bill No. 1981 was enacted into law, which provided a sales tax exemption for electronically delivered standard financial information if the sales were to an investment management company or financial institution. The legislature further finds that in 2009 and 2010, Engrossed Substitute House Bill No. 2075 and Substitute House Bill No. 2620 were passed, to address the taxation of electronically delivered products. The legislature further finds that this legislation imposed sales and use tax on most digital services, goods, and prewritten software, but provided a broad business exemption for digital goods. The legislature further finds that the sales tax exemption for standard financial information from the 2007 legislation was eliminated because it was believed that the broader business exemption in Engrossed Substitute House Bill No. 2075 covered these transactions. The legislature further finds that the method of transmission of data by data providers to investment management companies has

evolved over time where data providers add search tools to their web-based data, which makes it subject to sales tax.

(2) The legislature's intent under part VII of this act is to conform with a previously determined policy objective of exempting certain standard financial information purchased by international investment management companies from sales and use tax on the understanding that the fiscal impact is minimal. Therefore, it is the legislature's further intent to reevaluate the exemption in three years to ensure that actual fiscal impact on state revenues reasonably conforms with the fiscal estimate in the fiscal note for this legislation.

NEW SECTION. Sec. 702. A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax imposed by RCW 82.08.020 does not apply to sales of standard financial information to qualifying international investment management companies. The exemption provided in this section applies regardless of whether the standard financial information is provided to the buyer in a tangible format or on a tangible storage medium or as a digital product transferred electronically.

(2) Sellers making tax-exempt sales under this section must obtain an exemption certificate from the buyer in a form and manner prescribed by the department. The seller must retain a copy of the exemption certificate for the seller's files. In lieu of an exemption certificate, a seller may capture the relevant data elements as allowed under the streamlined sales and use tax agreement. For sellers who electronically file their taxes, the department must provide a separate tax reporting line for exemption amounts claimed under this section.

(3) A buyer may not continue to claim the exemption under this section once the buyer has purchased standard financial information during the current calendar year with an aggregate total selling price in excess of fifteen million dollars and an exemption has been claimed under this section or section 703 of this act for such standard financial information. The fifteen million dollar limitation under this subsection does not apply to any other exemption under this chapter that applies to standard financial information. Sellers are not responsible for ensuring a buyer's compliance with the fifteen million dollar limitation under this subsection. Sellers may not be assessed for uncollected sales tax on a sale to a buyer claiming an exemption under this section after having exceeded the fifteen million dollar limitation under this subsection, except as provided in RCW 82.08.050 (4) and (5).

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a)(i) "Qualifying international investment management company" means a person:

(A) Who is primarily engaged in the business of providing investment management services; and

(B) Who has gross income that is at least ten percent derived from providing investment management services to:

(I) Persons or collective investment funds residing outside the United States; or

(II) Collective investment funds with at least ten percent of their investments located outside the United States.

(ii) The definitions in RCW 82.04.293 apply to this subsection (4)(a).

(b)(i) "Standard financial information" means financial data, facts, or information, or financial information services, not generated, compiled, or developed only for a single customer. Standard financial information includes, but is not limited to, financial market data, bond ratings, credit ratings, and deposit, loan, or mortgage reports.

(ii) For purposes of this subsection (4)(b), "financial market data" means market pricing information, such as for securities, commodities, and derivatives; corporate actions for publicly and privately traded companies, such as dividend schedules and reorganizations; corporate attributes, such as domicile, currencies used, and exchanges where shares are traded; and currency information.

(5) This section expires July 1, 2021.

NEW SECTION. Sec. 703. A new section is added to chapter 82.12 RCW to read as follows:

(1) The tax imposed by RCW 82.12.020 does not apply to the use of standard financial information by qualifying international investment management companies. The exemption provided in this section applies regardless of whether the standard financial information is in a tangible format or resides on a tangible storage medium or is a digital product transferred electronically to the qualifying international investment management company.

(2) The definitions, conditions, and requirements in section 702 of this act apply to this section.

(3) This section expires July 1, 2021.

PART VIII

Dancing

NEW SECTION. Sec. 801. It is the intent of part VIII of this act to provide a sales tax exemption for cover charges to patrons at establishments that provide the opportunity to dance. The intent is to provide tax relief to businesses who have been reporting the income for cover charges under the service and other classification, but not intending to avoid their tax obligation of collecting retail sales tax because of department and taxpayer confusion regarding the appropriate tax treatment of this income. To ensure proper tax reporting in the future by businesses who provide the opportunity to dance, the legislature intends to review the tax preference and its actual fiscal impact on state revenues to determine if the fiscal impact to state revenues reasonably conforms with the fiscal estimate in the fiscal note for this legislation.

Sec. 802. RCW 82.04.050 and 2011 c 174 s 202 are each amended to read as follows:

(1)(a) "Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale to a person who:

(i) Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, but a purchase for the purpose of resale by a regional transit authority under RCW 81.112.300 is not a sale for resale; or

(ii) Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person; or

(iii) Purchases for the purpose of consuming the property purchased in producing for sale as a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or

(iv) Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or

(v) Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065; or

(vi) Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in subsection (7) of this section, if such tangible personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.

(b) The term includes every sale of tangible personal property that is used or consumed or to be used or consumed in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property is resold or used as provided in (a)(i) through (vi) of this subsection following such use.

(c) The term also means every sale of tangible personal property to persons engaged in any business that is taxable under RCW 82.04.280(1) (a), (b), and (g), 82.04.290, and 82.04.2908.

(2) The term "sale at retail" or "retail sale" includes the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following:

(a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of self-service laundry facilities, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;

(b) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and also includes the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;

(c) The constructing, repairing, or improving of any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;

(d) The cleaning, fumigating, razing, or moving of existing buildings or structures, but does not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" means those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;

(e) Automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16 RCW;

(f) The furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it is presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it is presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same;

(g) The installing, repairing, altering, or improving of digital goods for consumers;

(h) Persons taxable under (a), (b), (c), (d), (e), (f), and (g) of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection may be construed to modify subsection (1) of this section and nothing contained in subsection (1) of this section may be construed to modify this subsection.

(3) The term "sale at retail" or "retail sale" includes the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:

(a)(i) Amusement and recreation services including but not limited to golf, pool, billiards, skating, bowling, ski lifts and tows, day trips for sightseeing purposes, and others, when provided to consumers.

(ii) Until July 1, 2017, amusement and recreation services do not include the opportunity to dance provided by an establishment in exchange for a cover charge.

(iii) For purposes of this subsection (3)(a):

(A) "Cover charge" means a charge, regardless of its label, to enter an establishment or added to the purchaser's bill by an establishment or otherwise collected after entrance to the establishment, and the purchaser is provided the opportunity to dance in exchange for payment of the charge.

(B) "Opportunity to dance" means that an establishment provides a designated physical space, on either a temporary or permanent basis, where

customers are allowed to dance and the establishment either advertises or otherwise makes customers aware that it has an area for dancing;

- (b) Abstract, title insurance, and escrow services;
- (c) Credit bureau services;
- (d) Automobile parking and storage garage services;
- (e) Landscape maintenance and horticultural services but excluding (i) horticultural services provided to farmers and (ii) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;
- (f) Service charges associated with tickets to professional sporting events; and
- (g) The following personal services: Physical fitness services, tanning salon services, tattoo parlor services, steam bath services, turkish bath services, escort services, and dating services.

(4)(a) The term also includes the renting or leasing of tangible personal property to consumers.

(b) The term does not include the renting or leasing of tangible personal property where the lease or rental is for the purpose of sublease or subrent.

(5) The term also includes the providing of "competitive telephone service," "telecommunications service," or "ancillary services," as those terms are defined in RCW 82.04.065, to consumers.

(6)(a) The term also includes the sale of prewritten computer software to a consumer, regardless of the method of delivery to the end user. For purposes of this subsection (6)(a), the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser.

The term "retail sale" does not include the sale of or charge made for:

- (i) Custom software; or
 - (ii) The customization of prewritten computer software.
- (b)(i) The term also includes the charge made to consumers for the right to access and use prewritten computer software, where possession of the software is maintained by the seller or a third party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.

(ii)(A) The service described in (b)(i) of this subsection (6) includes the right to access and use prewritten computer software to perform data processing.

(B) For purposes of this subsection (6)(b)(ii), "data processing" means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.

(7) The term also includes the sale of or charge made for an extended warranty to a consumer. For purposes of this subsection, "extended warranty" means an agreement for a specified duration to perform the replacement or repair of tangible personal property at no additional charge or a reduced charge for

tangible personal property, labor, or both, or to provide indemnification for the replacement or repair of tangible personal property, based on the occurrence of specified events. The term "extended warranty" does not include an agreement, otherwise meeting the definition of extended warranty in this subsection, if no separate charge is made for the agreement and the value of the agreement is included in the sales price of the tangible personal property covered by the agreement. For purposes of this subsection, "sales price" has the same meaning as in RCW 82.08.010.

(8)(a) The term also includes the following sales to consumers of digital goods, digital codes, and digital automated services:

(i) Sales in which the seller has granted the purchaser the right of permanent use;

(ii) Sales in which the seller has granted the purchaser a right of use that is less than permanent;

(iii) Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and

(iv) Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

(b) A retail sale of digital goods, digital codes, or digital automated services under this subsection (8) includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

(c) For purposes of this subsection, "permanent" means perpetual or for an indefinite or unspecified length of time. A right of permanent use is presumed to have been granted unless the agreement between the seller and the purchaser specifies or the circumstances surrounding the transaction suggest or indicate that the right to use terminates on the occurrence of a condition subsequent.

(9) The term also includes the charge made for providing tangible personal property along with an operator for a fixed or indeterminate period of time. A consideration of this is that the operator is necessary for the tangible personal property to perform as designed. For the purpose of this subsection (9), an operator must do more than maintain, inspect, or set up the tangible personal property.

(10) The term does not include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind.

(11) The term also does not include sales of chemical sprays or washes to persons for the purpose of postharvest treatment of fruit for the prevention of scald, fungus, mold, or decay, nor does it include sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to: (a) Persons who participate in the federal conservation reserve program, the environmental quality incentives program, the wetlands reserve program, and the wildlife habitat incentives program, or their successors administered by the United States department of agriculture; (b) farmers for the purpose of producing for sale any agricultural product; and (c) farmers acting

under cooperative habitat development or access contracts with an organization exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code or the Washington state department of fish and wildlife to produce or improve wildlife habitat on land that the farmer owns or leases.

(12) The term does not include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation. Nor does the term include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor does the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other by-products of weapons production and nuclear research and development.

(13) The term does not include the sale of or charge made for labor, services, or tangible personal property pursuant to agreements providing maintenance services for bus, rail, or rail fixed guideway equipment when a regional transit authority is the recipient of the labor, services, or tangible personal property, and a transit agency, as defined in RCW 81.104.015, performs the labor or services.

(14) The term does not include the sale for resale of any service described in this section if the sale would otherwise constitute a "sale at retail" and "retail sale" under this section.

PART IX

Solar Extension

NEW SECTION. Sec. 901. (1) The legislature finds that to attract and maintain clean energy technology manufacturing businesses, a competitive business climate is crucial. The legislature further finds that specific tax preferences can facilitate a positive business climate in Washington. The legislature further finds that businesses in the solar silicon industry have had to reduce employment due to global conditions. Therefore, the legislature intends to extend a preferential business and occupation tax rate to manufacturers and wholesalers of specific solar energy material and parts to maintain and grow jobs in the solar silicon industry.

(2) The joint legislative audit and review committee, as part of its tax preference review process, must assess the actual fiscal impact of this tax preference in relation to the fiscal estimate for the tax preference and assess changes in employment for firms claiming the preferential tax rate.

Sec. 902. RCW 82.04.294 and 2011 c 179 s 1 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing solar energy systems using photovoltaic modules or stirring converters, or of manufacturing solar grade silicon, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers to

be used exclusively in components of such systems; as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.275 percent.

(2) Upon every person engaging within this state in the business of making sales at wholesale of solar energy systems using photovoltaic modules or stirling converters, or of solar grade silicon, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers to be used exclusively in components of such systems, manufactured by that person; as to such persons the amount of tax with respect to such business is equal to the gross proceeds of sales of the solar energy systems using photovoltaic modules or stirling converters, or of the solar grade silicon to be used exclusively in components of such systems, multiplied by the rate of 0.275 percent.

(3) Silicon solar wafers, silicon solar cells, thin film solar devices, solar grade silicon, or compound semiconductor solar wafers are "semiconductor materials" for the purposes of RCW 82.08.9651 and 82.12.9651.

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

(a) "Compound semiconductor solar wafers" means a semiconductor solar wafer composed of elements from two or more different groups of the periodic table.

(b) "Module" means the smallest nondivisible self-contained physical structure housing interconnected photovoltaic cells and providing a single direct current electrical output.

(c) "Photovoltaic cell" means a device that converts light directly into electricity without moving parts.

(d) "Silicon solar cells" means a photovoltaic cell manufactured from a silicon solar wafer.

(e) "Silicon solar wafers" means a silicon wafer manufactured for solar conversion purposes.

(f) "Solar energy system" means any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity.

(g) "Solar grade silicon" means high-purity silicon used exclusively in components of solar energy systems using photovoltaic modules to capture direct sunlight. "Solar grade silicon" does not include silicon used in semiconductors.

(h) "Stirling converter" means a device that produces electricity by converting heat from a solar source utilizing a stirling engine.

(i) "Thin film solar devices" means a nonparticipating substrate on which various semiconducting materials are deposited to produce a photovoltaic cell that is used to generate electricity.

(5) A person reporting under the tax rate provided in this section must file a complete annual (~~report~~) survey with the department under RCW (~~(82.32.534)~~) 82.32.585.

(6) This section expires June 30, (~~(2014)~~) 2017.

PART X
Hog Fuel

NEW SECTION. Sec. 1001. It is the intent of the legislature to retain and grow family wage jobs in rural, economically distressed areas; to promote healthy forests; and to utilize Washington's abundant natural resources to promote diversified renewable energy use in the state.

Sec. 1002. RCW 82.08.956 and 2009 c 469 s 301 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of hog fuel used to produce electricity, steam, heat, or biofuel. This exemption is available only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(2) For the purposes of this section the following definitions apply:

(a) "Hog fuel" means wood waste and other wood residuals including forest derived biomass. "Hog fuel" does not include firewood or wood pellets; and

(b) "Biofuel" has the same meaning as provided in RCW 43.325.010.

(3) If a taxpayer who claimed an exemption under this section closes a facility in Washington for which employment positions were reported under section 1004 of this act, resulting in a loss of jobs located within the state, the department must declare the amount of the tax exemption claimed under this section for the previous two calendar years to be immediately due.

(4) This section expires June 30, (~~2013~~) 2024.

Sec. 1003. RCW 82.12.956 and 2009 c 469 s 302 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of hog fuel for production of electricity, steam, heat, or biofuel.

(2) For the purposes of this section:

(a) "Hog fuel" has the same meaning as provided in RCW 82.08.956; and

(b) "Biofuel" has the same meaning as provided in RCW 43.325.010.

(3) This section expires June 30, (~~2013~~) 2024.

NEW SECTION. Sec. 1004. A new section is added to chapter 82.32 RCW to read as follows:

(1) Every taxpayer claiming an exemption under RCW 82.08.956 or 82.12.956 must file with the department a complete annual survey as required under RCW 82.32.585, except that the taxpayer must file a separate survey for each facility owned or operated in the state of Washington.

(2) This section expires June 30, 2024.

NEW SECTION. Sec. 1005. A new section is added to chapter 43.136 RCW to read as follows:

(1) The intent of the tax exemption provided in RCW 82.08.956 and 82.12.956 is to promote the retention of relatively high wage jobs in the counties where facilities who purchase and use hog fuel are located. Specifically, in a time when there is increasing pressure to close industrial facilities like mills and relocate this economic activity out of state or overseas, rural areas of the state are at risk of losing critical jobs that directly, or indirectly, support entire communities. The legislature, in enacting the hog fuel tax exemption, hopes to

retain seventy five percent of the jobs at each facility in the state at which the exemption is claimed, between now and June 30, 2024.

(2) The joint legislative audit and review committee must review the performance through July 1, 2018, of the tax preferences established in RCW 82.08.956 and 82.12.956, and prepare a report to the legislature by October 31, 2019.

(3) The department of revenue must provide the committee with annual survey information and any other tax data necessary to conduct the review required in subsection (2) of this section. The employment security department and other agencies, as requested, must cooperate with the committee by providing information about the average wage of employment in the county where each facility owned or operated by a company claiming the exemption is located. The report is not limited to, but must include, the following information:

(a) Identification of the baseline number of jobs existing as of January 1, 2013, in facilities where the preference has been claimed, as well as related wage and benefit information;

(b) Identification of how the number of jobs at these facilities has changed during the duration of the credit;

(c) Analysis of how the wages provided to employees at affected facilities compare to the average wages in the county in which the facility is located;

(d) Analysis of how the benefits, including medical and other health care benefits, provided to employees at affected facilities compare to the average wages in the county in which the facility is located; and

(e) Whether and to what extent the goal has been achieved, of retaining seventy-five percent of employment at the facilities at which the exemption has been claimed.

(4) This section expires June 30, 2024.

PART XI

Large Airplanes

NEW SECTION. Sec. 1101. (1) The legislature intends to promote the economic development of our state's aerospace cluster and increase the tax revenues collected by the state through promoting a competitive marketplace for storing and modifying unfurnished, noncommercial aircraft. The legislature finds that Washington is currently losing these types of jobs to other states, resulting in the loss of high-wage jobs and new tax revenue. Further, the legislature finds that the current tax statutes are an impediment to encouraging the development of aerospace clusters in our state. Therefore, the legislature intends to modify our state's tax policy to encourage aerospace cluster development within the state and increase tax revenues.

(2) The joint legislative audit and review committee, as part of its tax preference review process, must estimate the net impact on state tax revenues by comparing the decrease in state revenues resulting from the changes made in part XI of this act to the additional tax revenues generated from the direct, indirect, and induced economic impacts from those changes. The committee must also, to the extent practicable, estimate job growth in the aerospace cluster resulting from the changes made in part XI of this act. The committee must conduct its

tax preference review of part XI of this act during calendar year 2016 and report its findings and recommendations to the legislature by January 1, 2017.

Sec. 1102. RCW 47.68.250 and 2003 c 375 s 4 are each amended to read as follows:

(1) Every aircraft (~~(shall)~~ must) be registered with the department for each calendar year in which the aircraft is operated or is based within this state. A fee of fifteen dollars (~~(shall be)~~ is) charged for each such registration and each annual renewal thereof.

(2) Possession of the appropriate effective federal certificate, permit, rating, or license relating to ownership and airworthiness of the aircraft, and payment of the excise tax imposed by Title 82 RCW for the privilege of using the aircraft within this state during the year for which the registration is sought, and payment of the registration fee required by this section (~~(shall be)~~ are) the only requisites for registration of an aircraft under this section.

(3) The registration fee imposed by this section (~~(shall be)~~ is) payable to and collected by the secretary. The fee for any calendar year must be paid during the month of January, and (~~(shall)~~ must) be collected by the secretary at the time of the collection by him or her of the (~~(said)~~) excise tax. If the secretary is satisfied that the requirements for registration of the aircraft have been met, he or she (~~(shall thereupon)~~ must) issue to the owner of the aircraft a certificate of registration therefor. The secretary (~~(shall)~~ must) pay to the state treasurer the registration fees collected under this section, which registration fees (~~(shall)~~ must) be credited to the aeronautics account in the transportation fund.

(4) It (~~(shall)~~ is) not (~~(be)~~) necessary for the registrant to provide the secretary with originals or copies of federal certificates, permits, ratings, or licenses. The secretary (~~(shall)~~ must) issue certificates of registration, or such other evidences of registration or payment of fees as he or she may deem proper; and in connection therewith may prescribe requirements for the possession and exhibition of such certificates or other evidences.

(5) The provisions of this section (~~(shall)~~ do) not apply to:

~~((1))~~ (a) An aircraft owned by and used exclusively in the service of any government or any political subdivision thereof, including the government of the United States, any state, territory, or possession of the United States, or the District of Columbia, which is not engaged in carrying persons or property for commercial purposes;

~~((2))~~ (b) An aircraft registered under the laws of a foreign country;

~~((3))~~ (c) An aircraft (~~(which)~~ that) is owned by a nonresident (~~(and registered in another state: PROVIDED, That if said aircraft shall remain in and/or be based in this state for a period of ninety days or longer it shall not be exempt under this section))~~ if:

(i) The aircraft remains in this state or is based in this state, or both, for a period less than ninety days; or

(ii) The aircraft is a large private airplane as defined in section 1103 of this act and remains in this state for a period of ninety days or longer, but only when:

(A) The airplane is in this state exclusively for the purpose of repairs, alterations, or reconstruction, including any flight testing related to the repairs, alterations, or reconstruction, or for the purpose of continual storage of not less than one full calendar year;

(B) An employee of the facility providing these services is on board the airplane during any flight testing; and

(C) Within ninety days of the date the airplane first arrived in this state during the calendar year, the nonresident files a written statement with the department indicating that the airplane is exempt from registration under this subsection (5)(c)(ii). The written statement must be filed in a form and manner prescribed by the department and must include such information as the department requires. The department may require additional periodic verification that the airplane remains exempt from registration under this subsection (5)(c)(ii) and that written statements conform with the provisions of RCW 9A.72.085;

~~((4))~~ (d) An aircraft engaged principally in commercial flying constituting an act of interstate or foreign commerce;

~~((5))~~ (e) An aircraft owned by the commercial manufacturer thereof while being operated for test or experimental purposes, or for the purpose of training crews for purchasers of the aircraft;

~~((6))~~ (f) An aircraft being held for sale, exchange, delivery, test, or demonstration purposes solely as stock in trade of an aircraft dealer licensed under Title 14 RCW; and

~~((7))~~ (g) An aircraft based within the state that is in an unairworthy condition, is not operated within the registration period, and has obtained a written exemption issued by the secretary.

(6) The secretary (~~(shall)~~) must be notified within thirty days of any change in ownership of a registered aircraft. The notification (~~(shall)~~) must contain the N, NC, NR, NL, or NX number of the aircraft, the full name and address of the former owner, and the full name and address of the new owner. For failure to so notify the secretary, the registration of that aircraft may be canceled by the secretary, subject to reinstatement upon application and payment of a reinstatement fee of ten dollars by the new owner.

(7) A municipality or port district that owns, operates, or leases an airport, as defined in RCW 47.68.020, with the intent to operate, (~~(shall)~~) must require from an aircraft owner proof of aircraft registration as a condition of leasing or selling tiedown or hanger space for an aircraft. It is the responsibility of the lessee or purchaser to register the aircraft. The airport (~~(shall)~~) must work with the aviation division to assist in its efforts to register aircraft by providing information about based aircraft on an annual basis as requested by the division.

NEW SECTION. Sec. 1103. A new section is added to chapter 82.08 RCW to read as follows:

(1)(a) The tax levied by RCW 82.08.020 does not apply to:

(i) Sales of large private airplanes to nonresidents of this state; and

(ii) Sales of or charges made for labor and services rendered in respect to repairing, cleaning, altering, or improving large private airplanes owned by nonresidents of this state.

(b) The exemption provided by this section applies only when the large private airplane is not required to be registered with the department of transportation, or its successor, under chapter 47.68 RCW. The airplane owner or lessee claiming an exemption under this section must provide the department, upon request, a copy of the written statement required under RCW

47.68.250(5)(c)(ii) documenting the airplane's registration exemption and any additional information the department may require.

(2) Sellers making tax-exempt sales under this section must obtain an exemption certificate from the buyer in a form and manner prescribed by the department. The seller must retain a copy of the exemption certificate for the seller's files. In lieu of an exemption certificate, a seller may capture the relevant data elements as allowed under the streamlined sales and use tax agreement. For sellers who electronically file their taxes, the department must provide a separate tax reporting line for exemption amounts claimed under this section.

(3) Upon request, the department of transportation must provide to the department of revenue information needed by the department of revenue to verify eligibility under this section.

(4) For purposes of this section "large private airplane" means an airplane not used in interstate commerce, not owned or leased by a government entity, weighing more than forty-one thousand pounds, and assigned a category A, B, C, or D test flow management system aircraft weight class by the federal aviation administration's office of aviation policy and plans.

NEW SECTION. Sec. 1104. A new section is added to chapter 82.12 RCW to read as follows:

(1)(a) The tax levied by RCW 82.12.020 does not apply to the use of:

(i) Large private airplanes owned by nonresidents of this state; and

(ii) Labor and services rendered in respect to repairing, cleaning, altering, or improving large private airplanes owned by nonresidents of this state.

(b) The exemption provided by this section applies only when the large private airplane is not required to be registered with the department of transportation, or its successor, under chapter 47.68 RCW. The airplane owner or lessee claiming an exemption under this section must provide the department, upon request, a copy of the written statement required under RCW 47.68.250(5)(c)(ii) documenting the airplane's registration exemption and any additional information the department may require.

(2) Upon request, the department of transportation must provide to the department of revenue information needed by the department of revenue to verify eligibility under this section.

(3) For purposes of this section, the conditions, limitation, and definitions in section 1103 of this act apply to this section.

Sec. 1105. RCW 82.48.100 and 2010 1st sp.s. c 12 s 2 are each amended to read as follows:

This chapter does not apply to:

(1) Aircraft owned by and used exclusively in the service of any government or any political subdivision thereof, including the government of the United States, any state, territory, or possession of the United States, or the District of Columbia, which are not engaged in carrying persons or property for commercial purposes;

(2) Aircraft registered under the laws of a foreign country;

(3) Aircraft (~~which~~) that are owned by a nonresident and registered in another state (~~(- However, if any such aircraft remains in and/or is based in this state for a period of ninety days or longer it is not exempt under this section).~~), if

the aircraft remains in this state or is based in this state, or both, for a period less than ninety days;

(4)(a) Aircraft engaged principally in commercial flying (~~(which)~~) that constitutes interstate or foreign commerce, except as provided in (b) of this subsection.

(b) The exemption provided by (a) of this subsection does not apply to aircraft engaged principally in commercial flying that constitutes interstate or foreign commerce when such aircraft will be in this state exclusively for the purpose of continual storage of not less than one full calendar year; (~~and~~)

(5) Aircraft owned by the manufacturer thereof while being operated for test or experimental purposes, or for the purpose of training crews for purchasers of the aircraft;

(~~(5))~~ (6) Aircraft being held for sale, exchange, delivery, test, or demonstration purposes solely as stock in trade of an aircraft dealer licensed under Title 14 RCW;

(~~(6))~~ (7) Aircraft owned by a nonresident of this state if the aircraft is kept at an airport in this state and that airport is jointly owned or operated by a municipal corporation or other governmental entity of this state and a municipal corporation or other governmental entity of another state, and the owner or operator of the aircraft provides the department with proof that the owner or operator has paid all taxes, license fees, and registration fees required by the state in which the owner or operator resides; and

(~~(7))~~ (8) Aircraft that are: (a) Owned by a nonprofit organization that is exempt from federal income taxation under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code; and (b) exclusively used to provide emergency medical transportation services.

PART XII Blood Banks

NEW SECTION. Sec. 1201. Part XII of this act is intended to allow flexibility for nonprofit organizations where qualifying activities will be provided by more than one organization. It is not the legislature's intent to expand the lines of nontaxable activity. Therefore, the legislature further intends to reassess the changes made in part XII of this act to ensure the actual fiscal impact reasonably conforms with the fiscal estimate provided in the fiscal note for the legislation.

Sec. 1202. RCW 82.04.324 and 2004 c 82 s 1 are each amended to read as follows:

(1) Except as otherwise provided in subsection (3) of this section, this chapter does not apply to amounts received by a qualifying blood bank, a qualifying tissue bank, or a qualifying blood and tissue bank to the extent the amounts are exempt from federal income tax.

(2) For the purposes of this section:

(a) "Qualifying blood bank" means (~~a blood bank that qualifies as~~) an exempt organization under 26 U.S.C. 501(c)(3) as existing on June 10, 2004, that is registered pursuant to 21 C.F.R., part 607 as existing on June 10, 2004, and whose primary business purpose is the collection, preparation, (~~and processing of blood~~) testing or processing of blood, on behalf of itself or other

qualifying blood bank or qualifying blood and tissue bank. "Qualifying blood bank" does not include a comprehensive cancer center that is recognized as such by the national cancer institute.

(b) "Qualifying tissue bank" means a tissue bank that qualifies as an exempt organization under 26 U.S.C. 501(c)(3) as existing on June 10, 2004, is registered pursuant to 21 C.F.R., part 1271 as existing on June 10, 2004, and whose primary business purpose is the recovery, processing, storage, labeling, packaging, or distribution of human bone tissue, ligament tissue and similar musculoskeletal tissues, skin tissue, heart valve tissue, or human eye tissue. "Qualifying tissue bank" does not include a comprehensive cancer center that is recognized as such by the national cancer institute.

(c) "Qualifying blood and tissue bank" (~~(is a bank that qualifies as)~~) means an exempt organization under 26 U.S.C. 501(c)(3) as existing on June 10, 2004, that is registered pursuant to 21 C.F.R., part 607 and part 1271 as existing on June 10, 2004, and whose primary business purpose is the collection, preparation, ~~((and processing of blood))~~ testing, or processing of blood, on behalf of itself or other qualifying blood bank or qualifying blood and tissue bank, and the recovery, processing, storage, labeling, packaging, or distribution of human bone tissue, ligament tissue and similar musculoskeletal tissues, skin tissue, and heart valve tissue. "Qualifying blood and tissue bank" does not include a comprehensive cancer center that is recognized as such by the national cancer institute.

(3) A person claiming the exemption under this section must report amounts exempt under this section to the department. Except for persons whose primary business purpose is the collection, preparation, and processing of blood, a person may not claim an exemption under this section for more than one hundred fifty thousand dollars in tax per calendar year.

PART XIII Mint Growers

NEW SECTION. Sec. 1301. The legislature finds that mint growers utilize fuel to generate heat to extract oil from harvested mint and thereby produce a saleable agricultural product. Diesel fuel is often used as the fuel source that generates heat to distill mint. This on-farm diesel fuel is currently exempt from sales and use tax. The legislature further finds that propane and natural gas are alternative sources of cleaner burning fuel. A transition by mint growers to these alternative fuel sources, though costly, provides air quality benefits as compared to the use of diesel. It is the intent of the legislature to provide an incentive to mint growers to make the transition to cleaner fuels by extending the sales and use tax exemptions to propane and natural gas used by farmers who produce mint oil.

NEW SECTION. Sec. 1302. A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales to farmers of propane or natural gas used exclusively to distill mint on a farm.

(2) The exemption is available only when the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files. For sellers

who electronically file their taxes, the department must provide a separate line for exemption amounts claimed under this section.

(3) For the purposes of this section, "farmer" has the same meaning as provided in RCW 82.04.213.

(4) This section expires July 1, 2017.

NEW SECTION. Sec. 1303. A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of propane or natural gas by a farmer to exclusively distill mint on a farm.

(2) For the purposes of this section, "farmer" has the same meaning as provided in RCW 82.04.213.

(3) This section expires July 1, 2017.

PART XIV

Nonprofit Fund-raising Activities

NEW SECTION. Sec. 1401. It is the intent of part XIV of this act to provide use tax relief for individuals who support charitable activities by purchasing or winning articles of personal property from a nonprofit organization or library when the personal property is sales tax exempt. It is also the intent of the legislation to provide this tax preference in a fiscally responsible manner by capping the exemption for articles of personal property that are valued at ten thousand dollars or less.

NEW SECTION. Sec. 1402. A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply in respect to the use of any article of personal property, valued at less than ten thousand dollars, purchased or received as a prize in a contest of chance, as defined in RCW 82.04.285, from a nonprofit organization or a library, if the gross income the nonprofit organization or library receives from the sale is exempt under RCW 82.04.3651.

(2) This section expires July 1, 2017.

PART XV

Renewable Energy Extension

NEW SECTION. Sec. 1501. It is the intent of the legislature to help promote energy independence in the state of Washington and to better position Washington to attract a vibrant clean energy technology manufacturing sector to the state. The purpose of the tax preference created in part XV of this act is to incentivize electricity generation from renewable energy sources, reducing the costs of transitioning to these sources and technologies by exempting machinery, equipment, and labor and service charges associated with such electricity generation from the retail sales and use tax. This tax preference makes the most of the local renewable resources, protects us from the price volatility of certain fossil fuel sources, and helps the state achieve its greenhouse gas emissions targets. In addition, promoting manufacture and installation of facilities capable of generating power from renewable sources can create economic benefits in both rural and urban counties, creating high-quality jobs and developing a

skilled workforce in an industry sector in which significant job growth is anticipated over the coming decades.

Sec. 1502. RCW 82.08.962 and 2009 c 469 s 101 are each amended to read as follows:

(1)(a) Except as provided in RCW 82.08.963, purchasers who have paid the tax imposed by RCW 82.08.020 on machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, are eligible for an exemption as provided in this section, but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not less than one thousand wats of electricity.

(b) Beginning on July 1, 2009, through June 30, 2011, the tax levied by RCW 82.08.020 does not apply to the sale of machinery and equipment described in (a) of this subsection that are used directly in generating electricity or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment.

(c) Beginning on July 1, 2011, through (~~June 30, 2013~~) January 1, 2020, the amount of the exemption under this subsection (1) is equal to seventy-five percent of the state and local sales tax paid. The purchaser is eligible for an exemption under this subsection (1)(c) in the form of a remittance.

(2) For purposes of this section and RCW 82.12.962, the following definitions apply:

(a) "Biomass energy" includes: (i) By-products of pulping and wood manufacturing process; (ii) animal waste; (iii) solid organic fuels from wood; (iv) forest or field residues; (v) wooden demolition or construction debris; (vi) food waste; (vii) liquors derived from algae and other sources; (viii) dedicated energy crops; (ix) biosolids; and (x) yard waste. "Biomass energy" does not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; wood from old growth forests; or municipal solid waste.

(b) "Fuel cell" means an electrochemical reaction that generates electricity by combining atoms of hydrogen and oxygen in the presence of a catalyst.

(c) "Landfill gas" means biomass fuel, of the type qualified for federal tax credits under Title 26 U.S.C. Sec. 29 of the federal internal revenue code, collected from a "landfill" as defined under RCW 70.95.030.

(d)(i) "Machinery and equipment" means fixtures, devices, and support facilities that are integral and necessary to the generation of electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power.

(ii) "Machinery and equipment" does not include: (A) Hand-powered tools; (B) property with a useful life of less than one year; (C) repair parts required to restore machinery and equipment to normal working order; (D) replacement parts that do not increase productivity, improve efficiency, or extend the useful life of machinery and equipment; (E) buildings; or (F) building fixtures that are

not integral and necessary to the generation of electricity that are permanently affixed to and become a physical part of a building.

(3)(a) Machinery and equipment is "used directly" in generating electricity by wind energy, solar energy, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas power if it provides any part of the process that captures the energy of the wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas, converts that energy to electricity, and stores, transforms, or transmits that electricity for entry into or operation in parallel with electric transmission and distribution systems.

(b) Machinery and equipment is "used directly" in generating electricity by fuel cells if it provides any part of the process that captures the energy of the fuel, converts that energy to electricity, and stores, transforms, or transmits that electricity for entry into or operation in parallel with electric transmission and distribution systems.

(4)(a) A purchaser claiming an exemption in the form of a remittance under subsection (1)(c) of this section must pay the tax imposed by RCW 82.08.020 and all applicable local sales taxes imposed under the authority of chapters 82.14 and 81.104 RCW. The purchaser may then apply to the department for remittance in a form and manner prescribed by the department. A purchaser may not apply for a remittance under this section more frequently than once per quarter. The purchaser must specify the amount of exempted tax claimed and the qualifying purchases for which the exemption is claimed. The purchaser must retain, in adequate detail, records to enable the department to determine whether the purchaser is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(b) The department must determine eligibility under this section based on the information provided by the purchaser, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying purchasers who submitted applications during the previous quarter.

(5) This section expires (~~July 1, 2013~~) January 1, 2020.

NEW SECTION. Sec. 1503. A new section is added to chapter 82.32 RCW to read as follows:

Every taxpayer claiming an exemption under RCW 82.08.962 or 82.12.962 must file with the department a complete annual survey as required under RCW 82.32.585, except that the taxpayer must file a separate survey for each facility owned or operated in the state of Washington developed with machinery, equipment, services, or labor for which the exemption under part XV of this act is claimed.

NEW SECTION. Sec. 1504. A new section is added to chapter 43.136 RCW to read as follows:

(1) The intent of the tax preference provided in RCW 82.08.962 and 82.12.962 is to promote electricity generation by facilities with generating capacity of not less than one thousand watts, using renewable energy fuel sources in order to improve energy security and decrease greenhouse gas

emissions. Encouraging the development of more facilities that generate power from renewable energy has both immediate and long-term value to the state.

(2) As part of the joint legislative audit and review committee's 2019 tax preference reviews conducted under this chapter, the joint legislative audit and review committee must assess the performance of the tax preferences established in RCW 82.08.956 and 82.12.956 with reference to the intent and performance milestones established in this section.

(3) The department of revenue must provide the joint legislative audit and review committee with annual survey information and any other tax data necessary to conduct the review required in subsection (2) of this section. The Washington State University energy program, department of ecology, and other agencies, as requested, must cooperate with the committee by providing information to assist the committee's analysis.

(4) The report is not limited to, but must include, the following information:

(a) Identification of the baseline number of facilities, prior to July 1, 2009, with generating capacity of not less than one thousand watts, using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power.

(b) The number of facilities developed each year by purchasers claiming the preference for machinery, equipment, labor, or other services, and the increase in the number of such facilities, as compared to the baseline established in (a) of this subsection.

(c) The total generating capacity in megawatts and total power production in kilowatt-hours of the facilities reported in (b) of this subsection.

(d) The estimated greenhouse gas emissions avoided as a result of power generation from renewable energy sources by the facilities reported in (b) of this subsection.

(e) The number of barrels of oil and tons of coal avoided as a result of power generation from renewable energy sources by the facilities reported in (b) of this subsection, as estimated from the average fuel mix of electricity generated statewide.

(f) The number of employees and wages and benefits reported by taxpayers claiming the exemption at the facilities reported in (a) of this subsection.

(g) Subject to data availability, analysis of how the wages and benefits reported in (e) of this subsection compare with statewide averages and averages in the county in which the facility is located.

(5) This section expires January 1, 2020.

Sec. 1505. RCW 82.12.962 and 2009 c 469 s 102 are each amended to read as follows:

(1)(a) Except as provided in RCW 82.12.963, consumers who have paid the tax imposed by RCW 82.12.020 on machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, anaerobic digestion, technology that converts otherwise lost energy from exhaust, or landfill gas as the principal source of power, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, are eligible for an exemption as provided in this section, but only if the purchaser develops with such machinery,

equipment, and labor a facility capable of generating not less than one thousand watts of electricity.

(b) Beginning on July 1, 2009, through June 30, 2011, the provisions of this chapter do not apply in respect to the use of machinery and equipment described in (a) of this subsection that are used directly in generating electricity or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment.

(c) Beginning on July 1, 2011, through ~~((June 30, 2013))~~ January 1, 2020, the amount of the exemption under this subsection (1) is equal to seventy-five percent of the state and local sales tax paid. The consumer is eligible for an exemption under this subsection (1)(c) in the form of a remittance.

(2)(a) A person claiming an exemption in the form of a remittance under subsection (1)(c) of this section must pay the tax imposed by RCW 82.12.020 and all applicable local use taxes imposed under the authority of chapters 82.14 and 81.104 RCW. The consumer may then apply to the department for remittance in a form and manner prescribed by the department. A consumer may not apply for a remittance under this section more frequently than once per quarter. The consumer must specify the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The consumer must retain, in adequate detail, records to enable the department to determine whether the consumer is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(b) The department must determine eligibility under this section based on the information provided by the consumer, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying consumers who submitted applications during the previous quarter.

(3) Purchases exempt under RCW 82.08.962 are also exempt from the tax imposed under RCW 82.12.020.

(4) The definitions in RCW 82.08.962 apply to this section.

(5) This section expires ~~((June 30, 2013))~~ January 1, 2020.

PART XVI Small Solar Extension

NEW SECTION. Sec. 1601. It is the intent of the legislature to help promote energy independence in the state of Washington. The purpose of the tax preference created in part XVI of this act is to incentivize electricity generation from solar energy, reducing the costs of transitioning to solar energy by exempting machinery, equipment, and labor and service charges from the retail sales and use tax to increase affordability for Washington residents. It is also the intent of the legislature to provide this tax preference in a fiscally responsible manner where the actual revenue impact of the legislation substantially conforms with the fiscal estimate provided in the legislation's fiscal note. Therefore, the legislature intends for this tax preference to be temporary so the legislature can assess the actual fiscal impact of the tax preference.

Sec. 1602. RCW 82.08.963 and 2009 c 469 s 103 are each amended to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of machinery and equipment used directly in generating electricity or producing thermal heat using solar energy, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not more than ten kilowatts of electricity or producing not more than three million British thermal units per day and provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files. For sellers who electronically file their taxes, the department must provide a separate tax reporting line for exemption amounts claimed by a buyer under this section.

(2) For purposes of this section and RCW 82.12.963:

(a) "Machinery and equipment" means industrial fixtures, devices, and support facilities that are integral and necessary to the generation of electricity or production and use of thermal heat using solar energy;

(b) "Machinery and equipment" does not include: (i) Hand-powered tools; (ii) property with a useful life of less than one year; (iii) repair parts required to restore machinery and equipment to normal working order; (iv) replacement parts that do not increase productivity, improve efficiency, or extend the useful life of machinery and equipment; (v) buildings; or (vi) building fixtures that are not integral and necessary to the generation of electricity that are permanently affixed to and become a physical part of a building; ~~((and))~~

(c) Machinery and equipment is "used directly" in generating electricity with solar energy if it provides any part of the process that captures the energy of the sun, converts that energy to electricity, and stores, transforms, or transmits that electricity for entry into or operation in parallel with electric transmission and distribution systems; and

(d) Machinery and equipment is "used directly" in producing thermal heat with solar energy if it uses a solar collector or a solar hot water system that (i) meets the certification standards for solar collectors and solar hot water systems developed by the solar rating and certification corporation; or (ii) is determined by the Washington State University extension whether a solar collector or solar hot water system is an equivalent collector or system.

(3) This section expires June 30, ~~((2013))~~ 2018.

Sec. 1603. RCW 82.12.963 and 2009 c 469 s 104 are each amended to read as follows:

(1) The provisions of this chapter do not apply with respect to machinery and equipment used directly in generating not more than ten kilowatts of electricity or producing not more than three million British thermal units per day using solar energy, or to the use of labor and services rendered in respect to installing such machinery and equipment.

(2) The definitions in RCW 82.08.963 apply to this section.

(3) This section expires June 30, ~~((2013))~~ 2018.

PART XVII

Tax Preference Transparency and Accountability

NEW SECTION. **Sec. 1701.** A new section is added to chapter 82.32 RCW to read as follows:

(1)(a) Except as otherwise provided in this section, every new tax preference expires on the first day of the calendar year that is subsequent to the calendar year that is ten years from the effective date of the tax preference. With respect to any new property tax exemption, the exemption does not apply to taxes levied for collection beginning in the calendar year that is subsequent to the calendar year that is ten years from the effective date of the tax preference.

(b) A future amendment that expands a tax preference does not extend the tax preference beyond the period provided in this subsection unless an extension is expressly and unambiguously stated in the amendment.

(2) Subsection (1) of this section does not apply if legislation creating a new tax preference includes an expiration date for the new tax preference.

(3) Subsection (1) of this section does not apply to any existing tax preference that is amended to clarify an ambiguity or correct a technical inconsistency. Future enacted legislation intended to make such clarifications or corrections must explicitly indicate this intent.

(4) For the purposes of this section, the following definitions apply:

(a) "New tax preference" means a tax preference that initially takes effect after August 1, 2013, or a tax preference in effect as of August 1, 2013, that is expanded or extended after August 1, 2013, even if the expanding or extending amendment includes any other change to the tax preference.

(b) "Tax preference" has the same meaning as in RCW 43.136.021 with respect to any state tax administered by the department, except does not include the Washington estate and transfer tax in chapter 83.100 RCW.

(5) The department must provide written notice to the office of the code reviser of a ten-year expiration date required under this section for a new tax preference.

NEW SECTION. Sec. 1702. A new section is added to chapter 82.32 RCW to read as follows:

(1) As provided in this section, every bill enacting a new tax preference must include a tax preference performance statement.

(2) A tax preference performance statement must state the legislative purpose for the new tax preference. The tax preference performance statement must indicate one or more of the following general categories, by reference to the applicable category specified in this subsection, as the legislative purpose of the new tax preference:

(a) Tax preferences intended to induce certain designated behavior by taxpayers;

(b) Tax preferences intended to improve industry competitiveness;

(c) Tax preferences intended to create or retain jobs;

(d) Tax preferences intended to reduce structural inefficiencies in the tax structure;

(e) Tax preferences intended to provide tax relief for certain businesses or individuals; or

(f) A general purpose not identified in (a) through (e) of this subsection.

(3) In addition to identifying the general legislative purpose of the tax preference under subsection (2) of this section, the tax preference performance statement must provide additional detailed information regarding the legislative purpose of the new tax preference.

(4) A new tax preference performance statement must specify clear, relevant, and ascertainable metrics and data requirements that allow the joint legislative audit and review committee and the legislature to measure the effectiveness of the new tax preference in achieving the purpose designated under subsection (2) of this section.

(5) If the tax preference performance statement for a new tax preference indicates a legislative purpose described in subsection (2)(b) or (c) of this section, any taxpayer claiming the new tax preference must file an annual survey in accordance with RCW 82.32.585.

(6)(a) Taxpayers claiming a new tax preference must report the amount of the tax preference claimed by the taxpayer to the department as otherwise required by statute or determined by the department as part of the taxpayer's regular tax reporting responsibilities. For new tax preferences allowing certain types of gross income of the business to be excluded from business and occupation or public utility taxation, the tax return must explicitly report the amount of the exclusion, regardless of whether it is structured as an exemption or deduction, if the taxpayer is otherwise required to report taxes to the department on a monthly or quarterly basis. For a new sales and use tax exemption, the total sales or uses subject to the exemption claimed by the buyer must be reported on an addendum to the buyer's tax return if the buyer is otherwise required to report taxes to the department on a monthly or quarterly basis and the buyer is required to submit an exemption certificate, or similar document, to the seller.

(b) This subsection does not apply to:

- (i) Property tax exemptions;
- (ii) Tax preferences required by constitutional law;
- (iii) Tax preferences for which the tax benefit to the taxpayer is less than one thousand dollars per calendar year; or
- (iv) Taxpayers who are annual filers.

(c) The department may waive the filing requirements of this subsection for taxpayers who are not required to file electronically any return, report, or survey under this chapter.

(7)(a) Except as otherwise provided in this subsection, the amount claimed by a taxpayer for any new tax preference is subject to public disclosure and is not considered confidential tax information under RCW 82.32.330, if the reporting periods subject to disclosure ended at least twenty-four months prior to the date of disclosure and the taxpayer is required to report the amount of the tax preference claimed by the taxpayer to the department under subsection (6) of this section.

(b)(i) The department may waive the public disclosure requirement under (a) of this subsection (7) for good cause. Good cause may be demonstrated by a reasonable showing of economic harm to a taxpayer if the information specified under this subsection is disclosed. The waiver under this subsection (7)(b)(i) only applies to the new tax preferences provided in this act.

(ii) The amount of the tax preference claimed by a taxpayer during a calendar year is confidential under RCW 82.32.330 and may not be disclosed under this subsection if the amount for the calendar year is less than ten thousand dollars.

(c) In lieu of the disclosure and waiver requirements under this subsection, the requirements under RCW 82.32.585 apply to any tax preference that requires a survey.

(8) If a new tax preference does not include the information required under subsections (2) through (4) of this section, the joint legislative audit and review committee is not required to perform a tax preference review under chapter 43.136 RCW, and it is legislatively presumed that it is the intent of the legislature to allow the new tax preference to expire upon its scheduled expiration date.

(9) For the purposes of this section, "tax preference" and "new tax preference" have the same meaning as provided in section 1701 of this act.

NEW SECTION. Sec. 1703. A new section is added to chapter 43.136 RCW to read as follows:

(1) The legislative auditor, with the assistance of a task force, must make recommendations on the appropriate data and metrics that should be included in tax preference performance statements to evaluate new tax preferences, as provided under section 1702 of this act.

(2)(a) The task force is comprised of five members: (i) One person from the department of revenue; (ii) one person from an association representing Washington businesses; (iii) one person from the office of financial management; (iv) the legislative auditor or a designee of the legislative auditor; and (v) an economist with substantial experience in state taxes.

(b) The task force must choose its chair from among its membership.

(3) By January 1, 2014, and in compliance with RCW 43.01.036, the legislative auditor must submit a report to the appropriate fiscal committees of the legislature the findings and recommendations of the task force.

NEW SECTION. Sec. 1704. A new section is added to chapter 82.04 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1705. A new section is added to chapter 82.08 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1706. A new section is added to chapter 82.12 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1707. A new section is added to chapter 82.14B RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1708. A new section is added to chapter 82.16 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1709. A new section is added to chapter 82.18 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1710. A new section is added to chapter 82.19 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1711. A new section is added to chapter 82.21 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1712. A new section is added to chapter 82.23A RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1713. A new section is added to chapter 82.23B RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1714. A new section is added to chapter 82.24 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1715. A new section is added to chapter 82.26 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1716. A new section is added to chapter 82.27 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1717. A new section is added to chapter 82.29A RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1718. A new section is added to chapter 82.45 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1719. A new section is added to chapter 82.48 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1720. A new section is added to chapter 82.64 RCW to read as follows:

See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

NEW SECTION. Sec. 1721. A new section is added to chapter 84.52 RCW to read as follows:

(1) See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under RCW 84.52.065.

(2) See section 1702 of this act for reporting requirements for any new tax preference for the tax imposed under RCW 84.52.065.

NEW SECTION. Sec. 1722. A new section is added to chapter 54.28 RCW to read as follows:

(1) See section 1701 of this act for the expiration date of new tax preferences for the tax imposed under this chapter.

(2) See section 1702 of this act for reporting requirements for any new tax preference for the tax imposed under this chapter.

PART XVIII

Recommendations to Update and Improve Annual Surveys and Reports

NEW SECTION. Sec. 1801. By December 1, 2013, the department of revenue, in consultation with the joint legislative audit and review committee, must make recommendations to the appropriate fiscal committees of the legislature on ways to update and improve the annual report and annual survey. The recommendations must include suggested revisions to the report and survey that would make the data more relevant and reduce the administrative burden on the taxpayer.

PART XIX

Miscellaneous Provisions

NEW SECTION. Sec. 1901. Section 202 of this act expires July 1, 2015.

NEW SECTION. Sec. 1902. Section 203 of this act takes effect July 1, 2015.

NEW SECTION. Sec. 1903. Parts III, X, XV, and XVI of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 1, 2013.

NEW SECTION. Sec. 1904. Except as otherwise provided in this act, this act takes effect October 1, 2013.

NEW SECTION. Sec. 1905. Part XI of this act takes effect January 1, 2014.

NEW SECTION. Sec. 1906. Part XI of this act expires July 1, 2021.

NEW SECTION. Sec. 1907. 2013 2nd sp. sess. c . . . s 1202 (section 1202 of this act), as now existing, is repealed, effective July 1, 2016.

Passed by the Senate June 28, 2013.

Passed by the House June 28, 2013.

Approved by the Governor June 30, 2013.
 Filed in Office of Secretary of State July 1, 2013.

CHAPTER 14

[Second Engrossed Substitute Senate Bill 5892]

CORRECTIONS COSTS—REDUCTION

AN ACT Relating to reducing corrections costs; amending RCW 9.94A.517, 9.94A.729, and 9.92.151; creating new sections; providing an effective date; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9.94A.517 and 2002 c 290 s 8 are each amended to read as follows:

(1)

TABLE 3
 DRUG OFFENSE SENTENCING GRID

Seriousness	Offender Score	Offender Score	Offender Score
Level	0 to 2	3 to 5	6 to 9 or more
III	51 to 68 months	68+ to 100 months	100+ to 120 months
II	12+ to 20 months	20+ to 60 months	60+ to 120 months
I	0 to 6 months	6+ to ((18)) 12 months	12+ to 24 months

References to months represent the standard sentence ranges. 12_+ equals one year and one day.

(2) The court may utilize any other sanctions or alternatives as authorized by law, including but not limited to the special drug offender sentencing alternative under RCW 9.94A.660 or drug court under RCW 2.28.170.

(3) Nothing in this section creates an entitlement for a criminal defendant to any specific sanction, alternative, sentence option, or substance abuse treatment.

Sec. 2. RCW 9.94A.729 and 2011 1st sp.s. c 40 s 4 are each amended to read as follows:

(1)(a) The term of the sentence of an offender committed to a correctional facility operated by the department may be reduced by earned release time in accordance with procedures that shall be developed and adopted by the correctional agency having jurisdiction in which the offender is confined. The earned release time shall be for good behavior and good performance, as determined by the correctional agency having jurisdiction. The correctional agency shall not credit the offender with earned release credits in advance of the offender actually earning the credits.

(b) Any program established pursuant to this section shall allow an offender to earn early release credits for presentence incarceration. If an offender is transferred from a county jail to the department, the administrator of a county jail facility shall certify to the department the amount of time spent in custody at the facility and the ~~((amount))~~ number of days of ~~((earned))~~ early release ~~((time))~~.

credits lost or not earned. The department may approve a jail certification from a correctional agency that calculates ((~~earned~~) early release time based on the actual amount of confinement time served by the offender before sentencing when an erroneous calculation of confinement time served by the offender before sentencing appears on the judgment and sentence. The department must adjust an offender's rate of early release listed on the jail certification to be consistent with the rate applicable to offenders in the department's facilities. However, the department is not authorized to adjust the number of presentence early release days that the jail has certified as lost or not earned.

(2) An offender who has been convicted of a felony committed after July 23, 1995, that involves any applicable deadly weapon enhancements under RCW 9.94A.533 (3) or (4), or both, shall not receive any good time credits or earned release time for that portion of his or her sentence that results from any deadly weapon enhancements.

(3) An offender may earn early release time as follows:

(a) In the case of an offender convicted of a serious violent offense, or a sex offense that is a class A felony, committed on or after July 1, 1990, and before July 1, 2003, the aggregate earned release time may not exceed fifteen percent of the sentence.

(b) In the case of an offender convicted of a serious violent offense, or a sex offense that is a class A felony, committed on or after July 1, 2003, the aggregate earned release time may not exceed ten percent of the sentence.

(c) An offender is qualified to earn up to fifty percent of aggregate earned release time if he or she:

(i) Is not classified as an offender who is at a high risk to reoffend as provided in subsection (4) of this section;

(ii) Is not confined pursuant to a sentence for:

(A) A sex offense;

(B) A violent offense;

(C) A crime against persons as defined in RCW 9.94A.411;

(D) A felony that is domestic violence as defined in RCW 10.99.020;

(E) A violation of RCW 9A.52.025 (residential burglary);

(F) A violation of, or an attempt, solicitation, or conspiracy to violate, RCW 69.50.401 by manufacture or delivery or possession with intent to deliver methamphetamine; or

(G) A violation of, or an attempt, solicitation, or conspiracy to violate, RCW 69.50.406 (delivery of a controlled substance to a minor);

(iii) Has no prior conviction for the offenses listed in (c)(ii) of this subsection;

(iv) Participates in programming or activities as directed by the offender's individual reentry plan as provided under RCW 72.09.270 to the extent that such programming or activities are made available by the department; and

(v) Has not committed a new felony after July 22, 2007, while under community custody.

(d) In no other case shall the aggregate earned release time exceed one-third of the total sentence.

(4) The department shall perform a risk assessment of each offender who may qualify for earned early release under subsection (3)(c) of this section utilizing the risk assessment tool recommended by the Washington state institute

for public policy. Subsection (3)(c) of this section does not apply to offenders convicted after July 1, 2010.

(5)(a) A person who is eligible for earned early release as provided in this section and who will be supervised by the department pursuant to RCW 9.94A.501 or 9.94A.5011, shall be transferred to community custody in lieu of earned release time;

(b) The department shall, as a part of its program for release to the community in lieu of earned release, require the offender to propose a release plan that includes an approved residence and living arrangement. All offenders with community custody terms eligible for release to community custody in lieu of earned release shall provide an approved residence and living arrangement prior to release to the community;

(c) The department may deny transfer to community custody in lieu of earned release time if the department determines an offender's release plan, including proposed residence location and living arrangements, may violate the conditions of the sentence or conditions of supervision, place the offender at risk to violate the conditions of the sentence, place the offender at risk to reoffend, or present a risk to victim safety or community safety. The department's authority under this section is independent of any court-ordered condition of sentence or statutory provision regarding conditions for community custody;

(d) If the department is unable to approve the offender's release plan, the department may do one or more of the following:

(i) Transfer an offender to partial confinement in lieu of earned early release for a period not to exceed three months. The three months in partial confinement is in addition to that portion of the offender's term of confinement that may be served in partial confinement as provided in RCW 9.94A.728(5);

(ii) Provide rental vouchers to the offender for a period not to exceed three months if rental assistance will result in an approved release plan. The voucher must be provided in conjunction with additional transition support programming or services that enable an offender to participate in services including, but not limited to, substance abuse treatment, mental health treatment, sex offender treatment, educational programming, or employment programming;

(e) For each offender who is the recipient of a rental voucher, the department shall include, concurrent with the data that the department otherwise obtains and records, the housing status of the offender for the duration of the offender's supervision.

(6) An offender serving a term of confinement imposed under RCW 9.94A.670(5)(a) is not eligible for earned release credits under this section.

Sec. 3. RCW 9.92.151 and 2009 c 28 s 3 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the sentence of a prisoner confined in a county jail facility for a felony, gross misdemeanor, or misdemeanor conviction may be reduced by earned release credits in accordance with procedures that shall be developed and promulgated by the correctional agency having jurisdiction. The earned early release time shall be for good behavior and good performance as determined by the correctional agency having jurisdiction. Any program established pursuant to this section shall allow an offender to earn early release credits for presentence incarceration. The correctional agency shall not credit the offender with earned early release credits

in advance of the offender actually earning the credits. In the case of an offender convicted of a serious violent offense or a sex offense that is a class A felony committed on or after July 1, 1990, the aggregate earned early release time may not exceed fifteen percent of the sentence. In no other case may the aggregate earned early release time exceed one-third of the total sentence.

(2) An offender serving a term of confinement imposed under RCW 9.94A.670(5)(a) is not eligible for earned release credits under this section.

(3) If an offender is transferred from a county jail to the department, the administrator of a county jail facility shall certify to the department the amount of time spent in custody at the facility and the number of days of early release credits lost or not earned.

NEW SECTION. Sec. 4. Pursuant to RCW 9.94A.729, the department shall recalculate the earned release date for any offender currently serving a term in a facility or institution either operated by the state or utilized under contract. The earned release date shall be recalculated whether the offender is currently incarcerated or is sentenced after the effective date of this section, and regardless of the offender's date of offense. For offenders whose offense was committed prior to the effective date of this section, the recalculation shall not extend a term of incarceration beyond that to which an offender is currently subject.

NEW SECTION. Sec. 5. (1)(a) The department must, in consultation with the caseload forecast council, compile the following information in summary form for the two years prior to and after the effective date of this section: For offenders sentenced under RCW 9.94A.517 for a seriousness level I offense where the offender score is three to five: (A) The total number of sentences and the average length of sentence imposed, sorted by sentences served in state versus local correctional facilities; (B) the number of current and prior felony convictions for each offender; (C) the estimated cost or cost savings, total and per offender, to the state and local governments from the change to the maximum sentence pursuant to RCW 9.94A.517(1); and (D) the number of offenders who were sentenced to community custody, the number of violations committed on community custody, and any sanctions imposed for such violations.

(b) The department must submit a report with its findings to the office of financial management and the appropriate fiscal and policy committees of the house of representatives and the senate by January 1, 2015, and January 1, 2018.

(2) For purposes of this section, "department" means the department of corrections.

NEW SECTION. Sec. 6. The legislature declares that section 4 of this act does not create any liberty interest. The department is authorized to take the time reasonably necessary to complete the recalculations of section 4 of this act after the effective date of this section.

NEW SECTION. Sec. 7. Section 1 of this act applies to sentences imposed on or after July 1, 2013, regardless of the date of offense.

NEW SECTION. Sec. 8. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 9. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2013.

NEW SECTION. Sec. 10. Sections 1 and 5 of this act expire July 1, 2018.

Passed by the Senate June 28, 2013.

Passed by the House June 27, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 15

[Engrossed Substitute Senate Bill 5897]

STATE PARKS

AN ACT Relating to state parks; amending RCW 79A.80.020, 79A.80.030, 79A.80.080, 82.19.040, 70.93.180, and 79A.05.215; adding a new section to chapter 79A.80 RCW; providing an effective date; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 79A.80.020 and 2012 c 261 s 2 are each amended to read as follows:

(1) Except as otherwise provided in (~~RCW 79A.80.050, 79A.80.060, and 79A.80.070~~) this chapter, a discover pass is required for any motor vehicle to:

(a) Park ((or operate on)) at any recreation site or lands(, except for short-term parking as may be authorized under RCW 79A.80.070); or

(b) Operate on any recreation site or lands.

(2) Except as provided in section 4 of this act, the cost of a discover pass is thirty dollars. Every four years the office of financial management must review the cost of the discover pass and, if necessary, recommend to the legislature an adjustment to the cost of the discover pass to account for inflation.

(3) A discover pass is valid for one year beginning from the date that the discover pass is marked for activation. The activation date may differ from the purchase date pursuant to any policies developed by the agencies.

(4) Sales of discover passes must be consistent with RCW 79A.80.100.

(5) The discover pass must contain space for two motor vehicle license plate numbers. A discover pass is valid only for those vehicle license plate numbers written on the pass. However, the agencies may offer for sale a family discover pass that is fully transferable among vehicles and does not require the placement of a license plate number on the pass to be valid. The agencies must collectively set a price for the sale of a family discover pass that is no more than fifty dollars. A discover pass is valid only for use with one motor vehicle at any one time.

(6) One complimentary discover pass must be provided to a volunteer who performed twenty-four hours of service on agency-sanctioned volunteer projects in a year. The agency must provide vouchers to volunteers identifying the number of volunteer hours they have provided for each project. The vouchers may be brought to an agency to be redeemed for a discover pass.

Sec. 2. RCW 79A.80.030 and 2012 c 261 s 3 are each amended to read as follows:

(1) A person may purchase a day-use permit to meet the requirements of RCW 79A.80.080. Except as provided in section 4 of this act, a day-use permit

is ten dollars per day and must be available for purchase from each agency. A day-use permit is valid for one calendar day.

(2) The agencies may provide short-term parking under RCW 79A.80.070 where a day-use permit is not required.

(3) Every four years the office of financial management must review the cost of the day-use permit and, if necessary, recommend to the legislature an adjustment to the cost of the day-use permit to account for inflation.

(4) Sales of day-use permits must be consistent with RCW 79A.80.100.

Sec. 3. RCW 79A.80.080 and 2012 c 261 s 7 are each amended to read as follows:

(1) A discover pass, vehicle access pass, or day-use permit must be visibly displayed in the front windshield, or otherwise in a prominent location for motor vehicles without a windshield, of any motor vehicle (~~or otherwise in a prominent location for vehicles without a windshield~~):

(a) Operating on ~~((a))~~ any recreation site or lands; or

(b) Parking at ~~((a))~~ any recreation site or lands.

(2) The discover pass, the vehicle access pass, or the day-use permit is not required:

(a) On private lands, state-owned aquatic lands other than water access areas, or at agency offices, hatcheries, or other facilities where public business is conducted(~~(-~~

~~(3) The discover pass, the vehicle access pass, or the day-use permit is not required for:~~

~~((a))~~);

(b) For persons who use, possess, or enter lands owned or managed by the agencies for nonrecreational purposes consistent with a written authorization from the agency, including but not limited to leases, contracts, and easements; (~~(or~~

~~((b))~~) (c) On department of fish and wildlife lands only, for persons possessing a current vehicle access pass pursuant to RCW 79A.80.040; or

(d) When operating on a road managed by the department of natural resources or the department of fish and wildlife, including a forest or land management road, that is not blocked by a gate.

~~((4))~~ (3)(a) An agency may waive the requirements of this section for any person who has secured the ability to access specific recreational land through the provision of monetary consideration to the agency or for any person attending an event or function that required the provision of monetary compensation to the agency.

(b) Special events and group activities are core recreational activities and major public service opportunities within state parks. When waiving the requirements of this section for special events, the state parks and recreation commission must consider the direct and indirect costs and benefits to the state, local market rental rates, the public service functions of the event sponsor, and other public interest factors when setting appropriate fees for each event or activity.

~~((5))~~ (4) Failure to comply with subsection (1) of this section is a natural resource infraction under chapter 7.84 RCW. An agency is authorized to issue a notice of infraction to any person who fails to comply with subsection (1)(a) of

this section or to any motor vehicle that fails to comply with subsection (1)(b) of this section.

~~((6))~~ (5) The penalty for failure to comply with the requirements of this section is ninety-nine dollars. This penalty must be reduced to fifty-nine dollars if an individual provides proof of purchase of a discover pass to the court within fifteen days after the issuance of the notice of violation.

NEW SECTION. Sec. 4. A new section is added to chapter 79A.80 RCW to read as follows:

(1) By mutual agreement, the agencies may sell discounted discover passes at a rate below that established under RCW 79A.80.020 or discounted day-use permits at a rate below that established under RCW 79A.80.030 for purposes of bulk sales to retailers, agency license and permit product bundling, and partnership opportunities to expand accessibility and visibility of the discover pass and recreational opportunities on agency-managed lands.

(2) In exercising this authority, the agencies must prioritize opportunities for discounted sales that result in a net revenue gain.

Sec. 5. RCW 82.19.040 and 2001 c 118 s 6 are each amended to read as follows:

(1) To the extent applicable, all of the definitions of chapter 82.04 RCW and all of the provisions of chapter 82.32 RCW apply to the tax imposed in this chapter.

(2) Taxes collected under this chapter shall be ~~((deposited in))~~ distributed as follows: (a) Five million dollars per fiscal year must be deposited in equal monthly amounts to the state parks renewal and stewardship account under RCW 79A.05.215; and (b) the remainder to the waste reduction, recycling, and litter control account under RCW 70.93.180.

Sec. 6. RCW 70.93.180 and 2011 1st sp.s. c 50 s 963 are each amended to read as follows:

(1) There is hereby created an account within the state treasury to be known as the "waste reduction, recycling, and litter control account". Moneys in the account may be spent only after appropriation. Expenditures from the waste reduction, recycling, and litter control account shall be used as follows:

(a) Fifty percent to the department of ecology, for use by the departments of ecology, natural resources, revenue, transportation, and corrections, and the parks and recreation commission, for use in litter collection programs, to be distributed under RCW 70.93.220. The amount to the department of ecology shall also be used for a central coordination function for litter control efforts statewide, for the biennial litter survey under RCW 70.93.200(8), and for statewide public awareness programs under RCW 70.93.200(7). The amount to the department shall also be used to defray the costs of administering the funding, coordination, and oversight of local government programs for waste reduction, litter control, and recycling, so that local governments can apply one hundred percent of their funding to achieving program goals. The amount to the department of revenue shall be used to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

(b) Twenty percent to the department for local government funding programs for waste reduction, litter control, and recycling activities by cities and

counties under RCW 70.93.250, to be administered by the department of ecology; and

(c) Thirty percent to the department of ecology for waste reduction and recycling efforts.

(2) All ~~((taxes imposed in RCW 82.19.010))~~ moneys directed to the waste reduction, recycling, and litter control account under RCW 82.19.040 and fines and bail forfeitures collected or received pursuant to this chapter shall be deposited in the ~~((waste reduction, recycling, and litter control))~~ account and used for the programs under subsection (1) of this section.

(3) Not less than five percent and no more than ten percent of the amount appropriated into the waste reduction, recycling, and litter control account every biennium shall be reserved for capital needs, including the purchase of vehicles for transporting crews and for collecting litter and solid waste. Capital funds shall be distributed among state agencies and local governments according to the same criteria provided in RCW 70.93.220 for the remainder of the funds, so that the most effective waste reduction, litter control, and recycling programs receive the most funding. The intent of this subsection is to provide funds for the purchase of equipment that will enable the department to account for the greatest return on investment in terms of reaching a zero litter goal.

~~((4) During the 2009 2011 fiscal biennium, the legislature may transfer from the waste reduction, recycling, and litter control account to the state general fund such amounts as reflect the excess fund balance of the account. Additionally, during the 2009 2011 fiscal biennium, subsection (1)(a), (b), and (e) of this section is suspended.~~

~~(5) During the 2011 2013 fiscal biennium, the legislature may transfer from the waste reduction, recycling, and litter control account to the state general fund such amounts as reflect the excess fund balance of the account. Additionally, during the 2011 2013 fiscal biennium, subsection (1)(a), (b), and (e) of this section is suspended.))~~

Sec. 7. RCW 79A.05.215 and 2011 c 320 s 22 are each amended to read as follows:

The state parks renewal and stewardship account is created in the state treasury. Except as otherwise provided in this chapter, all receipts from user fees, concessions, leases, donations collected under RCW 46.16A.090(3), and other state park-based activities shall be deposited into the account. The proceeds from the recreation access pass account created in RCW 79A.80.090 ~~((must))~~ and amounts received under RCW 82.19.040 may only be used for the purpose of operating and maintaining state parks. Expenditures from the account may be used for operating state parks, developing and renovating park facilities, undertaking deferred maintenance, enhancing park stewardship, and other state park purposes. Expenditures from the account may be made only after appropriation by the legislature.

NEW SECTION. **Sec. 8.** Sections 5 through 7 of this act expire June 30, 2017.

NEW SECTION. **Sec. 9.** Sections 5 through 7 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 1, 2013.

Passed by the Senate June 23, 2013.

Passed by the House June 24, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 16

[Senate Bill 5904]

EARLY LEARNING

AN ACT Relating to high quality early learning; reenacting and amending RCW 43.215.405; adding new sections to chapter 43.215 RCW; creating new sections; recodifying RCW 43.215.141, 43.215.142, and 43.215.143; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that high quality early learning opportunities are an important factor in lifelong success. The legislature is committed to expanding high quality evidence-based early learning opportunities in order to improve educational outcomes. The legislature further finds that moving toward effective and research-based practices are critical in achieving educational and societal outcomes from early learning investments. The legislature intends to continue improvements in early learning through ongoing evaluation, application of emerging research, and enhanced quality assurance. It is the intent of the legislature that additional investments in early learning will be based on current information regarding the most efficient, research-based, and cost-effective investments.

NEW SECTION. Sec. 2. (1) During the 2013-2015 biennium, the department of early learning shall increase enrollments in the early learning program established in RCW 43.215.400 by ten percent from the 2011-2013 biennium enrollments, subject to the availability of amounts appropriated for this specific purpose. Rates paid for early learning program enrollments must also be increased by ten percent from the 2011-2013 biennium during the 2013-2015 biennium, subject to availability of amounts appropriated for this specific purpose. The department of early learning shall continue to review and evaluate the contracts used to provide the early learning program to ensure the contractors are operating research-based programs in a cost-effective manner.

(2) The department of early learning, along with the office of financial management, shall develop an implementation plan for expanding the early learning program established in RCW 43.215.400, which will include, at a minimum, the number of new enrollments to be requested for each year, a detailed proposal for recruiting the necessary contractors, and an oversight and evaluation design. The department of early learning must deliver this implementation plan to the appropriate committees of the legislature by September 30, 2013.

NEW SECTION. Sec. 3. (1) During the 2013-2015 biennium, the Washington state institute for public policy shall conduct a comprehensive retrospective outcome evaluation and return on investment analysis of the early childhood program established in RCW 43.215.400. To the extent possible based on data availability, the evaluation must:

(a) Assess both short-term and long-term outcomes for participants in the program, including educational and social outcomes;

(b) Examine the impact of variables including, but not limited to, program fiscal support, staff salaries, staff retention, education level of staff, full-day programming, half-day programming, and classroom size on short-term and long-term outcomes for program participants;

(c) Report findings from a review of the research evidence on components of successful early education program strategies;

(d) Examine characteristics of parents participating in the early childhood and education assistance program; and

(e) Examine family support services provided through early childhood programs.

(2) The institute shall submit a report to the appropriate committees of the legislature by December 15, 2014.

(3) This section expires on December 31, 2014.

Sec. 4. RCW 43.215.405 and 2010 c 231 s 7 are each reenacted and amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 43.215.400 through 43.215.450, 43.215.141 (as recodified by this act), 43.215.142 (as recodified by this act), 43.215.143 (as recodified by this act), and 43.215.900 through 43.215.903.

(1) "Advisory committee" means the advisory committee under RCW 43.215.420.

(2) "Approved programs" means those state-supported education and special assistance programs which are recognized by the department as meeting the minimum program rules adopted by the department to qualify under RCW 43.215.400 through 43.215.450 and 43.215.900 through 43.215.903 and are designated as eligible for funding by the department under RCW 43.215.430 and 43.215.440.

(3) "Comprehensive" means an assistance program that focuses on the needs of the child and includes education, health, and family support services.

(4) "Department" means the department of early learning.

(5) "Eligible child" means a child not eligible for kindergarten whose family income is at or below one hundred ten percent of the federal poverty level, as published annually by the federal department of health and human services, and includes a child whose family is eligible for public assistance, and who is not a participant in a federal or state program providing comprehensive services; a child eligible for special education due to disability under RCW 28A.155.020; and may include children who are eligible under rules adopted by the department if the number of such children equals not more than ten percent of the total enrollment in the early childhood program. Priority for enrollment shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.

(6) "Family support services" means providing opportunities for parents to:

(a) Actively participate in their child's early childhood program;

(b) Increase their knowledge of child development and parenting skills;

(c) Further their education and training;

(d) Increase their ability to use needed services in the community;

(e) Increase their self-reliance.

NEW SECTION. Sec. 5. RCW 43.215.141, 43.215.142, and 43.215.143 are each recodified as sections under the subchapter heading "early childhood education and assistance program" in chapter 43.215 RCW.

Passed by the Senate June 28, 2013.

Passed by the House June 27, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 17

[Engrossed Substitute Senate Bill 5913]

HOSPITAL SAFETY NET ASSESSMENT—QUALITY INCENTIVE PROGRAM

AN ACT Relating to a hospital safety net assessment and quality incentive program for increased hospital payments to improve health care access for the citizens of Washington; amending RCW 74.60.005, 74.60.010, 74.60.020, 74.60.030, 74.60.050, 74.60.070, 74.60.080, 74.60.090, 74.60.100, 74.60.110, 74.60.120, 74.60.130, 74.09.522, 74.60.140, 74.60.150, 74.60.900, and 74.60.901; adding a new section to chapter 74.60 RCW; adding a new section to chapter 74.09 RCW; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 74.60.005 and 2010 1st sp.s. c 30 s 1 are each amended to read as follows:

(1) The purpose of this chapter is to provide for a safety net assessment on certain Washington hospitals, which will be used solely to augment funding from all other sources and thereby ~~((obtain additional funds to restore recent reductions and to))~~ support additional payments to hospitals for medicaid services as specified in this chapter.

(2) The legislature finds that~~((:~~

~~((a) Washington hospitals, working with the department of social and health services, have proposed a hospital safety net assessment to generate additional state and federal funding for the medicaid program, which will be used to partially restore recent inpatient and outpatient reductions in hospital reimbursement rates and provide for an increase in hospital payments; and~~

~~((b)) federal health care reform will result in an expansion of medicaid enrollment in this state and an increase in federal financial participation. As a result, the hospital safety net assessment and hospital safety net assessment fund created in this chapter ((allows the state to generate additional federal financial participation for the medicaid program and provides for increased reimbursement to hospitals)) will begin phasing down over a four-year period beginning in fiscal year 2016 as federal medicaid expansion is fully implemented. The state will end its reliance on the assessment and the fund by the end of fiscal year 2019.~~

(3) In adopting this chapter, it is the intent of the legislature:

(a) To impose a hospital safety net assessment to be used solely for the purposes specified in this chapter;

~~((b) ((That funds generated by the assessment shall be used solely to augment all other funding sources and not as a substitute for any other funds;~~

~~((c)) To generate approximately four hundred forty-six million three hundred thirty-eight thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then phasing down in equal increments to zero by the end of fiscal~~

year 2019, in new state and federal funds by disbursing all of that amount to pay for medicaid hospital services and grants to certified public expenditure hospitals, except costs of administration as specified in this chapter, in the form of additional payments to hospitals and managed care plans, which may not be a substitute for payments from other sources:

(c) To generate one hundred ninety-nine million eight hundred thousand dollars in the 2013-2015 biennium, phasing down to zero by the end of the 2017-2019 biennium, in new funds to be used in lieu of state general fund payments for medicaid hospital services;

(d) That the total amount assessed not exceed the amount needed, in combination with all other available funds, to support the ((reimbursement rates and other)) payments authorized by this chapter; and

((d)) (e) To condition the assessment on receiving federal approval for receipt of additional federal financial participation and on continuation of other funding sufficient to maintain ((hospital inpatient and outpatient reimbursement rates and small rural disproportionate share payments at least at the levels in effect on July 1, 2009)) aggregate payment levels to hospitals for inpatient and outpatient services covered by medicaid, including fee-for-service and managed care, at least at the levels the state paid for those services on July 1, 2009, as adjusted for current enrollment and utilization, but without regard to payment increases resulting from chapter 30, Laws of 2010 1st sp. sess.

Sec. 2. RCW 74.60.010 and 2010 1st sp.s. c 30 s 2 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means the health care authority.

(2) "Base year" for medicaid payments for state fiscal year 2014 is state fiscal year 2011. For each following year's calculations, the base year must be updated to the next following year.

(3) "Bordering city hospital" means a hospital as defined in WAC 182-550-1050 and bordering cities as described in WAC 182-501-0175, or successor rules.

(4) "Certified public expenditure hospital" means a hospital participating in ((the department's)) or that at any point from the effective date of this section to July 1, 2019, has participated in the authority's certified public expenditure payment program as described in WAC ((388-550-4650)) 182-550-4650 or successor rule. For purposes of this chapter any such hospital shall continue to be treated as a certified public expenditure hospital for assessment and payment purposes through the date specified in RCW 74.60.901. The eligibility of such hospitals to receive grants under RCW 74.60.090 solely from funds generated under this chapter must not be affected by any modification or termination of the federal certified public expenditure program, or reduced by the amount of any federal funds no longer available for that purpose.

((2)) (5) "Critical access hospital" means a hospital as described in RCW 74.09.5225.

((3)) "Department" means the department of social and health services.

(4)) (6) "Director" means the director of the health care authority.

(7) "Eligible new prospective payment hospital" means a prospective payment hospital opened after January 1, 2009, for which a full year of cost

report data as described in RCW 74.60.030(2) and a full year of medicaid base year data required for the calculations in RCW 74.60.120(3) are available.

~~(8)~~ "Fund" means the hospital safety net assessment fund established under RCW 74.60.020.

~~((5))~~ ~~(9)~~ "Hospital" means a facility licensed under chapter 70.41 RCW.

~~((6))~~ ~~(10)~~ "Long-term acute care hospital" means a hospital which has an average inpatient length of stay of greater than twenty-five days as determined by the department of health.

~~((7))~~ ~~(11)~~ "Managed care organization" means an organization having a certificate of authority or certificate of registration from the office of the insurance commissioner that contracts with the ~~((department))~~ authority under a comprehensive risk contract to provide prepaid health care services to eligible clients under the ~~((department's))~~ authority's medicaid managed care programs, including the healthy options program.

~~((8))~~ ~~(12)~~ "Medicaid" means the medical assistance program as established in Title XIX of the social security act and as administered in the state of Washington by the ~~((department of social and health services))~~ authority.

~~((9))~~ ~~(13)~~ "Medicare cost report" means the medicare cost report, form 2552~~((96))~~, or successor document.

~~((10))~~ ~~(14)~~ "Nonmedicare hospital inpatient day" means total hospital inpatient days less medicare inpatient days, including medicare days reported for medicare managed care plans, as reported on the medicare cost report, form 2552~~((96))~~, or successor forms, excluding all skilled and nonskilled nursing facility days, skilled and nonskilled swing bed days, nursery days, observation bed days, hospice days, home health agency days, and other days not typically associated with an acute care inpatient hospital stay.

~~((11))~~ ~~(15)~~ "Outpatient" means services provided classified as ambulatory payment classification services or successor payment methodologies as defined in WAC 182-550-7050 or successor rule and applies to fee-for-service payments and managed care encounter data.

~~(16)~~ "Prospective payment system hospital" means a hospital reimbursed for inpatient and outpatient services provided to medicaid beneficiaries under the inpatient prospective payment system and the outpatient prospective payment system as defined in WAC ~~((388-550-1050))~~ 182-550-1050 or successor rule. For purposes of this chapter, prospective payment system hospital does not include a hospital participating in the certified public expenditure program or a bordering city hospital located outside of the state of Washington and in one of the bordering cities listed in WAC ~~((388-501-0175))~~ 182-501-0175 or successor ~~((regulation))~~ rule.

~~((12))~~ ~~(17)~~ "Psychiatric hospital" means a hospital facility licensed as a psychiatric hospital under chapter 71.12 RCW.

~~((13)~~ "~~Regional support network" has the same meaning as provided in RCW 71.24.025.~~

~~(14))~~ ~~(18)~~ "Rehabilitation hospital" means a medicare-certified freestanding inpatient rehabilitation facility.

~~((15)~~ "~~Secretary" means the secretary of the department of social and health services.~~

~~(46))~~ (19) "Small rural disproportionate share hospital payment" means a payment made in accordance with WAC (~~(388-550-5200)~~) 182-550-5200 or (~~(subsequently filed regulation)~~) successor rule.

(20) "Upper payment limit" means the aggregate federal upper payment limit on the amount of the medicaid payment for which federal financial participation is available for a class of service and a class of health care providers, as specified in 42 C.F.R. Part 47, as separately determined for inpatient and outpatient hospital services.

Sec. 3. RCW 74.60.020 and 2011 1st sp.s. c 35 s 1 are each amended to read as follows:

(1) A dedicated fund is hereby established within the state treasury to be known as the hospital safety net assessment fund. The purpose and use of the fund shall be to receive and disburse funds, together with accrued interest, in accordance with this chapter. Moneys in the fund, including interest earned, shall not be used or disbursed for any purposes other than those specified in this chapter. Any amounts expended from the fund that are later recouped by the (~~(department)~~) authority on audit or otherwise shall be returned to the fund.

(a) Any unexpended balance in the fund at the end of a fiscal biennium shall carry over into the following biennium and shall be applied to reduce the amount of the assessment under RCW 74.60.050(1)(c).

(b) Any amounts remaining in the fund (~~(on)~~) after July 1, ((2013)) 2019, shall be (~~(used to make increased payments in accordance with RCW 74.60.090 and 74.60.120 for any outstanding claims with dates of service prior to July 1, 2013. Any amounts remaining in the fund after such increased payments are made shall be refunded to hospitals, pro rata according to the amount paid by the hospital, subject to the limitations of federal law))~~ refunded to hospitals, pro rata according to the amount paid by the hospital since July 1, 2013, subject to the limitations of federal law.

(2) All assessments, interest, and penalties collected by the (~~(department)~~) authority under RCW 74.60.030 and 74.60.050 shall be deposited into the fund.

(3) Disbursements from the fund (~~(may be made only as follows:~~

~~(a) Subject to appropriations and the continued availability of other funds in an amount sufficient to maintain the level of medicaid hospital rates in effect on July 1, 2009;~~

~~(b) Upon certification by the secretary that the conditions set forth in RCW 74.60.150(1) have been met with respect to the assessments imposed under RCW 74.60.030 (1) and (2), the payments provided under RCW 74.60.080, payments provided under RCW 74.60.120(2), and any initial payments under RCW 74.60.100 and 74.60.110, funds shall be disbursed in the amount necessary to make the payments specified in those sections;~~

~~(c) Upon certification by the secretary that the conditions set forth in RCW 74.60.150(1) have been met with respect to the assessments imposed under RCW 74.60.030(3) and the payments provided under RCW 74.60.090 and 74.60.130, payments made subsequent to the initial payments under RCW 74.60.100 and 74.60.110, and payments under RCW 74.60.120(3), funds shall be disbursed periodically as necessary to make the payments as specified in those sections;~~

~~(d) To refund erroneous or excessive payments made by hospitals pursuant to this chapter;~~

~~(e) The sum of forty-nine million three hundred thousand dollars for the 2009-2011 fiscal biennium may be expended in lieu of state general fund payments to hospitals. An additional sum of seventeen million five hundred thousand dollars for the 2009-2011 fiscal biennium may be expended in lieu of state general fund payments to hospitals if additional federal financial participation under section 5001 of P.L. No. 111-5 is extended beyond December 31, 2010. The sum of one hundred ninety-nine million eight hundred thousand dollars for the 2011-2013 fiscal biennium may be expended in lieu of state general fund payments to hospitals;~~

~~(f) The sum of one million dollars per biennium may be disbursed for payment of administrative expenses incurred by the department in performing the activities authorized by this chapter;~~

~~(g) To repay the federal government for any excess payments made to hospitals from the fund if the assessments or payment increases set forth in this chapter are deemed out of compliance with federal statutes and regulations and all appeals have been exhausted. In such a case, the department may require hospitals receiving excess payments to refund the payments in question to the fund. The state in turn shall return funds to the federal government in the same proportion as the original financing. If a hospital is unable to refund payments, the state shall develop a payment plan and/or deduct moneys from future medicaid payments)) are conditioned upon appropriation and the continued availability of other funds sufficient to maintain aggregate payment levels to hospitals for inpatient and outpatient services covered by medicaid, including fee-for-service and managed care, at least at the levels the state paid for those services on July 1, 2009, as adjusted for current enrollment and utilization, but without regard to payment increases resulting from chapter 30, Laws of 2010 1st sp. sess.~~

(4) Disbursements from the fund may be made only:

(a) To make payments to hospitals and managed care plans as specified in this chapter;

(b) To refund erroneous or excessive payments made by hospitals pursuant to this chapter;

(c) For one million dollars per biennium for payment of administrative expenses incurred by the authority in performing the activities authorized by this chapter;

(d) For one hundred ninety-nine million eight hundred thousand dollars in the 2013-2015 biennium, phasing down to zero by the end of the 2017-2019 biennium to be used in lieu of state general fund payments for medicaid hospital services, provided that if the full amount of the payments required under RCW 74.60.120 and 74.60.130 cannot be distributed in a given fiscal year, this amount must be reduced proportionately;

(e) To repay the federal government for any excess payments made to hospitals from the fund if the assessments or payment increases set forth in this chapter are deemed out of compliance with federal statutes and regulations in a final determination by a court of competent jurisdiction with all appeals exhausted. In such a case, the authority may require hospitals receiving excess payments to refund the payments in question to the fund. The state in turn shall return funds to the federal government in the same proportion as the original financing. If a hospital is unable to refund payments, the state shall develop

either a payment plan, or deduct moneys from future medicaid payments, or both;

(f) Beginning in state fiscal year 2015, to pay an amount sufficient, when combined with the maximum available amount of federal funds necessary to provide a one percent increase in medicaid hospital inpatient rates to hospitals eligible for quality improvement incentives under section 18 of this act.

Sec. 4. RCW 74.60.030 and 2010 1st sp.s. c 30 s 4 are each amended to read as follows:

~~(1) ((An assessment is imposed as set forth in this subsection effective after the date when the applicable conditions under RCW 74.60.150(1) have been satisfied through June 30, 2013, for the purpose of funding restoration of reimbursement rates under RCW 74.60.080(1) and 74.60.120(2)(a) and funding payments made subsequent to the initial payments under RCW 74.60.100 and 74.60.110. Payments under this subsection are due and payable on the first day of each calendar quarter after the department sends notice of assessment to affected hospitals. However, the initial assessment is not due and payable less than thirty calendar days after notice of the amount due has been provided to affected hospitals.~~

~~(a) For the period beginning on the date the applicable conditions under RCW 74.60.150(1) are met through December 31, 2010:~~

~~(i) Each prospective payment system hospital shall pay an assessment of thirty two dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(ii) Each critical access hospital shall pay an assessment of ten dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(b) For the period beginning on January 1, 2011, and ending on June 30, 2011:~~

~~(i) Each prospective payment system hospital shall pay an assessment of forty dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(ii) Each critical access hospital shall pay an assessment of ten dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(c) For the period beginning July 1, 2011, through June 30, 2013:~~

~~(i) Each prospective payment system hospital shall pay an assessment of forty four dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(ii) Each critical access hospital shall pay an assessment of ten dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(d)(i) For purposes of (a) and (b) of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare inpatient days for each hospital that is not exempt from the assessment as described in RCW 74.60.040 for the relevant state fiscal year 2008 portions included in the hospital's fiscal year end reports 2007 and/or 2008 cost reports. The department shall use nonmedicare hospital~~

~~inpatient day data for each hospital taken from the centers for medicare and medicaid services' hospital 2552-96 cost report data file as of November 30, 2009, or equivalent data collected by the department.~~

~~(ii) For purposes of (c) of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare hospital inpatient days for each hospital that is not exempt from the assessment under RCW 74.60.040, taken from the most recent publicly available hospital 2552-96 cost report data file or successor data file available through the centers for medicare and medicaid services, as of a date to be determined by the department. If cost report data are unavailable from the foregoing source for any hospital subject to the assessment, the department shall collect such information directly from the hospital.~~

~~(2) An assessment is imposed in the amounts set forth in this section for the purpose of funding the restoration of the rates under RCW 74.60.080(2) and 74.60.120(2)(b) and funding the initial payments under RCW 74.60.100 and 74.60.110, which shall be due and payable within thirty calendar days after the department has transmitted a notice of assessment to hospitals. Such notice shall be transmitted immediately upon determination by the secretary that the applicable conditions established by RCW 74.60.150(1) have been met.~~

~~(a) Prospective payment system hospitals.~~

~~(i) Each prospective payment system hospital shall pay an assessment of thirty dollars for each annual nonmedicare hospital inpatient day up to sixty thousand per year, multiplied by a ratio, the numerator of which is the number of days between June 30, 2009, and the day after the applicable conditions established by RCW 74.60.150(1) have been met and the denominator of which is three hundred sixty-five.~~

~~(ii) Each prospective payment system hospital shall pay an assessment of one dollar for each annual nonmedicare hospital inpatient day over and above sixty thousand per year, multiplied by a ratio, the numerator of which is the number of days between June 30, 2009, and the day after the applicable conditions established by RCW 74.60.150(1) have been met and the denominator of which is three hundred sixty-five.~~

~~(b) Each critical access hospital shall pay an assessment of ten dollars for each annual nonmedicare hospital inpatient day, multiplied by a ratio, the numerator of which is the number of days between June 30, 2009, and the day after the applicable conditions established by RCW 74.60.150(1) have been met and the denominator of which is three hundred sixty-five.~~

~~(c) For purposes of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare inpatient days for each hospital that is not exempt from the assessment as described in RCW 74.60.040 for the relevant state fiscal year 2008 portions included in the hospital's fiscal year end reports 2007 and/or 2008 cost reports. The department shall use nonmedicare hospital inpatient day data for each hospital taken from the centers for medicare and medicaid services' hospital 2552-96 cost report data file as of November 30, 2009, or equivalent data collected by the department.~~

~~(3) An assessment is imposed as set forth in this subsection for the period February 1, 2010, through June 30, 2013, for the purpose of funding increased hospital payments under RCW 74.60.090 and 74.60.120(3), which shall be due~~

~~and payable on the first day of each calendar quarter after the department has sent notice of the assessment to each affected hospital, provided that the initial assessment shall be transmitted only after the secretary has determined that the applicable conditions established by RCW 74.60.150(1) have been satisfied and shall be payable no less than thirty calendar days after the department sends notice of the amount due to affected hospitals. The initial assessment shall include the full amount due from February 1, 2010, through the date of the notice.~~

~~(a) For the period February 1, 2010, through December 31, 2010:~~

~~(i) Prospective payment system hospitals.~~

~~(A) Each prospective payment system hospital shall pay an assessment of one hundred nineteen dollars for each annual nonmedicare hospital inpatient day up to sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(B) Each prospective payment system hospital shall pay an assessment of five dollars for each annual nonmedicare hospital inpatient day over and above sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(ii) Each psychiatric hospital and each rehabilitation hospital shall pay an assessment of thirty one dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(b) For the period beginning on January 1, 2011, and ending on June 30, 2011:~~

~~(i) Prospective payment system hospitals.~~

~~(A) Each prospective payment system hospital shall pay an assessment of one hundred fifty dollars for each annual nonmedicare inpatient day up to sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(B) Each prospective payment system hospital shall pay an assessment of six dollars for each annual nonmedicare inpatient day over and above sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty five. The department may adjust the assessment or the number of nonmedicare hospital inpatient days used to calculate the assessment amount if necessary to maintain compliance with federal statutes and regulations related to medicaid program health care related taxes.~~

~~(ii) Each psychiatric hospital and each rehabilitation hospital shall pay an assessment of thirty nine dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(c) For the period beginning July 1, 2011, through June 30, 2013:~~

~~(i) Prospective payment system hospitals.~~

~~(A) Each prospective payment system hospital shall pay an assessment of one hundred fifty six dollars for each annual nonmedicare hospital inpatient day up to sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty five.~~

~~(B) Each prospective payment system hospital shall pay an assessment of six dollars for each annual nonmedicare inpatient day over and above sixty thousand per year, multiplied by the number of days in the assessment period~~

divided by three hundred sixty-five. The department may adjust the assessment or the number of nonmedicare hospital inpatient days if necessary to maintain compliance with federal statutes and regulations related to medicaid program health care-related taxes.

(ii) Each psychiatric hospital and each rehabilitation hospital shall pay an assessment of thirty-nine dollars for each annual nonmedicare inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(d)(i) For purposes of (a) and (b) of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare inpatient days for each hospital that is not exempt from the assessment as described in RCW 74.60.040 for the relevant state fiscal year 2008 portions included in the hospital's fiscal year-end reports 2007 and/or 2008 cost reports. The department shall use nonmedicare hospital inpatient day data for each hospital taken from the centers for medicare and medicaid services' hospital 2552-96 cost report data file as of November 30, 2009, or equivalent data collected by the department.

(ii) For purposes of (c) of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare hospital inpatient days for each hospital that is not exempt from the assessment under RCW 74.60.040, taken from the most recent publicly available hospital 2552-96 cost report data file or successor data file available through the centers for medicare and medicaid services, as of a date to be determined by the department. If cost report data are unavailable from the foregoing source for any hospital subject to the assessment, the department shall collect such information directly from the hospital.

(4) Notwithstanding the provisions of RCW 74.60.070, nothing in chapter 30, Laws of 2010 1st sp. sess. is intended to prohibit a hospital from including assessment amounts paid in accordance with this section on their medicare and medicaid cost reports)) (a) Upon satisfaction of the conditions in RCW 74.60.150(1), and so long as the conditions in RCW 74.60.150(2) have not occurred, an assessment is imposed as set forth in this subsection, effective July 1, 2013. The authority shall calculate the amount due annually and shall issue assessments quarterly for one-fourth of the annual amount due from each hospital. Initial assessment notices must be sent to each hospital not earlier than thirty days after satisfaction of the conditions in RCW 74.60.150(1) and must include all amounts due from and after July 1, 2013. Payment is due not sooner than thirty days thereafter. Subsequent notices must be sent on or about thirty days prior to the end of each subsequent quarter and payment is due thirty days thereafter.

(b) Beginning July 1, 2013, and except as provided in RCW 74.60.050:

(i) Each prospective payment system hospital, except psychiatric and rehabilitation hospitals, shall pay a quarterly assessment. Each quarterly assessment shall be one quarter of three hundred forty-four dollars for each annual nonmedicare hospital inpatient day, up to a maximum of fifty-four thousand days per year. For each nonmedicare hospital inpatient day in excess of fifty-four thousand days, each prospective payment system hospital shall pay an assessment of one quarter of seven dollars for each such day;

(ii) Each critical access hospital shall pay a quarterly assessment of one quarter of ten dollars for each annual nonmedicare hospital inpatient day;

(iii) Each psychiatric hospital shall pay a quarterly assessment of one quarter of sixty-seven dollars for each annual nonmedicare hospital inpatient day; and

(iv) Each rehabilitation hospital shall pay a quarterly assessment of one quarter of sixty-seven dollars for each annual nonmedicare hospital inpatient day.

(2) The authority shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare hospital inpatient days for each hospital that is not exempt from the assessment under RCW 74.60.040, taken from the hospital's 2552 cost report data file or successor data file available through the centers for medicare and medicaid services, as of a date to be determined by the authority. For state fiscal year 2014, the authority shall use cost report data for hospitals' fiscal years ending in 2010. For subsequent years, the hospitals' next succeeding fiscal year cost report data must be used.

(a) With the exception of a prospective payment system hospital commencing operations after January 1, 2009, for any hospital without a cost report for the relevant fiscal year, the authority shall work with the affected hospital to identify appropriate supplemental information that may be used to determine annual nonmedicare hospital inpatient days.

(b) A prospective payment system hospital commencing operations after January 1, 2009, must be assessed in accordance with this section after becoming an eligible new prospective payment system hospital as defined in RCW 74.60.010.

Sec. 5. RCW 74.60.050 and 2010 1st sp.s. c 30 s 6 are each amended to read as follows:

(1) The ~~((department))~~ authority, in cooperation with the office of financial management, shall develop rules for determining the amount to be assessed to individual hospitals, notifying individual hospitals of the assessed amount, and collecting the amounts due. Such rule making shall specifically include provision for:

(a) Transmittal of ~~((quarterly))~~ notices of assessment by the ((department)) authority to each hospital informing the hospital of its nonmedicare hospital inpatient days and the assessment amount due and payable~~((—Such quarterly notices shall be sent to each hospital at least thirty calendar days prior to the due date for the quarterly assessment payment.))~~;

(b) Interest on delinquent assessments at the rate specified in RCW 82.32.050~~((:))~~; and

(c) Adjustment of the assessment amounts ~~((as follows:~~

~~((i) For each fiscal year beginning July 1, 2010, the assessment amounts under RCW 74.60.030 (1) and (3) may be adjusted as follows:~~

~~((A) If sufficient other funds for hospitals, excluding any extension of section 5001 of P.L. No. 111-5, are available to support the reimbursement rates and other payments under RCW 74.60.080, 74.60.090, 74.60.100, 74.60.110, or 74.60.120 without utilizing the full assessment authorized under RCW 74.60.030 (1) or (3), the department shall reduce the amount of the assessment for prospective payment system, psychiatric, and rehabilitation hospitals~~

proportionately to the minimum level necessary to support those reimbursement rates and other payments:

~~(B) Provided that none of the conditions set forth in RCW 74.60.150(2) have occurred, if the department's forecasts indicate that the assessment amounts under RCW 74.60.030 (1) and (3), together with all other available funds, are not sufficient to support the reimbursement rates and other payments under RCW 74.60.080, 74.60.090, 74.60.100, 74.60.110, or 74.60.120, the department shall increase the assessment rates for prospective payment system, psychiatric, and rehabilitation hospitals proportionately to the amount necessary to support those reimbursement rates and other payments, plus a contingency factor up to ten percent of the total assessment amount.~~

~~(C) Any positive balance remaining in the fund at the end of the fiscal year shall be applied to reduce the assessment amount for the subsequent fiscal year.~~

~~(ii) Any adjustment to the assessment amounts pursuant to this subsection, and the data supporting such adjustment, including but not limited to relevant data listed in subsection (2) of this section, must be submitted to the Washington state hospital association for review and comment at least sixty calendar days prior to implementation of such adjusted assessment amounts. Any review and comment provided by the Washington state hospital association shall not limit the ability of the Washington state hospital association or its members to challenge an adjustment or other action by the department that is not made in accordance with this chapter.~~

~~(2) By November 30th of each year, the department shall provide the following data to the Washington state hospital association:~~

~~(a) The fund balance;~~

~~(b) The amount of assessment paid by each hospital;~~

~~(c) The annual medicaid fee for service payments for inpatient hospital services and outpatient hospital services; and~~

~~(d) The medicaid healthy options inpatient and outpatient payments as reported by all hospitals to the department on disproportionate share hospital applications. The department shall amend the disproportionate share hospital application and reporting instructions as needed to ensure that the foregoing data is reported by all hospitals as needed in order to comply with this subsection (2)(d).~~

~~(3) The department shall determine the number of nonmedicare hospital inpatient days for each hospital for each assessment period.~~

~~(4) To the extent necessary, the department shall amend the contracts between the managed care organizations and the department and between regional support networks and the department to incorporate the provisions of RCW 74.60.120. The department shall pursue amendments to the contracts as soon as possible after April 27, 2010. The amendments to the contracts shall, among other provisions, provide for increased payment rates to managed care organizations in accordance with RCW 74.60.120)) in accordance with subsections (2) and (3) of this section.~~

(2) For state fiscal year 2015, the assessment amounts established under RCW 74.60.030 must be adjusted as follows:

(a) If sufficient other funds, including federal funds, are available to make the payments required under this chapter and fund the state portion of the quality incentive payments under section 18 of this act and RCW 74.60.020(4)(f)

without utilizing the full assessment under RCW 74.60.030, the authority shall reduce the amount of the assessment to the minimum levels necessary to support those payments:

(b) If the total amount of inpatient or outpatient supplemental payments under RCW 74.60.120 is in excess of the upper payment limit and the entire excess amount cannot be disbursed by additional payments to managed care organizations under RCW 74.60.130, the authority shall proportionately reduce future assessments on prospective payment hospitals to the level necessary to generate additional payments to hospitals that are consistent with the upper payment limit plus the maximum permissible amount of additional payments to managed care organizations under RCW 74.60.130:

(c) If the amount of payments to managed care organizations under RCW 74.60.130 cannot be distributed because of failure to meet federal actuarial soundness or utilization requirements or other federal requirements, the authority shall apply the amount that cannot be distributed to reduce future assessments to the level necessary to generate additional payments to managed care organizations that are consistent with federal actuarial soundness or utilization requirements or other federal requirements:

(d) If required in order to obtain federal matching funds, the maximum number of nonmedicare inpatient days at the higher rate provided under RCW 74.60.030(1)(b)(i) may be adjusted in order to comply with federal requirements:

(e) If the number of nonmedicare inpatient days applied to the rates provided in RCW 74.60.030 will not produce sufficient funds to support the payments required under this chapter and the state portion of the quality incentive payments under section 18 of this act and RCW 74.60.020(4)(f), the assessment rates provided in RCW 74.60.030 may be increased proportionately by category of hospital to amounts no greater than necessary in order to produce the required level of funds needed to make the payments specified in this chapter and the state portion of the quality incentive payments under section 18 of this act and RCW 74.60.020(4)(f); and

(f) Any actual or estimated surplus remaining in the fund at the end of the fiscal year must be applied to reduce the assessment amount for the subsequent fiscal year.

(3) For each fiscal year after June 30, 2015, the assessment amounts established under RCW 74.60.030 must be adjusted as follows:

(a) In order to support the payments required in this chapter, the assessment amounts must be reduced in approximately equal yearly increments each fiscal year by category of hospital until the assessment amount is zero by July 1, 2019;

(b) If sufficient other funds, including federal funds, are available to make the payments required under this chapter and fund the state portion of the quality incentive payments under section 18 of this act and RCW 74.60.020(4)(f) without utilizing the full assessment under RCW 74.60.030, the authority shall reduce the amount of the assessment to the minimum levels necessary to support those payments;

(c) If in any fiscal year the total amount of inpatient or outpatient supplemental payments under RCW 74.60.120 is in excess of the upper payment limit and the entire excess amount cannot be disbursed by additional payments to managed care organizations under RCW 74.60.130, the authority shall

proportionately reduce future assessments on prospective payment hospitals to the level necessary to generate additional payments to hospitals that are consistent with the upper payment limit plus the maximum permissible amount of additional payments to managed care organizations under RCW 74.60.130;

(d) If the amount of payments to managed care organizations under RCW 74.60.130 cannot be distributed because of failure to meet federal actuarial soundness or utilization requirements or other federal requirements, the authority shall apply the amount that cannot be distributed to reduce future assessments to the level necessary to generate additional payments to managed care organizations that are consistent with federal actuarial soundness or utilization requirements or other federal requirements;

(e) If required in order to obtain federal matching funds, the maximum number of nonmedicare inpatient days at the higher rate provided under RCW 74.60.030(1)(b)(i) may be adjusted in order to comply with federal requirements;

(f) If the number of nonmedicare inpatient days applied to the rates provided in RCW 74.60.030 will not produce sufficient funds to support the payments required under this chapter and the state portion of the quality incentive payments under section 18 of this act and RCW 74.60.020(4)(f), the assessment rates provided in RCW 74.60.030 may be increased proportionately by category of hospital to amounts no greater than necessary in order to produce the required level of funds needed to make the payments specified in this chapter and the state portion of the quality incentive payments under section 18 of this act and RCW 74.60.020(4)(f); and

(g) Any actual or estimated surplus remaining in the fund at the end of the fiscal year must be applied to reduce the assessment amount for the subsequent fiscal year.

(4)(a) Any adjustment to the assessment amounts pursuant to this section, and the data supporting such adjustment, including, but not limited to, relevant data listed in (b) of this subsection, must be submitted to the Washington state hospital association for review and comment at least sixty calendar days prior to implementation of such adjusted assessment amounts. Any review and comment provided by the Washington state hospital association does not limit the ability of the Washington state hospital association or its members to challenge an adjustment or other action by the authority that is not made in accordance with this chapter.

(b) The authority shall provide the following data to the Washington state hospital association sixty days before implementing any revised assessment levels, detailed by fiscal year, beginning with fiscal year 2011 and extending to the most recent fiscal year, except in connection with the initial assessment under this chapter:

(i) The fund balance;

(ii) The amount of assessment paid by each hospital;

(iii) The state share, federal share, and total annual medicaid fee-for-service payments for inpatient hospital services made to each hospital under RCW 74.60.120, and the data used to calculate the payments to individual hospitals under that section;

(iv) The state share, federal share, and total annual medicaid fee-for-service payments for outpatient hospital services made to each hospital under RCW

74.60.120, and the data used to calculate annual payments to individual hospitals under that section:

(v) The annual state share, federal share, and total payments made to each hospital under each of the following programs: Grants to certified public expenditure hospitals under RCW 74.60.090, for critical access hospital payments under RCW 74.60.100; and disproportionate share programs under RCW 74.60.110;

(vi) The data used to calculate annual payments to individual hospitals under (b)(v) of this subsection; and

(vii) The amount of payments made to managed care plans under RCW 74.60.130, including the amount representing additional premium tax, and the data used to calculate those payments.

Sec. 6. RCW 74.60.070 and 2010 1st sp.s. c 30 s 8 are each amended to read as follows:

The incidence and burden of assessments imposed under this chapter shall be on hospitals and the expense associated with the assessments shall constitute a part of the operating overhead of hospitals. Hospitals shall not increase charges or billings to patients or third-party payers as a result of the assessments under this chapter. The ~~((department))~~ authority may require hospitals to submit certified statements by their chief financial officers or equivalent officials attesting that they have not increased charges or billings as a result of the assessments.

Sec. 7. RCW 74.60.080 and 2010 1st sp.s. c 30 s 9 are each amended to read as follows:

~~((Upon satisfaction of the applicable conditions set forth in RCW 74.60.150(1), the department shall:~~

~~(1) Restore medicaid inpatient and outpatient reimbursement rates to levels as if the four percent medicaid inpatient and outpatient rate reductions did not occur on July 1, 2009; and~~

~~(2) Recalculate the amount payable to each hospital that submitted an otherwise allowable claim for inpatient and outpatient medicaid-covered services rendered from and after July 1, 2009, up to and including the date when the applicable conditions under RCW 74.60.150(1) have been satisfied, as if the four percent medicaid inpatient and outpatient rate reductions did not occur effective July 1, 2009, and, within sixty calendar days after the date upon which the applicable conditions set forth in RCW 74.60.150(1) have been satisfied, remit the difference to each hospital.))~~ In each fiscal year and upon satisfaction of the conditions in RCW 74.60.150(1), after deducting or reserving amounts authorized to be disbursed under RCW 74.60.020(4) (d), (e), and (f), disbursements from the fund must be made as follows:

(1) For grants to certified public expenditure hospitals in accordance with RCW 74.60.090;

(2) For payments to critical access hospitals in accordance with RCW 74.60.100;

(3) For small rural disproportionate share payments in accordance with RCW 74.60.110;

(4) For payments to hospitals under RCW 74.60.120; and

(5) For payments to managed care organizations under RCW 74.60.130 for the provision of hospital services.

Sec. 8. RCW 74.60.090 and 2011 1st sp.s. c 35 s 2 are each amended to read as follows:

~~(1) ((Upon satisfaction of the applicable conditions set forth in RCW 74.60.150(1) and for services rendered on or after February 1, 2010, through June 30, 2011, the department shall increase the medicaid inpatient and outpatient fee-for-service hospital reimbursement rates in effect on June 30, 2009, by the percentages specified below:~~

~~(a) Prospective payment system hospitals:~~

~~(i) Inpatient psychiatric services: Thirteen percent;~~

~~(ii) Inpatient services: Thirteen percent;~~

~~(iii) Outpatient services: Thirty-six and eighty-three one-hundredths percent.~~

~~(b) Harborview medical center and University of Washington medical center:~~

~~(i) Inpatient psychiatric services: Three percent;~~

~~(ii) Inpatient services: Three percent;~~

~~(iii) Outpatient services: Twenty-one percent.~~

~~(c) Rehabilitation hospitals:~~

~~(i) Inpatient services: Thirteen percent;~~

~~(ii) Outpatient services: Thirty-six and eighty-three one-hundredths percent.~~

~~(d) Psychiatric hospitals:~~

~~(i) Inpatient psychiatric services: Thirteen percent;~~

~~(ii) Inpatient services: Thirteen percent.~~

~~(2) Upon satisfaction of the applicable conditions set forth in RCW 74.60.150(1) and for services rendered on or after July 1, 2011, the department shall increase the medicaid inpatient and outpatient fee-for-service hospital reimbursement rates in effect on June 30, 2009, by the percentages specified below:~~

~~(a) Prospective payment system hospitals:~~

~~(i) Inpatient psychiatric services: Thirteen percent;~~

~~(ii) Inpatient services: Three and ninety-six one-hundredths percent;~~

~~(iii) Outpatient services: Twenty-seven and twenty-five one-hundredths percent.~~

~~(b) Harborview medical center and University of Washington medical center:~~

~~(i) Inpatient psychiatric services: Three percent;~~

~~(ii) Inpatient services: Three percent;~~

~~(iii) Outpatient services: Twenty-one percent.~~

~~(c) Rehabilitation hospitals:~~

~~(i) Inpatient services: Thirteen percent;~~

~~(ii) Outpatient services: Thirty-six and eighty-three one-hundredths percent.~~

~~(d) Psychiatric hospitals:~~

~~(i) Inpatient psychiatric services: Thirteen percent;~~

~~(ii) Inpatient services: Thirteen percent.~~

(3) ~~For claims processed for services rendered on or after February 1, 2010, but prior to satisfaction of the applicable conditions specified in RCW 74.60.150(1), the department shall, within sixty calendar days after satisfaction of those conditions, calculate the amount payable to hospitals in accordance with this section and remit the difference to each hospital that has submitted an otherwise allowable claim for payment for such services.~~

(4) ~~By December 1, 2012, the department will submit a study to the legislature with recommendations on the amount of the assessments necessary to continue to support hospital payments for the 2013-2015 biennium. The evaluation will assess medicaid hospital payments relative to medicaid hospital costs. The study should address current federal law, including any changes on scope of medicaid coverage, provisions related to provider taxes, and impacts of federal health care reform legislation. The study should also address the state's economic forecast. Based on the forecast, the department should recommend the amount of assessment needed to support future hospital payments and the departmental administrative expenses. Recommendations should be developed with the fiscal committees of the legislature, office of financial management, and the Washington state hospital association.)~~ In each fiscal year commencing upon satisfaction of the applicable conditions in RCW 74.60.150(1), funds must be disbursed from the fund and the authority shall make grants to certified public expenditure hospitals, which shall not be considered payments for hospital services, as follows:

(a) University of Washington medical center: Three million three hundred thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then reduced in approximately equal increments per fiscal year until the grant amount is zero by July 1, 2019;

(b) Harborview medical center: Seven million six hundred thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then reduced in approximately equal increments per fiscal year until the grant amount is zero by July 1, 2019;

(c) All other certified public expenditure hospitals: Four million seven hundred thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then reduced in approximately equal increments per fiscal year until the grant amount is zero by July 1, 2019. The amount of payments to individual hospitals under this subsection must be determined using a methodology that provides each hospital with a proportional allocation of the group's total amount of medicaid and state children's health insurance program payments determined from claims and encounter data using the same general methodology set forth in RCW 74.60.120 (3) and (4).

(2) Payments must be made quarterly, taking the total disbursement amount and dividing by four to calculate the quarterly amount. The initial payment, which must include all amounts due from and after July 1, 2013, to the date of the initial payment, must be made within thirty days after satisfaction of the conditions in RCW 74.60.150(1). The authority shall provide a quarterly report of such payments to the Washington state hospital association.

Sec. 9. RCW 74.60.100 and 2010 1st sp.s. c 30 s 11 are each amended to read as follows:

~~(Upon satisfaction of the applicable conditions set forth in RCW 74.60.150(1), the department shall pay critical access hospitals that do not~~

~~qualify for or receive a small rural disproportionate share payment in the subject state fiscal year an access payment of fifty dollars for each medicaid inpatient day, exclusive of days on which a swing bed is used for subacute care, from and after July 1, 2009. Initial payments to hospitals, covering the period from July 1, 2009, to the date when the applicable conditions under RCW 74.60.150(1) are satisfied, shall be made within sixty calendar days after such conditions are satisfied. Subsequent payments shall be made to critical access hospitals on an annual basis at the time that disproportionate share eligibility and payment for the state fiscal year are established. These payments shall be in addition to any other amount payable with respect to services provided by critical access hospitals and shall not reduce any other payments to critical access hospitals.)~~ In each fiscal year commencing upon satisfaction of the conditions in RCW 74.60.150(1), the authority shall make access payments to critical access hospitals that do not qualify for or receive a small rural disproportionate share hospital payment in a given fiscal year in the total amount of five hundred twenty thousand dollars from the fund. The amount of payments to individual hospitals under this section must be determined using a methodology that provides each hospital with a proportional allocation of the group's total amount of medicaid and state children's health insurance program payments determined from claims and encounter data using the same general methodology set forth in RCW 74.60.120 (3) and (4). Payments must be made after the authority determines a hospital's payments under RCW 74.60.110. These payments shall be in addition to any other amount payable with respect to services provided by critical access hospitals and shall not reduce any other payments to critical access hospitals. The authority shall provide a report of such payments to the Washington state hospital association within thirty days after payments are made.

Sec. 10. RCW 74.60.110 and 2010 1st sp.s. c 30 s 12 are each amended to read as follows:

~~((Upon satisfaction of the applicable conditions set forth in RCW 74.60.150(1), small rural disproportionate share payments shall be increased to one hundred twenty percent of the level in effect as of June 30, 2009, for the period from and after July 1, 2009, until July 1, 2013. Initial payments, covering the period from July 1, 2009, to the date when the applicable conditions under RCW 74.60.150(1) are satisfied, shall be made within sixty calendar days after those conditions are satisfied. Subsequent payments shall be made directly to hospitals by the department on a periodic basis.))~~ In each fiscal year commencing upon satisfaction of the applicable conditions in RCW 74.60.150(1), one million nine hundred nine thousand dollars must be distributed from the fund and, with available federal matching funds, paid to hospitals eligible for small rural disproportionate share payments under WAC 182-550-4900 or successor rule. Payments must be made directly to hospitals by the authority in accordance with that regulation. The authority shall provide a report of such payments to the Washington state hospital association within thirty days after payments are made.

Sec. 11. RCW 74.60.120 and 2010 1st sp.s. c 30 s 13 are each amended to read as follows:

~~((Subject to the applicable conditions set forth in RCW 74.60.150(1), the department shall:~~

~~(1) Amend medicaid managed care and regional support network contracts as necessary in order to ensure compliance with this chapter;~~

~~(2) With respect to the inpatient and outpatient rates established by RCW 74.60.080:~~

~~(a) Upon satisfaction of the applicable conditions under RCW 74.60.150(1), increase payments to managed care organizations and regional support networks as necessary to ensure that hospitals are reimbursed in accordance with RCW 74.60.080(1) for services rendered from and after the date when applicable conditions under RCW 74.60.150(1) have been satisfied, and pay an additional amount equal to the estimated amount of additional state taxes on managed care organizations or regional support networks due as a result of the payments under this section, and require managed care organizations and regional support networks to make payments to each hospital in accordance with RCW 74.60.080. The increased payments made to hospitals pursuant to this subsection shall be in addition to any other amounts payable to hospitals by managed care organizations or regional support networks and shall not affect any other payments to hospitals;~~

~~(b) Within sixty calendar days after satisfaction of the applicable conditions under RCW 74.60.150(1), calculate the additional amount due to each hospital to pay claims submitted for inpatient and outpatient medicaid covered services rendered from and after July 1, 2009, through the date when the applicable conditions under RCW 74.60.150(1) have been satisfied, based on the rates required by RCW 74.60.080(2), make payments to managed care organizations and regional support networks in amounts sufficient to pay the additional amounts due to each hospital plus an additional amount equal to the estimated amount of additional state taxes on managed care organizations or regional support networks due as a result of the payments under this subsection, and require managed care organizations and regional support networks to make payments to each hospital in accordance with the department's calculations within forty five calendar days after the department disburses funds for those purposes;~~

~~(3) With respect to the inpatient and outpatient hospital rates established by RCW 74.60.090:~~

~~(a) Upon satisfaction of the applicable conditions under RCW 74.60.150(1), increase payments to managed care organizations and regional support networks as necessary to ensure that hospitals are reimbursed in accordance with RCW 74.60.090, and pay an additional amount equal to the estimated amount of additional state taxes on managed care organizations or regional support networks due as a result of the payments under this section;~~

~~(b) Require managed care organizations and regional support networks to reimburse hospitals for hospital inpatient and outpatient services rendered after the date that the applicable conditions under RCW 74.60.150(1) are satisfied at rates no lower than the combined rates established by RCW 74.60.080 and 74.60.090;~~

~~(c) Within sixty calendar days after satisfaction of the applicable conditions under RCW 74.60.150(1), calculate the additional amount due to each hospital to pay claims submitted for inpatient and outpatient medicaid covered services~~

rendered from and after February 1, 2010, through the date when the applicable conditions under RCW 74.60.150(1) are satisfied based on the rates required by RCW 74.60.090, make payments to managed care organizations and regional support networks in amounts sufficient to pay the additional amounts due to each hospital plus an additional amount equal to the estimated amount of additional state taxes on managed care organizations or regional support networks, and require managed care organizations and regional support networks to make payments to each hospital in accordance with the department's calculations within forty-five calendar days after the department disburses funds for those purposes;

(d) Require managed care organizations that contract with health care organizations that provide, directly or by contract, health care services on a prepaid or capitated basis to make payments to health care organizations for any of the hospital payments that the managed care organizations would have been required to pay to hospitals under this section if the managed care organizations did not contract with those health care organizations, and require the managed care organizations to require those health care organizations to make equivalent payments to the hospitals that would have received payments under this section if the managed care organizations did not contract with the health care organizations;

(4) The department shall ensure that the increases to the medicaid fee schedules as described in RCW 74.60.090 are included in the development of healthy options premiums.

(5) The department may require managed care organizations and regional support networks to demonstrate compliance with this section.) (1) Beginning in state fiscal year 2014, commencing thirty days after satisfaction of the applicable conditions in RCW 74.60.150(1), and for the period of state fiscal years 2014 through 2019, the authority shall make supplemental payments directly to Washington hospitals, separately for inpatient and outpatient fee-for-service medicaid services, as follows:

(a) For inpatient fee-for-service payments for prospective payment hospitals other than psychiatric or rehabilitation hospitals, twenty-nine million two hundred twenty-five thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then amounts reduced in equal increments per fiscal year until the supplemental payment amount is zero by July 1, 2019, from the fund, plus federal matching funds;

(b) For outpatient fee-for-service payments for prospective payment hospitals other than psychiatric or rehabilitation hospitals, thirty million dollars per state fiscal year in fiscal years 2014 and 2015, and then amounts reduced in equal increments per fiscal year until the supplemental payment amount is zero by July 1, 2019, from the fund, plus federal matching funds;

(c) For inpatient fee-for-service payments for psychiatric hospitals, six hundred twenty-five thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then amounts reduced in equal increments per fiscal year until the supplemental payment amount is zero by July 1, 2019, from the fund, plus federal matching funds;

(d) For inpatient fee-for-service payments for rehabilitation hospitals, one hundred fifty thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then amounts reduced in equal increments per fiscal year until the

supplemental payment amount is zero by July 1, 2019, from the fund, plus federal matching funds;

(e) For inpatient fee-for-service payments for border hospitals, two hundred fifty thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then amounts reduced in equal increments per fiscal year until the supplemental payment amount is zero by July 1, 2019, from the fund, plus federal matching funds; and

(f) For outpatient fee-for-service payments for border hospitals, two hundred fifty thousand dollars per state fiscal year in fiscal years 2014 and 2015, and then amounts reduced in equal increments per fiscal year until the supplemental payment amount is zero by July 1, 2019, from the fund, plus federal matching funds.

(2) If the amount of inpatient or outpatient payments under subsection (1) of this section, when combined with federal matching funds, exceeds the upper payment limit, payments to each category of hospital must be reduced proportionately to a level where the total payment amount is consistent with the upper payment limit. Funds under this chapter unable to be paid to hospitals under this section because of the upper payment limit must be paid to managed care organizations under RCW 74.60.130, subject to the limitations in this chapter.

(3) The amount of such fee-for-service inpatient payments to individual hospitals within each of the categories identified in subsection (1)(a), (c), (d), and (e) of this section must be determined by:

(a) Applying the medicaid fee-for-service rates in effect on July 1, 2009, without regard to the increases required by chapter 30, Laws of 2010 1st sp. sess. to each hospital's inpatient fee-for-services claims and medicaid managed care encounter data for the base year;

(b) Applying the medicaid fee-for-service rates in effect on July 1, 2009, without regard to the increases required by chapter 30, Laws of 2010 1st sp. sess. to all hospitals' inpatient fee-for-services claims and medicaid managed care encounter data for the base year; and

(c) Using the amounts calculated under (a) and (b) of this subsection to determine an individual hospital's percentage of the total amount to be distributed to each category of hospital.

(4) The amount of such fee-for-service outpatient payments to individual hospitals within each of the categories identified in subsection (1)(b) and (f) of this section must be determined by:

(a) Applying the medicaid fee-for-service rates in effect on July 1, 2009, without regard to the increases required by chapter 30, Laws of 2010 1st sp. sess. to each hospital's outpatient fee-for-services claims and medicaid managed care encounter data for the base year;

(b) Applying the medicaid fee-for-service rates in effect on July 1, 2009, without regard to the increases required by chapter 30, Laws of 2010 1st sp. sess. to all hospitals' outpatient fee-for-services claims and medicaid managed care encounter data for the base year; and

(c) Using the amounts calculated under (a) and (b) of this subsection to determine an individual hospital's percentage of the total amount to be distributed to each category of hospital.

(5) Thirty days before the initial payments and sixty days before the first payment in each subsequent fiscal year, the authority shall provide each hospital and the Washington state hospital association with an explanation of how the amounts due to each hospital under this section were calculated.

(6) Payments must be made in quarterly installments on or about the last day of every quarter, except that the initial payment must be made within thirty days after satisfaction of the conditions in RCW 74.60.150(1) and must include all amounts due from July 1, 2013, to the date of the initial payment.

(7) A prospective payment system hospital commencing operations after January 1, 2009, is eligible to receive payments in accordance with this section after becoming an eligible new prospective payment system hospital as defined in RCW 74.60.010.

(8) Payments under this section are supplemental to all other payments and do not reduce any other payments to hospitals.

Sec. 12. RCW 74.60.130 and 2010 1st sp.s. c 30 s 14 are each amended to read as follows:

~~(1) ((The department, in collaboration with the health care authority, the department of health, the department of labor and industries, the Washington state hospital association, the Puget Sound health alliance, and the forum, a collaboration of health carriers, physicians, and hospitals in Washington state, shall design a system of hospital quality incentive payments. The design of the system shall be submitted to the relevant policy and fiscal committees of the legislature by December 15, 2010. The system shall be based upon the following principles:~~

~~(a) Evidence-based treatment and processes shall be used to improve health care outcomes for hospital patients;~~

~~(b) Effective purchasing strategies to improve the quality of health care services should involve the use of common quality improvement measures by public and private health care purchasers, while recognizing that some measures may not be appropriate for application to specialty pediatric, psychiatric, or rehabilitation hospitals;~~

~~(c) Quality measures chosen for the system should be consistent with the standards that have been developed by national quality improvement organizations, such as the national quality forum, the federal centers for medicare and medicaid services, or the federal agency for healthcare research and quality. New reporting burdens to hospitals should be minimized by giving priority to measures hospitals are currently required to report to governmental agencies, such as the hospital compare measures collected by the federal centers for medicare and medicaid services;~~

~~(d) Benchmarks for each quality improvement measure should be set at levels that are feasible for hospitals to achieve, yet represent real improvements in quality and performance for a majority of hospitals in Washington state; and~~

~~(e) Hospital performance and incentive payments should be designed in a manner such that all noncritical access hospitals in Washington are able to receive the incentive payments if performance is at or above the benchmark score set in the system established under this section.~~

~~(2) Upon satisfaction of the applicable conditions set forth in RCW 74.60.150(1), and for state fiscal year 2013 and each fiscal year thereafter, assessments may be increased to support an additional one percent increase in~~

~~inpatient hospital rates for noncritical access hospitals that meet the quality incentive benchmarks established under this section.)~~ For state fiscal year 2014, commencing within thirty days after satisfaction of the conditions in RCW 74.60.150(1) and subsection (6) of this section, and for the period of state fiscal years 2014 through 2019, the authority shall increase capitation payments to managed care organizations by an amount at least equal to the amount available from the fund after deducting disbursements authorized by RCW 74.60.020(4)(c) through (f) and payments required by RCW 74.60.080 through 74.60.120. The capitation payment under this subsection must be no less than one hundred fifty-three million one hundred thirty-one thousand six hundred dollars per state fiscal year in fiscal years 2014 and 2015, and then the increased capitation payment amounts are reduced in equal increments per fiscal year until the increased capitation payment amount is zero by July 1, 2019, plus the maximum available amount of federal matching funds. The initial payment following satisfaction of the conditions in RCW 74.60.150(1) must include all amounts due from July 1, 2013. Subsequent payments shall be made quarterly.

(2) In fiscal years 2015, 2016, and 2017, the authority shall use any additional federal matching funds for the increased managed care capitation payments under subsection (1) of this section available from medicaid expansion under the federal patient protection and affordable care act to substitute for assessment funds which otherwise would have been used to pay managed care plans under this section.

(3) Payments to individual managed care organizations shall be determined by the authority based on each organization's or network's enrollment relative to the anticipated total enrollment in each program for the fiscal year in question, the anticipated utilization of hospital services by an organization's or network's medicaid enrollees, and such other factors as are reasonable and appropriate to ensure that purposes of this chapter are met.

(4) If the federal government determines that total payments to managed care organizations under this section exceed what is permitted under applicable medicaid laws and regulations, payments must be reduced to levels that meet such requirements, and the balance remaining must be applied as provided in RCW 74.60.050. Further, in the event a managed care organization is legally obligated to repay amounts distributed to hospitals under this section to the state or federal government, a managed care organization may recoup the amount it is obligated to repay under the medicaid program from individual hospitals by not more than the amount of overpayment each hospital received from that managed care organization.

(5) Payments under this section do not reduce the amounts that otherwise would be paid to managed care organizations: PROVIDED, That such payments are consistent with actuarial soundness certification and enrollment.

(6) Before making such payments, the authority shall require medicaid managed care organizations to comply with the following requirements:

(a) All payments to managed care organizations under this chapter must be expended for hospital services provided by Washington hospitals, which for purposes of this section includes psychiatric and rehabilitation hospitals, in a manner consistent with the purposes and provisions of this chapter, and must be equal to all increased capitation payments under this section received by the organization or network, consistent with actuarial certification and enrollment.

less an allowance for any estimated premium taxes the organization is required to pay under Title 48 RCW associated with the payments under this chapter;

(b) Before the end of the quarter in which funds are paid to them, managed care organizations shall expend the increased capitation payments under this section in a manner consistent with the purposes of this chapter;

(c) Providing that any delegation or attempted delegation of an organization's or network's obligations under agreements with the authority do not relieve the organization or network of its obligations under this section and related contract provisions.

(7) No hospital or managed care organizations may use the payments under this section to gain advantage in negotiations.

(8) No hospital has a claim or cause of action against a managed care organization for monetary compensation based on the amount of payments under subsection (6) of this section.

(9) If funds cannot be used to pay for services in accordance with this chapter the managed care organization or network must return the funds to the authority which shall return them to the hospital safety net assessment fund.

Sec. 13. RCW 74.09.522 and 2013 c 261 s 2 are each amended to read as follows:

(1) For the purposes of this section:

(a) "Managed health care system" means any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, health insuring organizations, or any combination thereof, that provides directly or by contract health care services covered under this chapter and rendered by licensed providers, on a prepaid capitated basis and that meets the requirements of section 1903(m)(1)(A) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(b) "Nonparticipating provider" means a person, health care provider, practitioner, facility, or entity, acting within their scope of practice, that does not have a written contract to participate in a managed health care system's provider network, but provides health care services to enrollees of programs authorized under this chapter whose health care services are provided by the managed health care system.

(2) The authority shall enter into agreements with managed health care systems to provide health care services to recipients of temporary assistance for needy families under the following conditions:

(a) Agreements shall be made for at least thirty thousand recipients statewide;

(b) Agreements in at least one county shall include enrollment of all recipients of temporary assistance for needy families;

(c) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act, recipients shall have a choice of systems in which to enroll and shall have the right to terminate their enrollment in a system: PROVIDED, That the authority may limit recipient termination of enrollment without cause to the first month of a period of enrollment, which period shall not exceed twelve months: AND PROVIDED FURTHER, That the authority shall not restrict a recipient's right to

terminate enrollment in a system for good cause as established by the authority by rule;

(d) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act, participating managed health care systems shall not enroll a disproportionate number of medical assistance recipients within the total numbers of persons served by the managed health care systems, except as authorized by the authority under federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(e)(i) In negotiating with managed health care systems the authority shall adopt a uniform procedure to enter into contractual arrangements, to be included in contracts issued or renewed on or after January 1, 2015, including:

(A) Standards regarding the quality of services to be provided;

(B) The financial integrity of the responding system;

(C) Provider reimbursement methods that incentivize chronic care management within health homes, including comprehensive medication management services for patients with multiple chronic conditions consistent with the findings and goals established in section 1 of this act;

(D) Provider reimbursement methods that reward health homes that, by using chronic care management, reduce emergency department and inpatient use;

(E) Promoting provider participation in the program of training and technical assistance regarding care of people with chronic conditions described in RCW 43.70.533, including allocation of funds to support provider participation in the training, unless the managed care system is an integrated health delivery system that has programs in place for chronic care management;

(F) Provider reimbursement methods within the medical billing processes that incentivize pharmacists or other qualified providers licensed in Washington state to provide comprehensive medication management services consistent with the findings and goals established in section 1 of this act; and

(G) Evaluation and reporting on the impact of comprehensive medication management services on patient clinical outcomes and total health care costs, including reductions in emergency department utilization, hospitalization, and drug costs.

(ii)(A) Health home services contracted for under this subsection may be prioritized to enrollees with complex, high cost, or multiple chronic conditions.

(B) Contracts that include the items in (e)(i)(C) through (G) of this subsection must not exceed the rates that would be paid in the absence of these provisions;

(f) The authority shall seek waivers from federal requirements as necessary to implement this chapter;

(g) The authority shall, wherever possible, enter into prepaid capitation contracts that include inpatient care. However, if this is not possible or feasible, the authority may enter into prepaid capitation contracts that do not include inpatient care;

(h) The authority shall define those circumstances under which a managed health care system is responsible for out-of-plan services and assure that recipients shall not be charged for such services;

(i) Nothing in this section prevents the authority from entering into similar agreements for other groups of people eligible to receive services under this chapter; and

(j) The authority must consult with the federal center for medicare and medicaid innovation and seek funding opportunities to support health homes.

(3) The authority shall ensure that publicly supported community health centers and providers in rural areas, who show serious intent and apparent capability to participate as managed health care systems are seriously considered as contractors. The authority shall coordinate its managed care activities with activities under chapter 70.47 RCW.

(4) The authority shall work jointly with the state of Oregon and other states in this geographical region in order to develop recommendations to be presented to the appropriate federal agencies and the United States congress for improving health care of the poor, while controlling related costs.

(5) The legislature finds that competition in the managed health care marketplace is enhanced, in the long term, by the existence of a large number of managed health care system options for medicaid clients. In a managed care delivery system, whose goal is to focus on prevention, primary care, and improved enrollee health status, continuity in care relationships is of substantial importance, and disruption to clients and health care providers should be minimized. To help ensure these goals are met, the following principles shall guide the authority in its healthy options managed health care purchasing efforts:

(a) All managed health care systems should have an opportunity to contract with the authority to the extent that minimum contracting requirements defined by the authority are met, at payment rates that enable the authority to operate as far below appropriated spending levels as possible, consistent with the principles established in this section.

(b) Managed health care systems should compete for the award of contracts and assignment of medicaid beneficiaries who do not voluntarily select a contracting system, based upon:

(i) Demonstrated commitment to or experience in serving low-income populations;

(ii) Quality of services provided to enrollees;

(iii) Accessibility, including appropriate utilization, of services offered to enrollees;

(iv) Demonstrated capability to perform contracted services, including ability to supply an adequate provider network;

(v) Payment rates; and

(vi) The ability to meet other specifically defined contract requirements established by the authority, including consideration of past and current performance and participation in other state or federal health programs as a contractor.

(c) Consideration should be given to using multiple year contracting periods.

(d) Quality, accessibility, and demonstrated commitment to serving low-income populations shall be given significant weight in the contracting, evaluation, and assignment process.

(e) All contractors that are regulated health carriers must meet state minimum net worth requirements as defined in applicable state laws. The

authority shall adopt rules establishing the minimum net worth requirements for contractors that are not regulated health carriers. This subsection does not limit the authority of the Washington state health care authority to take action under a contract upon finding that a contractor's financial status seriously jeopardizes the contractor's ability to meet its contract obligations.

(f) Procedures for resolution of disputes between the authority and contract bidders or the authority and contracting carriers related to the award of, or failure to award, a managed care contract must be clearly set out in the procurement document.

(6) The authority may apply the principles set forth in subsection (5) of this section to its managed health care purchasing efforts on behalf of clients receiving supplemental security income benefits to the extent appropriate.

(7) A managed health care system shall pay a nonparticipating provider that provides a service covered under this chapter to the system's enrollee no more than the lowest amount paid for that service under the managed health care system's contracts with similar providers in the state.

(8) For services covered under this chapter to medical assistance or medical care services enrollees and provided on or after August 24, 2011, nonparticipating providers must accept as payment in full the amount paid by the managed health care system under subsection (7) of this section in addition to any deductible, coinsurance, or copayment that is due from the enrollee for the service provided. An enrollee is not liable to any nonparticipating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment under the terms and conditions set forth in the managed health care system contract to provide services under this section.

(9) Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the ~~((department))~~ authority, including hospital-based physician services. The ~~((department))~~ authority will monitor and periodically report on the proportion of services provided by contracted providers and nonparticipating providers, by county, for each managed health care system to ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the ~~((department))~~ authority will review and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.

(10) Payments under RCW 74.60.130 are exempt from this section.

(11) Subsections (7) through (9) of this section expire July 1, 2016.

Sec. 14. RCW 74.60.140 and 2010 1st sp.s. c 30 s 16 are each amended to read as follows:

(1) If an entity owns or operates more than one hospital subject to assessment under this chapter, the entity shall pay the assessment for each hospital separately. However, if the entity operates multiple hospitals under a single medicaid provider number, it may pay the assessment for the hospitals in the aggregate.

(2) Notwithstanding any other provision of this chapter, if a hospital subject to the assessment imposed under this chapter ceases to conduct hospital operations throughout a state fiscal year, the assessment for the quarter in which the cessation occurs shall be adjusted by multiplying the assessment computed

under RCW 74.60.030 (~~((1) and (3))~~) by a fraction, the numerator of which is the number of days during the year which the hospital conducts, operates, or maintains the hospital and the denominator of which is three hundred sixty-five. Immediately prior to ceasing to conduct, operate, or maintain a hospital, the hospital shall pay the adjusted assessment for the fiscal year to the extent not previously paid.

(3) (~~Notwithstanding any other provision of this chapter, in the case of a hospital that commences conducting, operating, or maintaining a hospital that is not exempt from payment of the assessment under RCW 74.60.040 and that did not conduct, operate, or maintain such hospital throughout the cost reporting year used to determine the assessment amount, the assessment for that hospital shall be computed on the basis of the actual number of nonmedicare inpatient days reported to the department by the hospital on a quarterly basis. The hospital shall be eligible to receive increased payments under this chapter beginning on the date it commences hospital operations.~~)

~~((4))~~ Notwithstanding any other provision of this chapter, if a hospital previously subject to assessment is sold or transferred to another entity and remains subject to assessment, the assessment for that hospital shall be computed based upon the cost report data previously submitted by that hospital. The assessment shall be allocated between the transferor and transferee based on the number of days within the assessment period that each owned, operated, or maintained the hospital.

Sec. 15. RCW 74.60.150 and 2010 1st sp.s. c 30 s 17 are each amended to read as follows:

(1) The assessment, collection, and disbursement of funds under this chapter shall be conditional upon:

(a) (~~Withdrawal of those aspects of any pending state plan amendments previously submitted to the centers for medicare and medicaid services that are inconsistent with this chapter, specifically any pending state plan amendment related to the four percent rate reductions for inpatient and outpatient hospital rates and elimination of the small rural disproportionate share hospital payment program as implemented July 1, 2009;~~)

(b) Approval by the centers for medicare and medicaid services of any state plan amendments or waiver requests that are necessary in order to implement the applicable sections of this chapter;

~~((e))~~ Final approval by the centers for medicare and medicaid services of any state plan amendments or waiver requests that are necessary in order to implement the applicable sections of this chapter including, if necessary, waiver of the broad-based or uniformity requirements as specified under section 1903(w)(3)(E) of the federal social security act and 42 C.F.R. 433.68(e);

(b) To the extent necessary, amendment of contracts between the ~~((department))~~ authority and managed care organizations in order to implement this chapter; and

~~((4))~~ (c) Certification by the office of financial management that appropriations have been adopted that fully support the rates established in this chapter for the upcoming fiscal year.

(2) This chapter does not take effect or ceases to be imposed, and any moneys remaining in the fund shall be refunded to hospitals in proportion to the

amounts paid by such hospitals, if and to the extent that any of the following conditions occur:

(a) ~~((An appellate court or the centers for medicare and medicaid services))~~ The federal department of health and human services and a court of competent jurisdiction makes a final determination, with all appeals exhausted, that any element of this chapter, other than RCW 74.60.100, cannot be validly implemented;

(b) ~~((Medicaid inpatient or outpatient reimbursement rates for hospitals are reduced below the combined rates established by RCW 74.60.080 and 74.60.090;~~

(c) ~~Except for payments to the University of Washington medical center and harborview medical center, payments to hospitals required under RCW 74.60.080, 74.60.090, 74.60.110, and 74.60.120 are not eligible for federal matching funds;~~

(d) ~~Other funding available for the medicaid program is not sufficient to maintain medicaid inpatient and outpatient reimbursement rates at the levels set in RCW 74.60.080, 74.60.090, and 74.60.110))~~ Funds generated by the assessment for payments to prospective payment hospitals or managed care organizations are determined to be not eligible for federal match;

(c) Other funding sufficient to maintain aggregate payment levels to hospitals for inpatient and outpatient services covered by medicaid, including fee-for-service and managed care, at least at the levels the state paid for those services on July 1, 2009, as adjusted for current enrollment and utilization, but without regard to payment increases resulting from chapter 30, Laws of 2010 1st sp. sess., is not appropriated or available;

(d) Payments required by this chapter are reduced, except as specifically authorized in this chapter, or payments are not made in substantial compliance with the time frames set forth in this chapter; or

(e) The fund is used as a substitute for or to supplant other funds, except as authorized by RCW 74.60.020~~((3)(e))~~.

Sec. 16. RCW 74.60.900 and 2010 1st sp.s. c 30 s 18 are each amended to read as follows:

(1) The provisions of this chapter are not severable: If the conditions ~~((set forth))~~ in RCW 74.60.150(1) are not satisfied or if any of the circumstances ~~((set forth))~~ in RCW 74.60.150(2) should occur, this entire chapter shall have no effect from that point forward~~((, except that if the payment under RCW 74.60.100, or the application thereof to any hospital or circumstances does not receive approval by the centers for medicare and medicaid services as described in RCW 74.60.150(1)(b) or is determined to be unconstitutional or otherwise invalid, the other provisions of this chapter or its application to hospitals or circumstances other than those to which it is held invalid shall not be affected thereby))~~.

(2) In the event that any portion of this chapter shall have been validly implemented and the entire chapter is later rendered ineffective under this section, prior assessments and payments under the validly implemented portions shall not be affected.

~~((3) In the event that the payment under RCW 74.60.100, or the application thereof to any hospital or circumstances does not receive approval by the centers for medicare and medicaid services as described in RCW 74.60.150(1)(b) or is~~

~~determined to be unconstitutional or otherwise invalid, the amount of the assessment shall be adjusted under RCW 74.60.050(1)(e).)~~

NEW SECTION. Sec. 17. A new section is added to chapter 74.60 RCW to read as follows:

(1) The legislature intends to provide the hospitals with an opportunity to contract with the authority each fiscal biennium to protect the hospitals from future legislative action during the biennium that could result in hospitals receiving less from supplemental payments, increased managed care payments, disproportionate share hospital payments, or access payments than the hospitals expected to receive in return for the assessment based on the biennial appropriations and assessment legislation.

(2) Each odd-numbered year after enactment of the biennial omnibus operating appropriations act, the authority shall offer to enter into a contract for the period of the fiscal biennium beginning July 1st with a hospital that is required to pay the assessment under this chapter. The contract must include the following terms:

(a) The authority must agree not to do any of the following:

(i) Increase the assessment from the level set by the authority pursuant to this chapter on the first day of the contract period for reasons other than those allowed under RCW 74.60.050(3);

(ii) Reduce aggregate payment levels to hospitals for inpatient and outpatient services covered by medicaid, including fee-for-service and managed care, allowing for variations due to budget-neutral rebasing and adjusting for changes in enrollment and utilization, from the levels the state paid for those services on the first day of the contract period;

(iii) For critical access hospitals only, reduce the levels of disproportionate share hospital payments under RCW 74.60.110 or access payments under RCW 74.60.100 for all critical access hospitals below the levels specified in those sections on the first day of the contract period;

(iv) For prospective payment system, psychiatric, and rehabilitation hospitals only, reduce the levels of supplemental payments under RCW 74.60.120 for all prospective payment system hospitals below the levels specified in that section on the first day of the contract period unless the supplemental payments are reduced under RCW 74.60.120(2);

(v) For prospective payment system, psychiatric, and rehabilitation hospitals only, reduce the increased capitation payments to managed care organizations under RCW 74.60.130 below the levels specified in that section on the first day of the contract period unless the managed care payments are reduced under RCW 74.60.130(4); or

(vi) Except as specified in this chapter, use assessment revenues for any other purpose than to secure federal medicaid matching funds to support payments to hospitals for medicaid services; and

(b) As long as payment levels are maintained as required under this chapter, the hospital must agree not to challenge the authority's reduction of hospital reimbursement rates to July 1, 2009, levels, which results from the elimination of assessment supported rate restorations and increases, under 42 U.S.C. Sec. 1396a(a)(30)(a) either through administrative appeals or in court during the period of the contract.

(3) If a court finds that the authority has breached an agreement with a hospital under subsection (2)(a) of this section, the authority:

(a) Must immediately refund any assessment payments made subsequent to the breach by that hospital upon receipt; and

(b) May discontinue supplemental payments, increased managed care payments, disproportionate share hospital payments, and access payments made subsequent to the breach for the hospital that are required under this chapter.

(4) The remedies provided in this section are not exclusive of any other remedies and rights that may be available to the hospital whether provided in this chapter or otherwise in law, equity, or statute.

NEW SECTION, Sec. 18. A new section is added to chapter 74.09 RCW to read as follows:

(1) If sufficient funds are made available as provided in subsection (2) of this section the authority, in collaboration with the Washington state hospital association, shall design a system of hospital quality incentive payments for noncritical access hospitals. The system must be based upon the following principles:

(a) Evidence-based treatment and processes must be used to improve health care outcomes for hospital patients;

(b) Effective purchasing strategies to improve the quality of health care services should involve the use of common quality improvement measures by public and private health care purchasers, while recognizing that some measures may not be appropriate for application to specialty pediatric, psychiatric, or rehabilitation hospitals;

(c) Quality measures chosen for the system should be consistent with the standards that have been developed by national quality improvement organizations, such as the national quality forum, the federal centers for medicare and medicaid services, or the federal agency for healthcare research and quality. New reporting burdens to hospitals should be minimized by giving priority to measures hospitals are currently required to report to governmental agencies, such as the hospital compare measures collected by the federal centers for medicare and medicaid services;

(d) Benchmarks for each quality improvement measure should be set at levels that are feasible for hospitals to achieve, yet represent real improvements in quality and performance for a majority of hospitals in Washington state; and

(e) Hospital performance and incentive payments should be designed in a manner such that all noncritical access hospitals are able to receive the incentive payments if performance is at or above the benchmark score set in the system established under this section.

(2) If hospital safety net assessment funds under RCW 74.60.020 are made available, such funds must be used to support an additional one percent increase in inpatient hospital rates for noncritical access hospitals that:

(a) Meet the quality incentive benchmarks established under this section; and

(b) Participate in Washington state hospital association collaboratives related to the benchmarks in order to improve care and promote sharing of best practices with other hospitals.

(3) Funds directed from any other lawful source may also be used to support the purposes of this section.

Sec. 19. RCW 74.60.901 and 2010 1st sp.s. c 30 s 21 are each amended to read as follows:

This chapter expires July 1, (~~2013~~) 2017.

NEW SECTION. Sec. 20. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate June 26, 2013.

Passed by the House June 28, 2013.

Approved by the Governor June 30, 2013.

Filed in Office of Secretary of State July 1, 2013.

CHAPTER 18

[Engrossed Substitute Senate Bill 5946]

EDUCATIONAL OUTCOMES

AN ACT Relating to strengthening student educational outcomes; amending RCW 28A.165.005, 28A.165.015, 28A.165.035, 28A.165.055, 28A.165.065, 28A.600.015, 28A.600.020, 28A.600.410, 28A.600.460, 28A.300.046, 28A.300.042, 28A.415.010, 28A.150.325, 28A.250.010, 28A.250.020, 28A.250.050, 28A.250.060, 28A.250.070, 28A.225.225, 28A.150.100, 28A.525.162, and 28A.525.166; amending 2011 1st sp.s. c 34 s 1 (uncodified); reenacting and amending RCW 28A.225.220; adding a new section to chapter 28A.300 RCW; adding new sections to chapter 28A.320 RCW; adding new sections to chapter 28A.415 RCW; adding new sections to chapter 28A.655 RCW; adding a new section to chapter 28A.165 RCW; adding new sections to chapter 28A.600 RCW; adding a new section to chapter 28A.250 RCW; adding a new chapter to Title 28A RCW; creating new sections; recodifying RCW 28A.150.325; repealing RCW 28A.150.262, 28A.165.025, 28A.165.045, 28A.415.250, and 28A.415.260; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART I

LEARNING TO READ, READING TO LEARN

NEW SECTION. Sec. 101. A new section is added to chapter 28A.300 RCW to read as follows:

In support of reading and early literacy, the office of the superintendent of public instruction is responsible for:

(1) Continuing to work collaboratively with state and regional partners such as the department of early learning and the educational service districts to establish early literacy benchmarks and standards and to implement the Washington state comprehensive literacy plan;

(2) Disseminating research and information to school districts about evidence-based programs and practices in reading readiness skills, early literacy, and reading instruction;

(3) Providing statewide models to support school districts that are implementing response to intervention initiatives, positive behavior intervention support systems, or other similar comprehensive models of data-based identification and early intervention; and

(4) Within available funds and in partnership with the educational service districts, providing technical assistance and professional development opportunities for school districts.

NEW SECTION. Sec. 102. A new section is added to chapter 28A.320 RCW to read as follows:

School districts are responsible for providing a comprehensive system of instruction and services in reading and early literacy to kindergarten through fourth grade students that is based on the degree of student need for additional support. Reading and early literacy systems provided by school districts must include:

(1) Annual use of screening assessments and other tools to identify at-risk readers in kindergarten through fourth grade, such as the Washington kindergarten inventory of developing skills, the Washington state early learning and development guidelines for birth through third grade, the second grade reading assessment under RCW 28A.300.310, and locally used assessments and other tools; and

(2) Research-based family involvement and engagement strategies, including strategies to help families and guardians assist in improving students' reading and early literacy skills at home.

NEW SECTION. Sec. 103. A new section is added to chapter 28A.415 RCW to read as follows:

(1) High-quality professional development is essential for educators to keep abreast of the important advances in research that are occurring regarding instructional strategies and curriculum. Professional development in early literacy is especially important to support the instruction of young readers since reading proficiency is a crucial element for student academic success.

(2) Subject to funds appropriated for this specific purpose, the office of the superintendent of public instruction shall create partnerships with the educational service districts and public or private institutions of higher education with approved educator preparation programs to develop and deliver research-based professional development learning opportunities in reading instruction and early literacy for teachers of kindergarten through fourth grade students.

NEW SECTION. Sec. 104. A new section is added to chapter 28A.320 RCW to read as follows:

(1) Each school district shall require that report cards for students in kindergarten through fourth grade include information regarding how the student is progressing on acquiring reading skills and whether the student is at grade level in reading.

(2) If a student is not reading at or above grade level, the teacher, with the support of other school personnel as appropriate, must explain to the parent or guardian which interventions and strategies will be used to help improve the student's reading skills and must provide strategies for parents or guardians to assist with improving the student's reading skills at home.

(3) Each school shall report to the school district the number of students in grades kindergarten through four who are reading below grade level and the interventions that are being provided to improve the reading skills of the students, with the information disaggregated by subgroups of students. The school district shall aggregate the reports from the schools and provide the reports to the office of the superintendent of public instruction. The office of the superintendent of public instruction shall submit a statewide report annually to

the education committees of the legislature and the educational opportunity gap oversight and accountability committee.

NEW SECTION. Sec. 105. A new section is added to chapter 28A.655 RCW to read as follows:

(1) The definitions in this subsection apply throughout this section and section 106 of this act unless the context clearly requires otherwise.

(a) "Basic" means a score on the statewide student assessment at a level two in a four-level scoring system.

(b) "Below basic" means a score on the statewide student assessment at a level one in a four-level scoring system.

(c) "Not meet the state standard" means a score on the statewide student assessment at either a level one or a level two in a four-level scoring system.

(2) Beginning in the 2014-15 school year, for any student who receives a score of below basic on the third grade statewide student assessment in English language arts, a meeting must be scheduled before the end of the school year between the student's parent or guardian, teacher, and the principal of the school the student attends or the principal's designee to discuss appropriate grade placement and recommended intensive strategies to improve the student's reading skills. For students to be placed in fourth grade, the strategies discussed must include an intensive improvement strategy provided, supported, or contracted by the school district that includes a summer program or other option identified by the parents, teacher, principal, or principal's designee as appropriately meeting the student's need to prepare for fourth grade. The parents or guardians must be fully informed about the strategies and the parent's or guardian's consent must be obtained regarding the appropriate grade placement and the intensive improvement strategy to be implemented. The school district must implement the strategy selected in consultation with the student's parents or guardians.

(3) If a student does not have a score in English language arts on the third grade statewide student assessment but the district determines, using district or classroom-based diagnostic assessments or another standardized assessment, that the student's performance is equivalent to below basic in English language arts, the policy in subsection (2) of this section applies.

(4) Students participating in the transitional bilingual instruction program are exempt from the policy in subsection (2) of this section, unless the student has participated in the transitional bilingual instruction program for three school years and receives a score of below basic on the third grade statewide student assessment in English language arts.

(5) Students with disabilities whose individualized education program includes specially designed instruction in reading or English language arts are exempt from subsections (2), (3), and (4) of this section. Communication and consultation with parents or guardians of such students shall occur through the individualized education program process required under chapter 28A.155 RCW and associated administrative rules.

NEW SECTION. Sec. 106. A new section is added to chapter 28A.655 RCW to read as follows:

(1)(a) Beginning in the 2015-16 school year, except as otherwise provided in this subsection (1), for any student who received a score of basic or below

basic on the third grade statewide student assessment in English language arts in the previous school year, the school district must implement an intensive reading and literacy improvement strategy from a state menu of best practices established in accordance with subsection (3) of this section or an alternative strategy in accordance with subsection (4) of this section.

(b) Reading and literacy improvement strategies for students with disabilities whose individualized education program includes specially designed instruction in reading or English language arts shall be as provided in the individualized education program.

(2)(a) Also beginning in the 2015-16 school year, in any school where more than forty percent of the tested students received a score of basic or below basic on the third grade statewide student assessment in English language arts in the previous school year, as calculated under this subsection (2), the school district must implement an intensive reading and literacy improvement strategy from a state menu of best practices established in accordance with subsection (3) of this section or an alternative strategy in accordance with subsection (4) of this section for all students in grades kindergarten through four at the school.

(b) For the purposes of this subsection (2), the office of the superintendent of public instruction shall exclude the following from the calculation of a school's percentage of tested students receiving a score of basic or below basic on the third grade statewide student assessment:

(i) Students enrolled in the transitional bilingual instruction program unless the student has participated in the transitional bilingual instruction program for three school years;

(ii) Students with disabilities whose individualized education program specifies a different standard to measure reading performance than is required for the statewide student assessment; and

(iii) Schools with fewer than ten students in third grade.

(3) The office of the superintendent of public instruction shall convene a panel of experts, including the Washington state institute for public policy, to develop a state menu of best practices and strategies for intensive reading and literacy improvement designed to assist struggling students in reaching grade level in reading by the end of fourth grade. The state menu must also include best practices and strategies to improve the reading and literacy of students who are English language learners and for system improvements that schools and school districts can implement to improve reading instruction for all students. The office of the superintendent of public instruction shall publish the state menu by July 1, 2014, and update the state menu by each July 1st thereafter.

(4) School districts may use an alternative practice or strategy that is not on a state menu developed under subsection (3) of this section for two school years initially. If the district is able to demonstrate improved outcomes for participating students over the previous two school years at a level commensurate with the best practices and strategies on the state menu, the office of the superintendent of public instruction must approve use of the alternative practice or strategy by the district for one additional school year. Subsequent annual approval by the superintendent of public instruction to use the alternative practice or strategy is dependent on the district continuing to demonstrate an increase in improved outcomes for participating students.

PART II
REQUIRING THE LEARNING ASSISTANCE PROGRAM TO BE
EVIDENCE-BASED

Sec. 201. RCW 28A.165.005 and 2009 c 548 s 701 are each amended to read as follows:

(1) This chapter is designed to: ((+)) (a) Promote the use of ((assessment)) data when developing programs to assist underachieving students and reduce disruptive behaviors in the classroom; and ((2)) (b) guide school districts in providing the most effective and efficient practices when implementing supplemental instruction and services to assist underachieving students and reduce disruptive behaviors in the classroom.

(2) School districts implementing a learning assistance program shall focus first on addressing the needs of students in grades kindergarten through four who are deficient in reading or reading readiness skills to improve reading literacy.

Sec. 202. RCW 28A.165.015 and 2009 c 548 s 702 are each amended to read as follows:

Unless the context clearly indicates otherwise the definitions in this section apply throughout this chapter.

~~(1) ("Approved program" means a program submitted to and approved by the office of the superintendent of public instruction and conducted pursuant to the plan that addresses the required elements as provided for in this chapter.~~

~~(2)) "Basic skills areas" means reading, writing, and mathematics as well as readiness associated with these skills.~~

~~((3)) (2) "Participating student" means a student in kindergarten through grade twelve who scores below standard for his or her grade level using multiple measures of performance, including on the statewide student assessments or other assessments and performance measurement tools administered by the school or district and who is identified ((in)) by the ((approved plan)) district to receive services.~~

~~((4)) (3) "Statewide student assessments" means one or more of the ((several basic skills assessments administered as part of the state's student assessment system, and assessments in the basic skills areas)) assessments administered by ((each)) school districts as required under RCW 28A.655.070.~~

~~((5)) (4) "Underachieving students" means students with the greatest academic deficits in basic skills as identified by ((the)) statewide, school, or district assessments or other performance measurement tools.~~

Sec. 203. RCW 28A.165.035 and 2008 c 321 s 4 are each amended to read as follows:

(1) Beginning in the 2015-16 school year, expenditure of funds from the learning assistance program must be consistent with the provisions of section 106 of this act.

(2) Use of best practices that have been demonstrated through research to be associated with increased student achievement magnifies the opportunities for student success. To the extent they are included as a best practice or strategy in one of the state menus or an approved alternative under this section or section 106 of this act, the following are services and activities that may be supported by the learning assistance program:

((+)) (a) Extended learning time opportunities occurring:

~~((a))~~ (i) Before or after the regular school day;
~~((b))~~ (ii) On Saturday; and
~~((c))~~ (iii) Beyond the regular school year;
~~((2))~~ (b) Services under RCW 28A.320.190;
~~((3))~~ (c) Professional development for certificated and classified staff that focuses on:

~~((a))~~ (i) The needs of a diverse student population;
~~((b))~~ (ii) Specific literacy and mathematics content and instructional strategies; and

~~((c))~~ (iii) The use of student work to guide effective instruction and appropriate assistance;

~~((4))~~ (d) Consultant teachers to assist in implementing effective instructional practices by teachers serving participating students;

~~((5))~~ (e) Tutoring support for participating students; ~~(and~~
~~((6))~~ (f) Outreach activities and support for parents of participating students, including employing parent and family engagement coordinators; and

(g) Up to five percent of a district's learning assistance program allocation may be used for development of partnerships with community-based organizations, educational service districts, and other local agencies to deliver academic and nonacademic supports to participating students who are significantly at risk of not being successful in school to reduce barriers to learning, increase student engagement, and enhance students' readiness to learn. The office of the superintendent of public instruction must approve any community-based organization or local agency before learning assistance funds may be expended.

(3) In addition to the state menu developed under section 106 of this act, the office of the superintendent of public instruction shall convene a panel of experts, including the Washington state institute for public policy, to develop additional state menus of best practices and strategies for use in the learning assistance program to assist struggling students at all grade levels in English language arts and mathematics and reduce disruptive behaviors in the classroom. The office of the superintendent of public instruction shall publish the state menus by July 1, 2015, and update the state menus by each July 1st thereafter.

(4)(a) Beginning in the 2016-17 school year, except as provided in (b) of this subsection, school districts must use a practice or strategy that is on a state menu developed under subsection (3) of this section or section 106 of this act.

(b) Beginning in the 2016-17 school year, school districts may use a practice or strategy that is not on a state menu developed under subsection (3) of this section for two school years initially. If the district is able to demonstrate improved outcomes for participating students over the previous two school years at a level commensurate with the best practices and strategies on the state menu, the office of the superintendent of public instruction shall approve use of the alternative practice or strategy by the district for one additional school year. Subsequent annual approval by the superintendent of public instruction to use the alternative practice or strategy is dependent on the district continuing to demonstrate increased improved outcomes for participating students.

(c) Beginning in the 2016-17 school year, school districts may enter cooperative agreements with state agencies, local governments, or school districts for administrative or operational costs needed to provide services in

accordance with the state menus developed under this section and section 106 of this act.

(5) School districts are encouraged to implement best practices and strategies from the state menus developed under this section and section 106 of this act before the use is required.

NEW SECTION. Sec. 204. A new section is added to chapter 28A.165 RCW to read as follows:

(1) Beginning with the 2014-15 school year, school districts shall record in the statewide individual student data system annual entrance and exit performance data for each student participating in the learning assistance program according to specifications established by the office of the superintendent of public instruction.

(2) By August 1, 2014, and each August 1st thereafter, school districts shall report to the office of the superintendent of public instruction, using a common format prepared by the office:

(a) The amount of academic growth gained by students participating in the learning assistance program;

(b) The number of students who gain at least one year of academic growth; and

(c) The specific practices, activities, and programs used by each school building that received learning assistance program funding.

(3) The office of the superintendent of public instruction shall compile the school district data and report annual and longitudinal gains for the specific practices, activities, and programs used by the school districts to show which are the most effective. The data must be disaggregated by student subgroups.

Sec. 205. RCW 28A.165.055 and 2009 c 548 s 703 are each amended to read as follows:

~~((Each school district with an approved program is eligible for state funds provided for the learning assistance program.))~~ The funds for the learning assistance program shall be appropriated ~~((for the learning assistance program))~~ in accordance with RCW 28A.150.260 and the omnibus appropriations act. The distribution formula is for school district allocation purposes only, but funds appropriated for the learning assistance program must be expended for the purposes of RCW 28A.165.005 through 28A.165.065 and section 106 of this act.

Sec. 206. RCW 28A.165.065 and 2004 c 20 s 7 are each amended to read as follows:

To ensure that school districts are meeting the requirements of ~~((an approved program))~~ this chapter, the superintendent of public instruction shall monitor ~~((such))~~ learning assistance programs no less than once every four years. ~~((Individual student records shall be maintained at the school district.))~~ The primary purpose of program monitoring is to evaluate the effectiveness of a district's allocation and expenditure of resources and monitor school district fidelity in implementing best practices. The office of the superintendent of public instruction may provide technical assistance to school districts to improve the effectiveness of a learning assistance program.

PART III
STUDENT DISCIPLINE

NEW SECTION. **Sec. 301.** A new section is added to chapter 28A.600 RCW to read as follows:

(1) The office of the superintendent of public instruction shall convene a discipline task force to develop standard definitions for causes of student disciplinary actions taken at the discretion of the school district. The task force must also develop data collection standards for disciplinary actions that are discretionary and for disciplinary actions that result in the exclusion of a student from school. The data collection standards must include data about education services provided while a student is subject to a disciplinary action, the status of petitions for readmission to the school district when a student has been excluded from school, credit retrieval during a period of exclusion, and school dropout as a result of disciplinary action.

(2) The discipline task force shall include representatives from the K-12 data governance group, the educational opportunity gap oversight and accountability committee, the state ethnic commissions, the governor's office of Indian affairs, the office of the education ombudsman, school districts, and other education and advocacy organizations.

(3) The office of the superintendent of public instruction and the K-12 data governance group shall revise the statewide student data system to incorporate the student discipline data collection standards recommended by the discipline task force, and begin collecting data based on the revised standards in the 2015-16 school year.

Sec. 302. RCW 28A.600.015 and 2006 c 263 s 701 are each amended to read as follows:

(1) The superintendent of public instruction shall adopt and distribute to all school districts lawful and reasonable rules prescribing the substantive and procedural due process guarantees of pupils in the common schools. Such rules shall authorize a school district to use informal due process procedures in connection with the short-term suspension of students to the extent constitutionally permissible: **PROVIDED**, That the superintendent of public instruction deems the interest of students to be adequately protected. When a student suspension or expulsion is appealed, the rules shall authorize a school district to impose the suspension or expulsion temporarily after an initial hearing for no more than ten consecutive school days or until the appeal is decided, whichever is earlier. Any days that the student is temporarily suspended or expelled before the appeal is decided shall be applied to the term of the student suspension or expulsion and shall not limit or extend the term of the student suspension or expulsion. An expulsion or suspension of a student may not be for an indefinite period of time.

(2) Short-term suspension procedures may be used for suspensions of students up to and including, ten consecutive school days.

(3) Emergency expulsions must end or be converted to another form of corrective action within ten school days from the date of the emergency removal from school. Notice and due process rights must be provided when an emergency expulsion is converted to another form of corrective action.

Sec. 303. RCW 28A.600.020 and 2006 c 263 s 706 are each amended to read as follows:

(1) The rules adopted pursuant to RCW 28A.600.010 shall be interpreted to ensure that the optimum learning atmosphere of the classroom is maintained, and that the highest consideration is given to the judgment of qualified certificated educators regarding conditions necessary to maintain the optimum learning atmosphere.

(2) Any student who creates a disruption of the educational process in violation of the building disciplinary standards while under a teacher's immediate supervision may be excluded by the teacher from his or her individual classroom and instructional or activity area for all or any portion of the balance of the school day, or up to the following two days, or until the principal or designee and teacher have conferred, whichever occurs first. Except in emergency circumstances, the teacher first must attempt one or more alternative forms of corrective action. In no event without the consent of the teacher may an excluded student return to the class during the balance of that class or activity period or up to the following two days, or until the principal or his or her designee and the teacher have conferred.

(3) In order to preserve a beneficial learning environment for all students and to maintain good order and discipline in each classroom, every school district board of directors shall provide that written procedures are developed for administering discipline at each school within the district. Such procedures shall be developed with the participation of parents and the community, and shall provide that the teacher, principal or designee, and other authorities designated by the board of directors, make every reasonable attempt to involve the parent or guardian and the student in the resolution of student discipline problems. Such procedures shall provide that students may be excluded from their individual classes or activities for periods of time in excess of that provided in subsection (2) of this section if such students have repeatedly disrupted the learning of other students. The procedures must be consistent with the rules of the superintendent of public instruction and must provide for early involvement of parents in attempts to improve the student's behavior.

(4) The procedures shall assure, pursuant to RCW 28A.400.110, that all staff work cooperatively toward consistent enforcement of proper student behavior throughout each school as well as within each classroom.

(5)(a) A principal shall consider imposing long-term suspension or expulsion as a sanction when deciding the appropriate disciplinary action for a student who, after July 27, 1997:

~~((a))~~ (i) Engages in two or more violations within a three-year period of RCW 9A.46.120, 28A.320.135, 28A.600.455, 28A.600.460, 28A.635.020, 28A.600.020, 28A.635.060, 9.41.280, or 28A.320.140; or

~~((b))~~ (ii) Engages in one or more of the offenses listed in RCW 13.04.155.

(b) The principal shall communicate the disciplinary action taken by the principal to the school personnel who referred the student to the principal for disciplinary action.

(6) Any corrective action involving a suspension or expulsion from school for more than ten days must have an end date of not more than one calendar year from the time of corrective action. Districts shall make reasonable efforts to assist students and parents in returning to an educational setting prior to and no

later than the end date of the corrective action. Where warranted based on public health or safety, a school may petition the superintendent of the school district, pursuant to policies and procedures adopted by the office of the superintendent of public instruction, for authorization to exceed the one calendar year limitation provided in this subsection. The superintendent of public instruction shall adopt rules outlining the limited circumstances in which a school may petition to exceed the one calendar year limitation, including safeguards to ensure that the school district has made every effort to plan for the student's return to school. School districts shall report to the office of the superintendent of public instruction the number of petitions made to the school board and the number of petitions granted on an annual basis.

(7) Nothing in this section prevents a public school district, educational service district, the Washington state center for childhood deafness and hearing loss, or the state school for the blind if it has suspended or expelled a student from the student's regular school setting from providing educational services to the student in an alternative setting or modifying the suspension or expulsion on a case-by-case basis.

**Sec. 304. RCW 28A.600.410 and 1992 c 155 s 1 are each amended to read as follows:*

The state of Washington excludes tens of thousands of students from school each year due to out-of-school suspensions and expulsions. Out-of-school suspensions and expulsions contribute to poor academic achievement, lower graduation rates, and higher dropout rates. It is the intent of the legislature to minimize the use of out-of-school suspension and expulsion and its impact on student achievement by reducing the number of days that students are excluded from school due to disciplinary action. Student behavior should not result in the loss of educational opportunity in the public school system.

School districts are encouraged to find alternatives to suspension including reducing the length of a student's suspension conditioned by the commencement of counseling or other treatment services. Consistent with current law, the conditioning of a student's suspension does not obligate the school district to pay for the counseling or other treatment services except for those stipulated and agreed to by the district at the inception of the suspension.

**Sec. 304 was vetoed. See message at end of chapter.*

Sec. 305. RCW 28A.600.460 and 1997 c 266 s 9 are each amended to read as follows:

(1) School district boards of directors shall adopt policies that restore discipline to the classroom. Such policies must provide for at least the following: Allowing each teacher to take disciplinary action to correct a student who disrupts normal classroom activities, abuses or insults a teacher as prohibited by RCW 28A.635.010, willfully disobeys a teacher, uses abusive or foul language directed at a school district employee, school volunteer, or another student, violates school rules, or who interferes with an orderly education process. Disciplinary action may include but is not limited to: Oral or written reprimands; written notification to parents of disruptive behavior, a copy of which must be provided to the principal.

(2) A student committing an offense under chapter 9A.36, 9A.40, 9A.46, or 9A.48 RCW when the activity is directed toward the teacher, shall not be

assigned to that teacher's classroom for the duration of the student's attendance at that school or any other school where the teacher is assigned.

(3) A student who commits an offense under chapter 9A.36, 9A.40, 9A.46, or 9A.48 RCW, when directed toward another student, may be removed from the classroom of the victim for the duration of the student's attendance at that school or any other school where the victim is enrolled. A student who commits an offense under one of the chapters enumerated in this section against a student or another school employee, may be expelled or suspended.

(4) Nothing in this section is intended to limit the authority of a school under existing law and rules to expel or suspend a student for misconduct or criminal behavior.

(5) All school districts must collect data on disciplinary actions taken in each school and must record these actions using the statewide student data system, based on the data collection standards established by the office of the superintendent of public instruction and the K-12 data governance group. The information shall be made available to the public (~~(upon request. This collection of)~~), but public release of the data shall not include personally identifiable information including, but not limited to, a student's social security number, name, or address.

Sec. 306. RCW 28A.300.046 and 2011 c 288 s 10 are each amended to read as follows:

(1)(a) The superintendent of public instruction shall adopt rules establishing a standard definition of student absence from school. In adopting the definition, the superintendent shall review current practices in Washington school districts, definitions used in other states, and any national standards or definitions used by the national center for education statistics or other national groups. The superintendent shall also consult with the building bridges work group established under RCW 28A.175.075.

(b) Using the definition of student absence adopted under this section, the superintendent shall establish an indicator for measuring student attendance in high schools for purposes of the PASS program under RCW 28A.175.130.

(2)(a) The K-12 data governance group under RCW 28A.300.507 shall establish the parameters and an implementation schedule for statewide collection through the comprehensive education and data research system of: (i) Student attendance data using the definitions of student absence adopted under this section; and (ii) student discipline data with a focus on suspensions and expulsions from school.

(b) (~~At a minimum,~~) Student suspension and expulsion data collected for the purposes of this subsection (2) must be:

(i) Made publicly available and easily accessible on the superintendent of public instruction's web site; and

(ii) Disaggregated and cross-tabulated as established under RCW 28A.300.042.

(c) School districts must collect and submit student attendance data and student discipline data for high school students through the comprehensive education and data research system for purposes of the PASS program under RCW 28A.175.130 beginning in the 2012-13 school year.

Sec. 307. RCW 28A.300.042 and 2009 c 468 s 4 are each amended to read as follows:

(1) All student data-related reports required of the superintendent of public instruction in this title must be disaggregated by at least the following subgroups of students: White, Black, Hispanic, American Indian/Alaskan Native, Asian, Pacific Islander/Hawaiian Native, low income, transitional bilingual, migrant, special education, and students covered by section 504 of the federal rehabilitation act of 1973, as amended (29 U.S.C. Sec. 794).

(2) All student data-related reports required of the superintendent of public instruction regarding student suspensions and expulsions as required in RCW 28A.300.046 are subject to disaggregation by subgroups including:

(a) Gender;

(b) Foster care;

(c) Homeless, if known;

(d) School district;

(e) School;

(f) Grade level;

(g) Behavior infraction code, including:

(i) Bullying;

(ii) Tobacco;

(iii) Alcohol;

(iv) Illicit drug;

(v) Fighting without major injury;

(vi) Violence without major injury;

(vii) Violence with major injury;

(viii) Possession of a weapon; and

(ix) Other behavior resulting from a short-term or long-term suspension, expulsion, or interim alternative education setting intervention;

(h) Intervention applied, including:

(i) Short-term suspension;

(ii) Long-term suspension;

(iii) Emergency expulsion;

(iv) Expulsion;

(v) Interim alternative education settings;

(vi) No intervention applied; and

(vii) Other intervention applied that is not described in this subsection

(2)(h):

(i) Number of days a student is suspended or expelled, to be counted in half or full days; and

(j) Any other categories added at a future date by the data governance group.

(3) All student data-related reports required of the superintendent of public instruction regarding student suspensions and expulsions as required in RCW 28A.300.046 are subject to cross-tabulation at a minimum by the following:

(a) School and district;

(b) Race, low income, special education, transitional bilingual, migrant, foster care, homeless, students covered by section 504 of the federal rehabilitation act of 1973, as amended (29 U.S.C. Sec. 794), and categories to be added in the future;

(c) Behavior infraction code; and

(d) Intervention applied.

NEW SECTION. Sec. 308. A new section is added to chapter 28A.600 RCW to read as follows:

(1) School districts should make efforts to have suspended or expelled students return to an educational setting as soon as possible. School districts should convene a meeting with the student and the student's parents or guardians within twenty days of the student's long-term suspension or expulsion, but no later than five days before the student's enrollment, to discuss a plan to reengage the student in a school program.

(2) In developing a reengagement plan, school districts should consider shortening the length of time that the student is suspended or expelled, other forms of corrective action, and supportive interventions that aid in the student's academic success and keep the student engaged and on track to graduate. School districts must create a reengagement plan tailored to the student's individual circumstances, including consideration of the incident that led to the student's long-term suspension or expulsion. The plan should aid the student in taking the necessary steps to remedy the situation that led to the student's suspension or expulsion.

(3) Any reengagement meetings conducted by the school district involving the suspended or expelled student and his or her parents or guardians are not intended to replace a petition for readmission.

NEW SECTION. Sec. 309. Nothing in chapter . . . , Laws of 2013 2nd sp. sess. (this act) prevents a public school district, law enforcement agencies, or law enforcement personnel from enforcing laws protecting health and human safety.

PART IV EDUCATOR SUPPORT PROGRAM

NEW SECTION. Sec. 401. A new section is added to chapter 28A.415 RCW to read as follows:

(1) The educator support program is established to provide professional development and mentor support for beginning educators and educators on probation under RCW 28A.405.100, to be composed of the beginning educator support team for beginning educators and continuous improvement coaching for educators on probation, as provided in this section.

(2)(a) Subject to funds appropriated for this specific purpose, the office of the superintendent of public instruction shall allocate funds for the beginning educator support team on a competitive basis to individual school districts or consortia of districts. School districts are encouraged to include educational service districts in creating regional consortia. In allocating funds, the office of the superintendent of public instruction shall give priority to school districts with low-performing schools identified under RCW 28A.657.020 as being challenged schools in need of improvement. A portion of the appropriated funds may be used for program coordination and provision of statewide or regional professional development through the office of the superintendent of public instruction.

(b) A beginning educator support team must include the following components:

(i) A paid orientation or individualized assistance before the start of the school year for beginning educators;

(ii) Assignment of a trained and qualified mentor for the first three years for beginning educators, with intensive support in the first year and decreasing support over the following years depending on the needs of the beginning educator;

(iii) Professional development for beginning educators that is designed to meet their unique needs for supplemental training and skill development;

(iv) Professional development for mentors;

(v) Release time for mentors and their designated educators to work together, as well as time for educators to observe accomplished peers; and

(vi) A program evaluation using a standard evaluation tool provided from the office of the superintendent of public instruction that measures increased knowledge, skills, and positive impact on student learning for program participants.

(3) Subject to funds separately appropriated for this specific purpose, the beginning educator support team components under subsection (2) of this section may be provided for continuous improvement coaching to support educators on probation under RCW 28A.405.100.

Sec. 402. RCW 28A.415.010 and 2006 c 263 s 807 are each amended to read as follows:

It shall be the responsibility of each educational service district board to establish a center for the improvement of teaching. The center shall administer, coordinate, and act as fiscal agent for such programs related to the recruitment and training of certificated and classified K-12 education personnel as may be delegated to the center by the superintendent of public instruction under RCW 28A.310.470. To assist in these activities, each educational service district board shall establish an improvement of teaching coordinating council to include, at a minimum, representatives as specified in RCW 28A.415.040. An existing in-service training task force, established pursuant to RCW 28A.415.040, may serve as the improvement of teaching coordinating council. The educational service district board shall ensure coordination of programs established pursuant to RCW 28A.415.030, 28A.410.060, and (~~28A.415.250~~) section 401 of this act.

The educational service district board may arrange each year for the holding of one or more teachers' institutes and/or workshops for professional staff preparation and in-service training in such manner and at such time as the board believes will be of benefit to the teachers and other professional staff of school districts within the educational service district and shall comply with rules of the professional educator standards board pursuant to RCW 28A.410.060 or the superintendent of public instruction (~~pursuant to RCW 28A.415.250~~). The board may provide such additional means of teacher and other professional staff preparation and in-service training as it may deem necessary or appropriate and there shall be a proper charge against the educational service district general expense fund when approved by the educational service district board.

Educational service district boards of contiguous educational service districts, by mutual arrangements, may hold joint institutes and/or workshops, the expenses to be shared in proportion to the numbers of certificated personnel

as shown by the last annual reports of the educational service districts holding such joint institutes or workshops.

In local school districts employing more than one hundred teachers and other professional staff, the school district superintendent may hold a teachers' institute of one or more days in such district, said institute when so held by the school district superintendent to be in all respects governed by the provisions of this title and rules relating to teachers' institutes held by educational service district superintendents.

PART V ALTERNATIVE LEARNING EXPERIENCES

Sec. 501. 2011 1st sp.s. c 34 s 1 (uncodified) is amended to read as follows:

(1) Under Article IX of the Washington state Constitution, all children are entitled to an opportunity to receive a basic education. Although the state must assure that students in public schools have opportunities to participate in the instructional program of basic education, there is no obligation for either the state or school districts to provide that instruction using a particular delivery method or through a particular program.

(2) The legislature finds ample evidence of the need to examine and reconsider policies under which alternative learning that occurs outside the classroom using an individual student learning plan may be considered equivalent to full-time attendance in school, including for funding purposes. Previous legislative studies have raised questions about financial practices and accountability in alternative learning experience (~~(programs)~~) courses. Since 2005, there has been significant enrollment growth in alternative learning experience online (~~(programs)~~) courses, with evidence of unexpected financial impact when large numbers of nonresident students enroll in (~~(programs)~~) courses. Based on this evidence, there is a rational basis on which to conclude that there are different costs associated with providing (~~(a program)~~) courses not primarily based on full-time, daily contact between teachers and students and not primarily occurring on-site in a classroom.

(3) For these reasons, the legislature intends to allow for continuing review and revision of the way in which state funding allocations are used to support alternative learning experience (~~(programs)~~) courses.

Sec. 502. RCW 28A.150.325 and 2011 1st sp.s. c 34 s 2 are each amended to read as follows:

(1) (~~For purposes of this chapter,~~) The definitions in this subsection apply throughout this chapter unless the context clearly requires otherwise.

(a) "Alternative learning experience (~~(program)~~) course" means a course (~~(or set of courses)~~), or for grades kindergarten through eight grade-level coursework, that is a delivery method for the program of basic education and is:

(~~(a)~~) (i) Provided in whole or in part independently from a regular classroom setting or schedule, but may include some components of direct instruction;

(~~(b)~~) (ii) Supervised, monitored, assessed, evaluated, and documented by a certificated teacher employed by the school district or under contract as permitted by applicable rules; and

~~((e))~~ (iii) Provided in accordance with a written student learning plan that is implemented pursuant to the school district's policy and rules adopted by the superintendent of public instruction for alternative learning experiences.

(b) "In-person" means face-to-face instructional contact in a physical classroom environment.

(c) "Instructional contact time" means instructional time with a certificated teacher. Instructional contact time must be for the purposes of actual instruction, review of assignments, testing, evaluation of student progress, or other learning activities or requirements identified in the student's written student learning plan. Instructional contact time must be related to an alternative learning experience course identified in the student's written student learning plan. Instructional contact time may occur in a group setting between the teacher and multiple students and may be delivered either in-person or remotely using technology.

(d) "Online course" means an alternative learning experience course that has the same meaning as provided in RCW 28A.250.010.

(e) "Remote course" means an alternative learning experience course that is not an online course where the student has in-person instructional contact time for less than twenty percent of the total weekly time for the course. No minimum in-person instructional contact time is required.

(f) "Site-based course" means an alternative learning experience course where the student has in-person instructional contact time for at least twenty percent of the total weekly time for the course.

(g) "Total weekly time" means the estimated average hours per school week the student will engage in learning activities to meet the requirements of the written student learning plan.

(2) ~~((The broad categories of alternative learning experience programs include, but are not limited to:~~

~~(a) Online programs as defined in RCW 28A.150.262;~~

~~(b) Parent partnership programs that include significant participation and partnership by parents and families in the design and implementation of a student's learning experience; and~~

~~(c) Contract-based learning programs))~~ School districts may claim state funding under section 503 of this act, to the extent otherwise allowed by state law including the provisions of RCW 28A.250.060, for students enrolled in remote, site-based, or online alternative learning experience courses. High school courses must meet district or state graduation requirements and be offered for high school credit.

(3) School districts that offer alternative learning experience ~~((programs))~~ courses may not provide any compensation, reimbursement, gift, reward, or gratuity to any parents, guardians, or students for participation in the courses. School district employees are prohibited from receiving any compensation or payment as an incentive to increase student enrollment of out-of-district students in ~~((an))~~ alternative learning experience ((program)) courses. This prohibition includes, but is not limited to, providing funds to parents, guardians, or students for the purchase of educational materials, supplies, experiences, services, or technological equipment. A district may purchase educational materials, equipment, or other nonconsumable supplies for students' use in alternative learning experience ~~((programs))~~ courses if the purchase is consistent with the district's approved curriculum, conforms to applicable laws and rules, and is

made in the same manner as such purchases are made for students in the district's regular instructional program. Items so purchased remain the property of the school district upon program completion. School districts may not purchase or contract for instructional or cocurricular experiences and services that are included in an alternative learning experience written student learning plan, including but not limited to lessons, trips, and other activities, unless substantially similar experiences and services are available to students enrolled in the district's regular instructional program. School districts that purchase or contract for such experiences and services for students enrolled in an alternative learning experience (~~(program)~~) course must submit an annual report to the office of the superintendent of public instruction detailing the costs and purposes of the expenditures. These requirements extend to contracted providers of alternative learning experience (~~(programs)~~) courses, and each district shall be responsible for monitoring the compliance of its providers with these requirements. However, nothing in this (~~(section)~~) subsection shall prohibit school districts from contracting with school district employees to provide services or experiences to students, or from contracting with online providers approved by the office of the superintendent of public instruction pursuant to chapter 28A.250 RCW.

~~(4) (Part time enrollment in alternative learning experiences is subject to the provisions of RCW 28A.150.350.~~

~~(5) The superintendent of public instruction shall adopt rules defining minimum requirements and accountability for alternative learning experience programs.)~~ Each school district offering or contracting to offer alternative learning experience courses must:

(a) Report annually to the superintendent of public instruction regarding the course types and offerings, and number of students participating in each;

(b) Document the district of residence for each student enrolled in an alternative learning experience course; and

(c) Beginning in the 2013-14 school year and continuing through the 2016-17 school year, pay costs associated with a biennial measure of student outcomes and financial audit of the district's alternative learning experience courses by the office of the state auditor.

(5) A school district offering or contracting to offer an alternative learning experience course to a nonresident student must inform the resident school district if the student drops out of the course or is otherwise no longer enrolled.

(6) School districts must assess the educational progress of enrolled students at least annually, using, for full-time students, the state assessment for the student's grade level and using any other annual assessments required by the school district. Part-time students must also be assessed at least annually. However, part-time students who are either receiving home-based instruction under chapter 28A.200 RCW or who are enrolled in an approved private school under chapter 28A.195 RCW are not required to participate in the assessments required under chapter 28A.655 RCW. The rules must address how students who reside outside the geographic service area of the school district are to be assessed.

(7) Beginning with the 2013-14 school year, school districts must designate alternative learning experience courses as such when reporting course

information to the office of the superintendent of public instruction under RCW 28A.300.500.

(8)(a) The superintendent of public instruction shall adopt rules necessary to implement this section.

(b) Rules adopted for weekly direct personal contact requirements and monthly progress evaluation must be flexible and reflect the needs of the student and the student's individual learning plan rather than specifying an amount of time. In addition, the rules must reduce documentation requirements, particularly for students making satisfactory progress, based on the unique aspects of the alternative learning experience course types defined in this section and taking into consideration the technical and system capabilities associated with the different course types.

(c) The rules must establish procedures that address how the counting of students must be coordinated by resident and nonresident districts for state funding so that no student is counted for more than one full-time equivalent in the aggregate.

NEW SECTION. Sec. 503. The superintendent of public instruction shall separately calculate and allocate moneys appropriated under RCW 28A.150.260 to school districts for each full-time equivalent student enrolled in an alternative learning experience course. The calculation shall be based on the estimated statewide annual average allocation per full-time equivalent student in grades nine through twelve in general education, excluding small high school enhancements, and including applicable rules and provisions of the omnibus appropriations act.

Sec. 504. RCW 28A.250.010 and 2011 1st sp.s. c 34 s 5 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1)(a) "Multidistrict online provider" means:

(i) A private or nonprofit organization that enters into a contract with a school district to provide online courses or programs to K-12 students from more than one school district;

(ii) A private or nonprofit organization that enters into contracts with multiple school districts to provide online courses or programs to K-12 students from those districts; or

(iii) Except as provided in (b) of this subsection, a school district that provides online courses or programs to students who reside outside the geographic boundaries of the school district.

(b) "Multidistrict online provider" does not include a school district online learning program in which fewer than ten percent of the students enrolled in the program are from other districts under the interdistrict student transfer provisions of RCW 28A.225.225. "Multidistrict online provider" also does not include regional online learning programs that are jointly developed and implemented by two or more school districts or an educational service district through an interdistrict cooperative program agreement that addresses, at minimum, how the districts share student full-time equivalency for state basic education funding purposes and how categorical education programs, including special education, are provided to eligible students.

(2)(a) "Online course" means a course or grade-level coursework where:

(i) More than half of the course content is delivered electronically using the internet or other computer-based methods; ~~((and))~~

(ii) More than half of the teaching is conducted from a remote location through an online course learning management system or other online or electronic tools;

(iii) A certificated teacher has the primary responsibility for the student's instructional interaction. Instructional interaction between the teacher and the student includes, but is not limited to, direct instruction, review of assignments, assessment, testing, progress monitoring, and educational facilitation; and

(iv) Students have access to the teacher synchronously, asynchronously, or both.

(b) "Online school program" means a school program that(~~:~~

~~(i) Offers courses or grade-level coursework that is delivered primarily electronically using the internet or other computer-based methods;~~

~~(ii) Offers courses or grade-level coursework that is taught by a teacher primarily from a remote location using online or other electronic tools. Students enrolled in an online program may have access to the teacher synchronously, asynchronously, or both;~~

~~(iii)) offers a sequential set of online courses or grade-level coursework that may be taken in a single school term or throughout the school year in a manner that could provide a full-time basic education program if so desired by the student. Students may enroll in the program as part-time or full-time students(~~;-and~~~~

~~(iv) Has an online component of the program with online lessons and tools for student and data management)).~~

(c) An online course or online school program may be delivered to students at school as part of the regularly scheduled school day. An online course or online school program also may be delivered to students, in whole or in part, independently from a regular classroom schedule, but such courses or programs must comply with RCW ~~((28A.150.262))~~ 28A.150.325 (as recodified by this act) and associated rules adopted by the superintendent of public instruction to qualify for state basic education funding.

(3) "Online provider" means any provider of an online course or program, including multidistrict online providers, all school district online learning programs, and all regional online learning programs.

Sec. 505. RCW 28A.250.020 and 2011 1st sp.s. c 34 s 6 are each amended to read as follows:

(1) The superintendent of public instruction, in collaboration with the state board of education, shall develop and implement approval criteria and a process for approving online providers; a process for monitoring and if necessary rescinding the approval of courses or programs offered by an online provider; and an appeals process. The criteria and processes for multidistrict online providers shall be adopted by rule by December 1, 2009.

(2) When developing the approval criteria, the superintendent of public instruction shall require that providers offering online courses or programs have accreditation, or are candidates for accreditation, through the Northwest accreditation commission or another national, regional, or state accreditation program listed by the office of the superintendent of public instruction ~~((after~~

~~consultation with the Washington coalition for online learning~~). In addition to other criteria, the approval criteria shall include the degree of alignment with state academic standards and require that all teachers be certificated in accordance with Washington state law. When reviewing online providers that offer high school courses, the superintendent of public instruction shall assure that the courses offered by the provider are eligible for high school credit. However, final decisions regarding whether credit meets the school district's graduation requirements shall remain the responsibility of the school districts.

(3) Initial approval of online providers by the superintendent of public instruction shall be for four years. The superintendent of public instruction shall develop a process for the renewal of approvals and for rescinding approvals based on noncompliance with approval requirements. Any multidistrict online provider that was approved by the digital learning commons or accredited by the Northwest association of accredited schools before July 26, 2009, and that meets the teacher certification requirements of subsection (2) of this section, is exempt from the initial approval process under this section until August 31, 2012, but must comply with the process for renewal of approvals and must comply with approval requirements.

(4) The superintendent of public instruction shall make the first round of decisions regarding approval of multidistrict online providers by April 1, 2010. The first round of decisions regarding approval of online providers that are not multidistrict online providers shall be made by April 1, 2013. Thereafter, the superintendent of public instruction shall make annual approval decisions no later than November 1st of each year.

(5) The superintendent of public instruction shall establish an online learning advisory committee within existing resources that shall provide advice to the superintendent regarding the approval criteria, major components of the web site, the model school district policy, model agreements, and other related matters. The committee shall include a representative of each of the following groups: Private and public online providers, parents of online students, accreditation organizations, educational service districts, school principals, teachers, school administrators, school board members, institutions of higher education, and other individuals as determined by the superintendent. Members of the advisory committee shall be selected by the superintendent based on nominations from statewide organizations, shall serve three-year terms, and may be reappointed. The superintendent shall select the chair of the committee.

Sec. 506. RCW 28A.250.050 and 2011 1st sp.s. c 34 s 11 are each amended to read as follows:

(1) By August 31, 2010, all school district boards of directors shall develop policies and procedures regarding student access to online courses and online learning programs. The policies and procedures shall include but not be limited to: Student eligibility criteria; the types of online courses available to students through the school district; the methods districts will use to support student success, which may include a local advisor; when the school district will and will not pay course fees and other costs; the granting of high school credit; and a process for students and parents or guardians to formally acknowledge any course taken for which no credit is given. The policies and procedures shall take effect beginning with the 2010-11 school year. School districts shall submit their policies to the superintendent of public instruction by September 15, 2010. By

December 1, 2010, the superintendent of public instruction shall summarize the school district policies regarding student access to online courses and submit a report to the legislature.

(2) School districts must award credit and grades for online high school courses successfully completed by a student that meet the school district's graduation requirements and are provided by an approved online provider.

(3) School districts shall provide students with information regarding online courses that are available through the school district. The information shall include the types of information described in subsection (1) of this section.

(4) When developing local or regional online learning programs, school districts shall incorporate into the program design the approval criteria developed by the superintendent of public instruction under RCW 28A.250.020.

Sec. 507. RCW 28A.250.060 and 2011 1st sp.s. c 34 s 8 are each amended to read as follows:

(1) Beginning with the 2011-12 school year, school districts may claim state funding under (~~RCW 28A.150.260~~) section 503 of this act, to the extent otherwise allowed by state law, for students enrolled in online courses or programs only if the online courses or programs are:

(a) Offered by a multidistrict online provider approved under RCW 28A.250.020 by the superintendent of public instruction;

(b) Offered by a school district online learning program if the program serves students who reside within the geographic boundaries of the school district, including school district programs in which fewer than ten percent of the program's students reside outside the school district's geographic boundaries; or

(c) Offered by a regional online learning program where courses are jointly developed and offered by two or more school districts or an educational service district through an interdistrict cooperative program agreement.

(2) Beginning with the 2013-14 school year, school districts may claim state funding under (~~RCW 28A.150.260~~) section 503 of this act, to the extent otherwise allowed by state law, for students enrolled in online courses or programs only if the online courses or programs are offered by an online provider approved under RCW 28A.250.020 by the superintendent of public instruction.

(3) Criteria shall be established by the superintendent of public instruction to allow online courses that have not been approved by the superintendent of public instruction to be eligible for state funding if the course is in a subject matter in which no courses have been approved and, if it is a high school course, the course meets Washington high school graduation requirements.

Sec. 508. RCW 28A.250.070 and 2009 c 542 s 8 are each amended to read as follows:

Nothing in this chapter is intended to diminish the rights of students to attend a nonresident school district in accordance with RCW 28A.225.220 through 28A.225.230 for the purposes of enrolling in online courses or online school programs. The office of online learning under RCW 28A.250.030 shall develop a standard form, which must be used by all school districts, for releasing a student to a nonresident school district for the purposes of enrolling in an online course or online school program.

NEW SECTION. Sec. 509. A new section is added to chapter 28A.250 RCW to read as follows:

An online school program may request a waiver from the office of the superintendent of public instruction to administer one or more sections of the statewide student assessment for grades three through eight for some or all students enrolled in the program on alternate days or on an alternate schedule, as long as the administration is within the testing period established by the office. The office may deny a request for a waiver if the online school program's proposal does not maintain adequate test security or would reduce the reliability of the assessment results by providing an inequitable advantage for some students.

Sec. 510. RCW 28A.225.220 and 1995 c 335 s 602 and 1995 c 52 s 2 are each reenacted and amended to read as follows:

(1) Any board of directors may make agreements with adults choosing to attend school, and may charge the adults reasonable tuition.

(2) A district is strongly encouraged to honor the request of a parent or guardian for his or her child to attend a school in another district or the request of a parent or guardian for his or her child to transfer as a student receiving home-based instruction.

(3) A district shall release a student to a nonresident district that agrees to accept the student if:

(a) A financial, educational, safety, or health condition affecting the student would likely be reasonably improved as a result of the transfer; or

(b) Attendance at the school in the nonresident district is more accessible to the parent's place of work or to the location of child care; or

(c) There is a special hardship or detrimental condition; or

(d) The purpose of the transfer is for the student to enroll in an online course or online school program offered by an online provider approved under RCW 28A.250.020.

(4) A district may deny the request of a resident student to transfer to a nonresident district if the release of the student would adversely affect the district's existing desegregation plan.

(5) For the purpose of helping a district assess the quality of its education program, a resident school district may request an optional exit interview or questionnaire with the parents or guardians of a child transferring to another district. No parent or guardian may be forced to attend such an interview or complete the questionnaire.

(6) Beginning with the 1993-94 school year, school districts may not charge transfer fees or tuition for nonresident students enrolled under subsection (3) of this section and RCW 28A.225.225. Reimbursement of a high school district for cost of educating high school pupils of a nonhigh school district shall not be deemed a transfer fee as affecting the apportionment of current state school funds.

Sec. 511. RCW 28A.225.225 and 2013 c 192 s 2 are each amended to read as follows:

(1) Except for students who reside out-of-state and students under RCW 28A.225.217, a district shall accept applications from nonresident students who

are the children of full-time certificated and classified school employees, and those children shall be permitted to enroll:

(a) At the school to which the employee is assigned;

(b) At a school forming the district's K through 12 continuum which includes the school to which the employee is assigned; or

(c) At a school in the district that provides early intervention services pursuant to RCW 28A.155.065 or preschool services pursuant to RCW 28A.155.070, if the student is eligible for such services.

(2) A district may reject applications under this section if:

(a) The student's disciplinary records indicate a history of convictions for offenses or crimes, violent or disruptive behavior, or gang membership;

(b) The student has been expelled or suspended from a public school for more than ten consecutive days. Any policy allowing for readmission of expelled or suspended students under this subsection (2)(b) must apply uniformly to both resident and nonresident applicants; ((or))

(c) Enrollment of a child under this section would displace a child who is a resident of the district, except that if a child is admitted under subsection (1) of this section, that child shall be permitted to remain enrolled at that school, or in that district's kindergarten through twelfth grade continuum, until he or she has completed his or her schooling; or

(d) The student has repeatedly failed to comply with requirements for participation in an online school program, such as participating in weekly direct contact with the teacher or monthly progress evaluations.

(3) A nonhigh district that is participating in an innovation academy cooperative may not accept an application from a high school student that conflicts with RCW 28A.340.080.

(4) Except as provided in subsection (1) of this section, all districts accepting applications from nonresident students or from students receiving home-based instruction for admission to the district's schools shall consider equally all applications received. Each school district shall adopt a policy establishing rational, fair, and equitable standards for acceptance and rejection of applications by June 30, 1990. The policy may include rejection of a nonresident student if:

(a) Acceptance of a nonresident student would result in the district experiencing a financial hardship;

(b) The student's disciplinary records indicate a history of convictions for offenses or crimes, violent or disruptive behavior, or gang membership;

(c) Accepting of the nonresident student would conflict with RCW 28A.340.080; or

(d) The student has been expelled or suspended from a public school for more than ten consecutive days. Any policy allowing for readmission of expelled or suspended students under this subsection (4)(d) must apply uniformly to both resident and nonresident applicants.

For purposes of subsections (2)(a) and (4)(b) of this section, "gang" means a group which: (i) Consists of three or more persons; (ii) has identifiable leadership; and (iii) on an ongoing basis, regularly conspires and acts in concert mainly for criminal purposes.

(5) The district shall provide to applicants written notification of the approval or denial of the application in a timely manner. If the application is

rejected, the notification shall include the reason or reasons for denial and the right to appeal under RCW 28A.225.230(3).

Sec. 512. RCW 28A.150.100 and 2011 1st sp.s. c 34 s 10 are each amended to read as follows:

(1) For the purposes of this section and RCW 28A.150.410 and 28A.400.200, "basic education certificated instructional staff" means all full-time equivalent classroom teachers, teacher librarians, guidance counselors, certificated student health services staff, and other certificated instructional staff in the following programs as defined for statewide school district accounting purposes: Basic education, secondary vocational education, general instructional support, and general supportive services.

(2) Each school district shall maintain a ratio of at least forty-six basic education certificated instructional staff to one thousand annual average full-time equivalent students. This requirement does not apply to that portion of a district's annual average full-time equivalent enrollment that is enrolled in alternative learning experience (~~(programs)~~) courses as defined in RCW 28A.150.325 (as recodified by this act).

Sec. 513. RCW 28A.525.162 and 2012 c 244 s 2 are each amended to read as follows:

(1) Funds appropriated to the superintendent of public instruction from the common school construction fund shall be allotted by the superintendent of public instruction in accordance with this chapter.

(2) No allotment shall be made to a school district until such district has provided local funds equal to or greater than the difference between the total approved project cost and the amount of state funding assistance to the district for financing the project computed pursuant to RCW 28A.525.166, with the following exceptions:

(a) The superintendent of public instruction may waive the local requirement for state funding assistance for districts which have provided funds for school building construction purposes through the authorization of bonds or through the authorization of excess tax levies or both in an amount equivalent to two and one-half percent of the value of its taxable property, as defined in RCW 39.36.015.

(b) No such local funds shall be required as a condition to the allotment of funds from the state for the purpose of making major or minor structural changes to existing school facilities in order to bring such facilities into compliance with the barrier free access requirements of section 504 of the federal rehabilitation act of 1973 (29 U.S.C. Sec. 706) and rules implementing the act.

(3) For the purpose of computing the state funding assistance percentage under RCW 28A.525.166 when a school district is granted authority to enter into contracts, adjusted valuation per pupil shall be calculated using headcount student enrollments from the most recent October enrollment reports submitted by districts to the superintendent of public instruction, adjusted as follows:

(a) In the case of projects for which local bonds were approved after May 11, 1989:

(i) For districts which have been designated as serving high school districts under RCW 28A.540.110, students residing in the nonhigh district so

designating shall be excluded from the enrollment count if the student is enrolled in any grade level not offered by the nonhigh district;

(ii) The enrollment of nonhigh school districts shall be increased by the number of students residing within the district who are enrolled in a serving high school district so designated by the nonhigh school district under RCW 28A.540.110, including only students who are enrolled in grade levels not offered by the nonhigh school district; and

(iii) The number of preschool students with disabilities included in the enrollment count shall be multiplied by one-half;

(b) In the case of construction or modernization of high school facilities in districts serving students from nonhigh school districts, the adjusted valuation per pupil shall be computed using the combined adjusted valuations and enrollments of each district, each weighted by the percentage of the district's resident high school students served by the high school district;

(c) The number of kindergarten students included in the enrollment count shall be counted as one headcount student; and

(d) The number of students residing outside the school district who are enrolled in alternative learning experience (~~(programs)~~) courses under RCW 28A.150.325 (as recodified by this act) shall be excluded from the total.

(4) In lieu of the exclusion in subsection (3)(d) of this section, a district may submit an alternative calculation for excluding students enrolled in alternative learning experience (~~(programs)~~) courses. The alternative calculation must show the student headcount use of district classroom facilities on a regular basis for a regular duration by out-of-district alternative learning experience (~~(program)~~) students subtracted by the headcount of in-district alternative learning experience (~~(program)~~) students not using district classroom facilities on a regular basis for a reasonable duration. The alternative calculation must be submitted in a form approved by the office of the superintendent of public instruction. The office of the superintendent of public instruction must develop rules to define "regular basis" and "reasonable duration."

(5) The superintendent of public instruction, considering policy recommendations from the school facilities citizen advisory panel, shall prescribe such rules as are necessary to equate insofar as possible the efforts made by school districts to provide capital funds by the means aforesaid.

(6) For the purposes of this section, "preschool students with disabilities" means children of preschool age who have developmental disabilities who are entitled to services under RCW 28A.155.010 through 28A.155.100 and are not included in the kindergarten enrollment count of the district.

Sec. 514. RCW 28A.525.166 and 2012 c 244 s 3 are each amended to read as follows:

Allocations to school districts of state funds provided by RCW 28A.525.162 through 28A.525.180 shall be made by the superintendent of public instruction and the amount of state funding assistance to a school district in financing a school plant project shall be determined in the following manner:

(1) The boards of directors of the districts shall determine the total cost of the proposed project, which cost may include the cost of acquiring and preparing the site, the cost of constructing the building or of acquiring a building and preparing the same for school use, the cost of necessary equipment, taxes chargeable to the project, necessary architects' fees, and a reasonable amount for

contingencies and for other necessary incidental expenses: PROVIDED, That the total cost of the project shall be subject to review and approval by the superintendent.

(2) The state funding assistance percentage for a school district shall be computed by the following formula:

The ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil shall be subtracted from three, and then the result of the foregoing shall be divided by three plus (the ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil).

$$\begin{array}{rcc} \text{Computed} & & \text{District adjusted} & & \text{Total state} \\ \text{State} & = & \text{3-valuation} & \div & \text{adjusted valuation} \\ \text{Ratio} & & \text{per pupil} & & \text{per pupil} \\ & & \text{-----} & & \text{-----} \\ & & \text{District adjusted} & & \text{Total state} \\ & & \text{3+valuation} & \div & \text{adjusted valuation} \\ & & \text{per pupil} & & \text{per pupil} \end{array} = - \% \text{ Funding Assistance}$$

PROVIDED, That in the event the state funding assistance percentage to any school district based on the above formula is less than twenty percent and such school district is otherwise eligible for state funding assistance under RCW 28A.525.162 through 28A.525.180, the superintendent may establish for such district a state funding assistance percentage not in excess of twenty percent of the approved cost of the project, if the superintendent finds that such additional assistance is necessary to provide minimum facilities for housing the pupils of the district.

(3) In addition to the computed state funding assistance percentage developed in subsection (2) of this section, a school district shall be entitled to additional percentage points determined by the average percentage of growth for the past three years. One percent shall be added to the computed state funding assistance percentage for each percent of growth, with a maximum of twenty percent.

(4) In computing the state funding assistance percentage in subsection (2) of this section and adjusting the percentage under subsection (3) of this section, students residing outside the school district who are enrolled in alternative learning experience (~~(programs))~~ courses under RCW 28A.150.325 (as recodified by this act) shall be excluded from the count of total pupils. In lieu of the exclusion in this subsection, a district may submit an alternative calculation for excluding students enrolled in alternative learning experience (~~(programs))~~ courses. The alternative calculation must show the student headcount use of district classroom facilities on a regular basis for a reasonable duration by out-of-district alternative learning experience (~~(program))~~ students subtracted by the headcount of in-district alternative learning experience (~~(program))~~ students not using district classroom facilities on a regular basis for a reasonable duration. The alternative calculation must be submitted in a form approved by the office of the superintendent of public instruction. The office of the superintendent of public instruction must develop rules to define "regular basis" and "reasonable duration."

(5) The approved cost of the project determined in the manner prescribed in this section multiplied by the state funding assistance percentage derived as

provided for in this section shall be the amount of state funding assistance to the district for the financing of the project: PROVIDED, That need therefor has been established to the satisfaction of the superintendent: PROVIDED, FURTHER, That additional state funding assistance may be allowed if it is found by the superintendent, considering policy recommendations from the school facilities citizen advisory panel that such assistance is necessary in order to meet (a) a school housing emergency resulting from the destruction of a school building by fire, the condemnation of a school building by properly constituted authorities, a sudden excessive and clearly foreseeable future increase in school population, or other conditions similarly emergent in nature; or (b) a special school housing burden resulting from projects of statewide significance or imposed by virtue of the admission of nonresident students into educational programs established, maintained and operated in conformity with the requirements of law; or (c) a deficiency in the capital funds of the district resulting from financing, subsequent to April 1, 1969, and without benefit of the state funding assistance provided by prior state assistance programs, the construction of a needed school building project or projects approved in conformity with the requirements of such programs, after having first applied for and been denied state funding assistance because of the inadequacy of state funds available for the purpose, or (d) a condition created by the fact that an excessive number of students live in state owned housing, or (e) a need for the construction of a school building to provide for improved school district organization or racial balance, or (f) conditions similar to those defined under (a), (b), (c), (d), and (e) of this subsection, creating a like emergency.

****NEW SECTION. Sec. 515. (1) The office of financial management shall conduct a study, in consultation with, at minimum, one representative each from school districts that administer remote, site-based, and online alternative learning experience courses; the office of the superintendent of public instruction; the Washington state institute for public policy; individuals with expertise in outcome-based public school funding models; a Washington state nonprofit organization with expertise in alternative learning education; and the legislative evaluation and accountability program committee.***

(2) The purpose of the study is to create a proposal for efficiently and sustainably funding alternative learning experience courses and to recommend steps to increase the focus on educational outcomes. The study may recommend the funding method established in section 503 of this act or another method of funding. The study shall review alternative learning funding models used in other states and consider the advantages and disadvantages of applying state policies, including funding policies, differentially depending on the type of alternative learning experience course. The study should also include but not be limited to, recommendations for establishing baseline data regarding alternative learning experience student proficiency and achievement in relation to students in a comparable demographic, identifying outcome targets and methods to measure progress toward targets, identifying methods to ensure ongoing evaluation of outcomes that account for the student demographics being served, and improving alternative learning experience accountability.

(3) The office of financial management shall report its findings from the study to the quality education council by November 1, 2013. The quality

education council shall review the findings and make recommendations to the education and fiscal committees of the legislature by December 15, 2013.

*Sec. 515 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 516. RCW 28A.150.262 (Defining full-time equivalent student—Students receiving instruction through alternative learning experience online programs—Requirements) and 2011 1st sp.s. c 34 s 3, 2009 c 542 s 9, & 2005 c 356 s 2 are each repealed.

NEW SECTION. Sec. 517. (1) RCW 28A.150.325 is recodified as a section in chapter 28A.—RCW (the new chapter created in section 518 of this act).

(2) 2011 1st sp.s. c 34 s 1 is codified as a section in chapter 28A.—RCW (the new chapter created in section 518 of this act).

NEW SECTION. Sec. 518. Sections 501 and 503 of this act constitute a new chapter in Title 28A RCW.

PART VI MISCELLANEOUS

NEW SECTION. Sec. 601. The following acts or parts of acts are each repealed:

(1) RCW 28A.165.025 (School district program plan) and 2009 c 556 s 1 & 2004 c 20 s 3;

(2) RCW 28A.165.045 (Plan approval process) and 2009 c 556 s 2 & 2004 c 20 s 5;

(3) RCW 28A.415.250 (Teacher assistance program—Provision for mentor teachers) and 2009 c 539 s 5, 1993 c 336 s 401, 1991 c 116 s 19, 1990 c 33 s 403, 1987 c 507 s 1, & 1985 c 399 s 1; and

(4) RCW 28A.415.260 (Pilot program using full-time mentor teachers) and 1998 c 245 s 12 & 1993 c 336 s 402.

NEW SECTION. Sec. 602. Section 503 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

NEW SECTION. Sec. 603. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the Senate June 28, 2013.

Passed by the House June 28, 2013.

Approved by the Governor June 30, 2013, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State July 1, 2013.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 304 and 515, Engrossed Substitute Senate Bill 5946 entitled:

"AN ACT Relating to strengthening student educational outcomes."

This legislation includes reforms to improve student achievement, which includes strategies to address early elementary school literacy, strengthening the learning assistance programs, reforming

the approach to long-term student suspensions, and clarifications regarding the alternative learning experience program.

Section 304 is an intent section that discusses various experiences of schools and students, and is not necessary to interpret or implement the substantive provisions of the bill. For this reason, I have vetoed section 304.

Section 515 requires the Office of Financial Management by November 1, 2013, to complete a study, in consultation with various stakeholders, to create a proposal for efficiently and sustainably funding alternative learning experience courses and to recommend steps to increase the focus of educational outcomes. Given the short timeline for completion, the Office would need to contract for the work, and no funding was provided to the Office to conduct the study. For these reasons, I have vetoed section 515.

For these reasons I have vetoed Sections 304 and 515 of Engrossed Substitute Senate Bill 5946.

With the exception of Sections 304 and 515, Engrossed Substitute Senate Bill 5946 is approved."

CHAPTER 19

[Engrossed Substitute Senate Bill 5035]

CAPITAL BUDGET

AN ACT Relating to the capital budget; making appropriations and authorizing expenditures for capital improvements; amending RCW 43.34.080, 28B.15.210, 28B.20.725, 28B.15.310, 28B.30.750, 28B.35.370, 28B.50.360, 43.155.070, 70.105D.070, 79.17.010, 79.17.020, 46.68.350, 79.17.210, and 70.105D.—; 2012 2nd sp.s. c 2 ss 1022, 1024, 1025, 3002, and 5005 (uncodified); 2011 1st sp.s. c 49 ss 3052, 3112, and 5101 (uncodified); 2011 1st sp.s. c 48 ss 1022, 1023, and 3070 (uncodified); 2008 c 5 s 1 (uncodified); 2007 c 4 s 1 (uncodified); 2005 c 8 s 1 (uncodified); creating new sections; making appropriations; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) A capital budget is hereby adopted and, subject to the provisions set forth in this act, the several dollar amounts hereinafter specified, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for capital projects during the period beginning with the effective date of this act and ending June 30, 2015, out of the several funds specified in this act.

(2) The definitions in this subsection apply throughout this act unless the context clearly requires otherwise.

(a) "Fiscal year 2014" or "FY 2014" means the period beginning July 1, 2013, and ending June 30, 2014.

(b) "Fiscal year 2015" or "FY 2015" means the period beginning July 1, 2014, and ending June 30, 2015.

(c) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(d) "Provided solely" means the specified amount may be spent only for the specified purpose.

(3) Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

(4) The amounts shown under the headings "Prior Biennia," "Future Biennia," and "Total" in this act are for informational purposes only and do not constitute legislative approval of these amounts. "Prior biennia" typically refers to the immediate prior biennium for reappropriations, but may refer to multiple

biennia in the case of specific projects. A "future biennia" amount is an estimate of what may be appropriated for the project or program in the 2015-2017 biennium and the following three biennia; an amount of zero does not necessarily constitute legislative intent to not provide funding for the project or program in the future.

(5) "Reappropriations" in this act are appropriations and, unless the context clearly provides otherwise, are subject to the relevant conditions and limitations applicable to appropriations. Reappropriations shall be limited to the unexpended balances remaining on June 30, 2013, from the 2011-2013 biennial appropriations for each project.

PART 1 GENERAL GOVERNMENT

NEW SECTION. **Sec. 1001. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

Review of Public Lands (92000002)

The appropriation in this section is subject to the following conditions and limitation: The appropriation is provided solely for a three part study of public recreation and habitat lands. Parts two and three of the study must be conducted under contract with a qualified economist at one of Washington's public universities.

(1) Part one of the study is a review of the operating budget impacts of recreation and habitat land acquisitions by the departments of fish and wildlife, natural resources, and by the state parks and recreation commission over the past ten years. The review must describe the separate acquisitions by each agency, including the location, number of acres, the acquisition price, a general description of the land, the intended use of the land at the time of acquisition, and the source or sources of funding for the acquisition. The report must also identify the current use of the land and whether the current use matches the intended use at the time of acquisition. The review must estimate the current biennial operating budget costs to manage the land acquired and what the estimated capital and operating budget costs are to put the land to its intended use if that has not yet occurred.

(2) Part two of the study is a review of estimated economic benefits and costs from acquisitions of recreation and habitat lands. The study must review and summarize the available literature describing and quantifying the economic benefits and costs of public recreation and habitat lands. The study must evaluate the reliability and validity of measures used by federal and state agencies to estimate the economic benefits of recreation and habitat lands.

(3) Part three of the study is an analysis of differences in public land ownership among Washington's thirty-nine counties. The analysis must report the number of acres and percentage of total acres in each county owned by federal, state, tribal and local governmental agencies by the following categories:

- (a) Developed recreation land,
- (b) Habitat and passive recreation land,
- (c) Timber lands,
- (d) Agricultural lands, and

(e) Other public lands.

The analysis must evaluate the hypothesis that higher amounts or percentages of acres of public lands in the categories above are detrimental to measures of economic vitality in the county. Measures of economic vitality should include taxable sales per capita, median household income, median per capita income, annual employment growth, and unemployment rate. The study should control for other relevant location related factors including elevation, population size and density, urban or rural status, and proximity to major transportation hubs such as commercial airports and seaports. The study should include a review and compilation of literature and studies on this topic.

(4) The report must be submitted to the appropriate policy and fiscal committees of the legislature by December 1, 2014.

Appropriation:

State Building Construction Account—State	\$320,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$320,000

NEW SECTION. Sec. 1002. FOR THE OFFICE OF THE SECRETARY OF STATE

Archives Facilities Mechanical Systems Chiller Replacement (30000003)

Appropriation:

State Building Construction Account—State	\$128,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$128,000

NEW SECTION. Sec. 1003. FOR THE OFFICE OF THE SECRETARY OF STATE

Office of Financial Management Emergency Funds (30000027)

Reappropriation:

State Building Construction Account—State	\$28,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$28,000

NEW SECTION. Sec. 1004. FOR THE DEPARTMENT OF COMMERCE

Rural Washington Loan Fund (19882002)

Reappropriation:

Rural Washington Loan Account—State	\$105,000
Prior Biennia (Expenditures)	\$13,260,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$13,365,000

NEW SECTION. Sec. 1005. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects (20064008)

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

(1) The reappropriation is subject to the provisions in section 131, chapter 488, Laws of 2005.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$692,000
Prior Biennia (Expenditures)	\$45,210,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$45,902,000

NEW SECTION. Sec. 1006. FOR THE DEPARTMENT OF COMMERCE

Rural Washington Loan Fund (20064010)

Reappropriation:

Rural Washington Loan Account—State	\$2,656,000
Prior Biennia (Expenditures)	\$1,471,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,127,000

NEW SECTION. Sec. 1007. FOR THE DEPARTMENT OF COMMERCE

Job and Economic Development Grants (20064950)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 107, chapter 371, Laws of 2006.

Reappropriation:

State Building Construction Account—State	\$1,406,000
Prior Biennia (Expenditures)	\$45,051,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$46,457,000

NEW SECTION. Sec. 1008. FOR THE DEPARTMENT OF COMMERCE

Jobs in Communities (20064951)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 140, chapter 488, Laws of 2005.

Reappropriation:

State Building Construction Account—State	\$1,428,000
Prior Biennia (Expenditures)	\$10,822,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$12,250,000

NEW SECTION. Sec. 1009. FOR THE DEPARTMENT OF COMMERCE

Drinking Water Assistance Program (20074004)

Reappropriation:

Drinking Water Assistance Repayment Account—State	\$15,693,000
Prior Biennia (Expenditures)	\$18,347,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$34,040,000

NEW SECTION. Sec. 1010. FOR THE DEPARTMENT OF COMMERCE

Public Works Trust Fund (20074005)

Reappropriation:

Public Works Assistance Account—State	\$32,000,000
Prior Biennia (Expenditures)	\$295,000,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$327,000,000

NEW SECTION. Sec. 1011. FOR THE DEPARTMENT OF COMMERCE

Rural Washington Loan Fund (20074008)

Reappropriation:

Rural Washington Loan Account—State	\$1,751,000
Prior Biennia (Expenditures)	\$276,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,027,000

NEW SECTION. Sec. 1012. FOR THE DEPARTMENT OF COMMERCE

Housing Assistance, Weatherization, and Affordable Housing (20074009)

Reappropriation:

State Taxable Building Construction Account—State	\$4,434,000
Prior Biennia (Expenditures)	\$195,566,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$200,000,000

NEW SECTION. Sec. 1013. FOR THE DEPARTMENT OF COMMERCE

Job Development Fund Grants (20074010)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1032, chapter 520, Laws of 2007 and section 1005, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$4,061,000
Prior Biennia (Expenditures)	\$44,869,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$48,930,000

NEW SECTION. Sec. 1014. FOR THE DEPARTMENT OF COMMERCE

Longview Regional Water Treatment Plant Dredging (20081001)

Reappropriation:

State Building Construction Account—State	\$24,000
Prior Biennia (Expenditures)	\$126,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$150,000

NEW SECTION. Sec. 1015. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects (20084001)

The reappropriation in this section is subject to the following conditions and limitations: Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$750,000
Prior Biennia (Expenditures)	\$124,394,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$125,144,000

NEW SECTION. Sec. 1016. FOR THE DEPARTMENT OF COMMERCE

Innovation Partnership Zones (20082003)

Reappropriation:

State Building Construction Account—State	\$42,000
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Prior Biennia (Expenditures)	\$4,958,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 1017. FOR THE DEPARTMENT OF COMMERCE

Community Development Fund (20084850)

Reappropriation:

State Building Construction Account—State	\$1,410,000
Prior Biennia (Expenditures)	\$19,506,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,916,000

NEW SECTION. Sec. 1018. FOR THE DEPARTMENT OF COMMERCE

Belfair Sewer Improvements (20084852)

Reappropriation:

State Building Construction Account—State	\$506,000
Prior Biennia (Expenditures)	\$9,794,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,300,000

NEW SECTION. Sec. 1019. FOR THE DEPARTMENT OF COMMERCE

2008 Local and Community Projects (20084861)

The reappropriation in this section is subject to the following conditions and limitations: Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$1,535,000
Prior Biennia (Expenditures)	\$16,209,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$17,744,000

NEW SECTION. Sec. 1020. FOR THE DEPARTMENT OF COMMERCE

Drinking Water State Revolving Fund Loan Program (30000005)

Reappropriation:

Drinking Water Assistance Account—State	\$10,233,000
Drinking Water Assistance Repayment Account—State	\$31,201,000
Subtotal Reappropriation	\$41,434,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$41,434,000

NEW SECTION. Sec. 1021. FOR THE DEPARTMENT OF COMMERCE

Community Economic Revitalization Board (30000010)

Reappropriation:

Public Facility Construction Loan Revolving Account—State	\$5,076,000
Prior Biennia (Expenditures)	\$1,177,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,253,000

NEW SECTION. Sec. 1022. FOR THE DEPARTMENT OF COMMERCE

Innovation Partnership Zones (30000012)

Reappropriation:

State Building Construction Account—State	\$750,000
Prior Biennia (Expenditures)	\$750,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,500,000

NEW SECTION. Sec. 1023. FOR THE DEPARTMENT OF COMMERCE

Housing Assistance, Weatherization, and Affordable Housing (30000013)

Reappropriation:

State Building Construction Account—State	\$1,964,000
Washington Housing Trust Account—State	\$751,000
Subtotal Reappropriation	\$2,715,000
Prior Biennia (Expenditures)	\$127,285,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$130,000,000

NEW SECTION. Sec. 1024. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects (30000019)

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

- (1) The projects must comply with RCW 43.63A.125 and other requirements for community projects administered by the department.
- (2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$556,000
Prior Biennia (Expenditures)	\$19,589,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,145,000

NEW SECTION. Sec. 1025. FOR THE DEPARTMENT OF COMMERCE

2010 Local and Community Projects (30000082)

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

(1) The projects must comply with RCW 43.63A.125 and other requirements for community projects administered by the department.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$3,961,000
Prior Biennia (Expenditures)	\$10,169,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$14,130,000

NEW SECTION. Sec. 1026. FOR THE DEPARTMENT OF COMMERCE

Community Schools (91000002)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1013, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$150,000
Prior Biennia (Expenditures)	\$6,350,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,500,000

NEW SECTION. Sec. 1027. FOR THE DEPARTMENT OF COMMERCE

Temporary Public Works Grant Program (92000021)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations in this section are subject to the provisions of section 6001, chapter 49, Laws of 2011 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$1,049,000
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State Taxable Building Construction Account—State	\$69,000
Subtotal Reappropriation	\$1,118,000
Prior Biennia (Expenditures)	\$40,252,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$41,370,000

NEW SECTION. Sec. 1028. FOR THE DEPARTMENT OF COMMERCE

Jobs Act for K-12 Public Schools and Higher Education Institutions (91000085)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1016, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$3,643,000
Prior Biennia (Expenditures)	\$41,166,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$44,809,000

NEW SECTION. Sec. 1029. FOR THE DEPARTMENT OF COMMERCE

Community Economic Revitalization Board - Export Assistance Grants and Loans (92000069)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1018, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

Public Facility Construction Loan Revolving Account—State	\$601,000
Prior Biennia (Expenditures)	\$2,399,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,000,000

NEW SECTION. Sec. 1030. FOR THE DEPARTMENT OF COMMERCE

Drinking Water State Revolving Fund Loan Program (30000095)

The reappropriations in this section are subject to the following conditions and limitations: For projects involving repair, replacement, or improvement of a clean water infrastructure facility or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its drinking water state revolving fund program loan.

Reappropriation:

Drinking Water Assistance Repayment Account—State	\$92,000,000
Drinking Water Assistance Account—State	\$16,000,000

Subtotal Reappropriation	\$108,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$108,000,000

NEW SECTION. Sec. 1031. FOR THE DEPARTMENT OF COMMERCE

Community Economic Revitalization Board (30000097)

Reappropriation:

Public Facility Construction Loan Revolving Account—State	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 1032. FOR THE DEPARTMENT OF COMMERCE

Housing Assistance, Weatherization, Affordable Housing Trust Fund (30000098)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1026, chapter 49, Laws of 2011 1st sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$28,332,000
Prior Biennia (Expenditures)	\$21,668,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$50,000,000

NEW SECTION. Sec. 1033. FOR THE DEPARTMENT OF COMMERCE

Youth Recreational Facilities Grants (30000100)

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

(1) The reappropriation is subject to the provisions of section 1029, chapter 49, Laws of 2011 1st sp. sess.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$1,554,000
Prior Biennia (Expenditures)	\$2,699,000
Future Biennia (Projected Costs)	\$0

TOTAL \$4,253,000

NEW SECTION. Sec. 1034. FOR THE DEPARTMENT OF COMMERCE

Building for the Arts Grants (30000101)

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

(1) The reappropriation is subject to the provisions of section 1030, chapter 49, Laws of 2011 1st sp. sess.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$1,137,000
Prior Biennia (Expenditures)	\$1,325,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,462,000

NEW SECTION. Sec. 1035. FOR THE DEPARTMENT OF COMMERCE

Building Communities Fund Grants (30000102)

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

(1) The reappropriation is subject to the provisions of section 1027, chapter 49, Laws of 2011 1st sp. sess.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$3,727,000
Prior Biennia (Expenditures)	\$9,676,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$13,403,000

NEW SECTION. Sec. 1036. FOR THE DEPARTMENT OF COMMERCE

Public Works Assistance Account Program (30000103)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1021, chapter 48, Laws of 2011 1st sp. sess.

Reappropriation:

Public Works Assistance Account—State	\$213,483,000
Prior Biennia (Expenditures)	\$8,329,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$221,812,000

NEW SECTION. Sec. 1037. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects (30000166)

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

(1) The reappropriation is subject to the provisions of section 1002, chapter 2, Laws of 2012 2nd sp. sess.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$8,541,000
Prior Biennia (Expenditures)	\$8,276,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$16,817,000

NEW SECTION. Sec. 1038. FOR THE DEPARTMENT OF COMMERCE

Clean Energy Partnership (30000175)

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

(1) The reappropriation is provided solely for implementation of the recommendations of the clean energy leadership council by providing state matching funds for projects that:

- (a) Integrate energy efficiency and renewable energy in buildings;
- (b) Integrate renewable energy into the regional electrical grid;
- (c) Advance bioenergy in the state.

(2) State funding must not exceed fifty percent of the total program or project funds.

(3) Eligible projects must:

- (a) Involve a majority of companies that are located in Washington state;
- (b) Represent a substantially new solution that is not widely available today;

and

(c) Be designed to generate solutions that are applicable both inside and outside of the state.

Reappropriation:

Public Facility Construction Loan Revolving	
Account—State	\$5,499,000
Prior Biennia (Expenditures)	\$1,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,500,000

NEW SECTION. Sec. 1039. FOR THE DEPARTMENT OF COMMERCE

Financing Energy/Water Efficiency (30000180)

Reappropriation:

Public Works Assistance Account—State	\$4,927,000
Prior Biennia (Expenditures)	\$73,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 1040. FOR THE DEPARTMENT OF COMMERCE

Public Works Assistance Account Program 2013 Loan List (30000184)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided solely for the list of projects in LEAP capital document No. 2012-1B, developed February 18, 2012.

Reappropriation:

Public Works Assistance Account—State	\$152,781,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$152,781,000

NEW SECTION. Sec. 1041. FOR THE DEPARTMENT OF COMMERCE

Energy Efficiency Grants for Local Governments (91000241)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 301, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$17,797,000
Prior Biennia (Expenditures)	\$203,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$18,000,000

NEW SECTION. Sec. 1042. FOR THE DEPARTMENT OF COMMERCE

Energy Efficiency Grants for Higher Education (91000242)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 307, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$19,910,000
Prior Biennia (Expenditures)	\$90,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,000,000

NEW SECTION. Sec. 1043. FOR THE DEPARTMENT OF COMMERCE

Weatherization (91000247)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1015, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$20,534,000
Prior Biennia (Expenditures)	\$4,466,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$25,000,000

NEW SECTION. Sec. 1044. FOR THE DEPARTMENT OF COMMERCE

Connell Klindworth Water Line Distribution (91000318)

Reappropriation:

State Building Construction Account—State	\$28,000
Prior Biennia (Expenditures)	\$512,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$540,000

NEW SECTION. Sec. 1045. FOR THE DEPARTMENT OF COMMERCE

Public Works Preconstruction Loan Program (91000319)

Reappropriation:

Public Works Assistance Account—State	\$3,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,000,000

NEW SECTION. Sec. 1046. FOR THE DEPARTMENT OF COMMERCE

Housing for Families with Children (91000409)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 310, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State.	\$8,250,000
Prior Biennia (Expenditures).	\$0
Future Biennia (Projected Costs).	\$0
TOTAL	\$8,250,000

NEW SECTION. Sec. 1047. FOR THE DEPARTMENT OF COMMERCE

Housing for People with Developmental Disabilities (91000410)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1009, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State.	\$2,900,000
Prior Biennia (Expenditures).	\$0
Future Biennia (Projected Costs).	\$0
TOTAL	\$2,900,000

NEW SECTION. Sec. 1048. FOR THE DEPARTMENT OF COMMERCE

Housing for Seniors and People with Physical Disabilities (91000411)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 311, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State.	\$9,666,000
Prior Biennia (Expenditures).	\$0
Future Biennia (Projected Costs).	\$0
TOTAL	\$9,666,000

NEW SECTION. Sec. 1049. FOR THE DEPARTMENT OF COMMERCE

Housing for People with Chronic Mental Illness (91000412)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1010, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State.	\$1,125,000
Prior Biennia (Expenditures).	\$0
Future Biennia (Projected Costs).	\$0
TOTAL	\$1,125,000

NEW SECTION. Sec. 1050. FOR THE DEPARTMENT OF COMMERCE

Housing for the Homeless (91000413)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1011, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$28,944,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$28,944,000

NEW SECTION. Sec. 1051. FOR THE DEPARTMENT OF COMMERCE

Housing for Farmworkers (91000414)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1012, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$6,215,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,215,000

NEW SECTION. Sec. 1052. FOR THE DEPARTMENT OF COMMERCE

Housing for People At Risk of Homelessness (91000415)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 312, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$2,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,500,000

NEW SECTION. Sec. 1053. FOR THE DEPARTMENT OF COMMERCE

Housing for Low-Income Households (91000416)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1013, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$2,982,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,982,000

NEW SECTION. Sec. 1054. FOR THE DEPARTMENT OF COMMERCE

2012 Local and Community Projects (91000417)

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

(1) The reappropriation is subject to the provisions of section 302, chapter 1, Laws of 2012 2nd sp. sess.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$9,097,000
Prior Biennia (Expenditures)	\$526,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,623,000

NEW SECTION. Sec. 1055. FOR THE DEPARTMENT OF COMMERCE

Housing Competitive Pool (91000432)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1014, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$4,530,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,530,000

NEW SECTION. Sec. 1056. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects 2012 (91000437)

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

(1) The reappropriations are subject to the provisions of section 1003, chapter 2, Laws of 2012 2nd sp. sess.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriations in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$31,000
State Taxable Building Construction Account—State.....	\$1,800,000
Subtotal Reappropriation	\$1,831,000
 Prior Biennia (Expenditures).....	\$1,004,000
Future Biennia (Projected Costs).....	\$0
TOTAL	\$2,835,000

NEW SECTION. Sec. 1057. FOR THE DEPARTMENT OF COMMERCE

Innovation Partnership Zones - Facilities and Infrastructure (92000089)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 309, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$13,177,000
 Prior Biennia (Expenditures).....	\$343,000
Future Biennia (Projected Costs).....	\$0
TOTAL	\$13,520,000

NEW SECTION. Sec. 1058. FOR THE DEPARTMENT OF COMMERCE

Community Economic Revitalization Board Administered Economic Development, Innovation, and Export Grants (92000096)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 304, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$14,891,000
Public Works Assistance Account—State.....	\$15,836,000
Subtotal Reappropriation	\$30,727,000
 Prior Biennia (Expenditures).....	\$1,871,000
Future Biennia (Projected Costs).....	\$0
TOTAL	\$32,598,000

NEW SECTION. Sec. 1059. FOR THE DEPARTMENT OF COMMERCE

Main Street Improvement Grants (92000098)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 305, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$13,771,000
Public Works Assistance Account—State.....	\$793,000
Subtotal Reappropriation	\$14,564,000

Prior Biennia (Expenditures)	\$286,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$14,850,000

NEW SECTION. Sec. 1060. FOR THE DEPARTMENT OF COMMERCE

Brownfield Redevelopment Grants (92000100)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation in this section is provided solely for redevelopment of the Bellingham waterfront.

Reappropriation:

Local Toxics Control Account—State	\$1,492,000
Prior Biennia (Expenditures)	\$8,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,500,000

NEW SECTION. Sec. 1061. FOR THE DEPARTMENT OF COMMERCE

Port and Export Related Infrastructure (92000102)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 306, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$30,222,000
Prior Biennia (Expenditures)	\$2,928,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$33,150,000

NEW SECTION. Sec. 1062. FOR THE DEPARTMENT OF COMMERCE

Youth Recreational Facilities Grants (30000185)

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

(1) The appropriation is subject to the provisions of RCW 43.63A.135.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.

(3) The appropriation is provided solely for the following list of projects:

Camp Corey	\$303,000
Boys and Girls Clubs of Bellevue	\$388,000
Boys and Girls Clubs of King county	\$140,000
Boys and Girls Clubs of Skagit county	\$100,000
YMCA of Greater Seattle	\$800,000

Boys and Girls Clubs of Southwest Washington	\$800,000
Boys and Girls Clubs of South Puget Sound	\$800,000
New Life Community Development Agency	\$800,000
TOTAL	\$4,131,000

Appropriation:

State Building Construction Account—State	\$4,131,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$32,000,000
TOTAL	\$36,131,000

NEW SECTION. Sec. 1063. FOR THE DEPARTMENT OF COMMERCE

Building for the Arts Grants (30000186)

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

(1) The appropriation is subject to the provisions of RCW 43.63A.750.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.

(3) The appropriation is provided solely for the following list of projects:

Washington Center for the Performing Arts	\$816,000
Tacoma Art Museum	\$2,000,000
Coyote Central	\$115,000
Icicle Creek Center for the Arts	\$1,052,000
Capitol Hill Housing Foundation	\$565,000
Bellevue Youth Theatre Foundation	\$199,000
Broadway Center for the Performing Arts	\$1,300,000
Capitol Theatre Committee	\$833,000
Bainbridge Island Museum of Art	\$1,750,000
Tacoma Musical Playhouse	\$240,000
Spokane Public Radio	\$1,000,000
Stageworks Northwest	\$334,000
TOTAL	\$10,204,000

Appropriation:

State Building Construction Account—State	\$10,204,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$48,000,000
TOTAL	\$58,204,000

NEW SECTION. Sec. 1064. FOR THE DEPARTMENT OF COMMERCE

Housing for Homeless Veterans (91000455)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided for the ranked list of projects in the category "Housing for Homeless Veterans" in LEAP capital document No. 2013-1A, developed April 10, 2013. The department shall evaluate projects on the LEAP list and allocate the funding based on the requirements of RCW 43.185.050 and 43.185.070. Upon review of a completed application, if the department determines that a project is not eligible or is not ready to proceed, the department may reallocate the funding to the highest ranking project on the alternate list in LEAP capital document No. 2013-1A, developed April 10, 2013. The department shall, at its discretion, determine the actual amount of funding to be allocated to each project, provided that the total allocation does not exceed the appropriation provided in this section.

Appropriation:

State Taxable Building Construction

Account—State.	\$9,367,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,367,000

NEW SECTION. Sec. 1065. FOR THE DEPARTMENT OF COMMERCE

Housing for Farmworkers (91000457)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided for the ranked list of projects in the category "Housing for Farmworkers" in LEAP capital document No. 2013-1A, developed April 10, 2013. The department shall evaluate projects on the LEAP list and allocate the funding based on the requirements of RCW 43.185.050 and 43.185.070. Upon review of a completed application, if the department determines that a project is not eligible or is not ready to proceed, the department may reallocate the funding to the highest ranking project on the alternate list in LEAP capital document No. 2013-1A, developed April 10, 2013. The department shall, at its discretion, determine the actual amount of funding to be allocated to each project, provided that the total allocation does not exceed the appropriation provided in this section.

Appropriation:

State Taxable Building Construction

Account—State.	\$27,050,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$27,050,000

NEW SECTION. Sec. 1066. FOR THE DEPARTMENT OF COMMERCE

Housing for People with Developmental Disabilities (91000458)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided for the ranked list of projects in the category "Housing for People with Developmental Disabilities" in

LEAP capital document No. 2013-1A, developed April 10, 2013. The department shall evaluate projects on the LEAP list and allocate the funding based on the requirements of RCW 43.185.050 and 43.185.070. Upon review of a completed application, if the department determines that a project is not eligible or is not ready to proceed, the department may reallocate the funding to the highest ranking project on the alternate list in LEAP capital document No. 2013-1A, developed April 10, 2013. The department shall, at its discretion, determine the actual amount of funding to be allocated to each project, provided that the total allocation does not exceed the appropriation provided in this section.

Appropriation:

State Taxable Building Construction	
Account—State.	\$9,019,000
Prior Biennia (Expenditures).	\$0
Future Biennia (Projected Costs).	\$0
TOTAL	\$9,019,000

NEW SECTION. Sec. 1067. FOR THE DEPARTMENT OF COMMERCE

Housing for People with Chronic Mental Illness (91000459)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided for the ranked list of projects in the category "Housing for People with Chronic Mental Illness" in LEAP capital document No. 2013-1A, developed April 10, 2013. The department shall evaluate projects on the LEAP list and allocate the funding based on the requirements of RCW 43.185.050 and 43.185.070. Upon review of a completed application, if the department determines that a project is not eligible or is not ready to proceed, the department may reallocate the funding to the highest ranking project on the alternate list in LEAP capital document No. 2013-1A, developed April 10, 2013. The department shall, at its discretion, determine the actual amount of funding to be allocated to each project, provided that the total allocation does not exceed the appropriation provided in this section.

Appropriation:

State Taxable Building Construction	
Account—State.	\$6,064,000
Prior Biennia (Expenditures).	\$0
Future Biennia (Projected Costs).	\$0
TOTAL	\$6,064,000

NEW SECTION. Sec. 1068. FOR THE DEPARTMENT OF COMMERCE

Sand Point Building 9 (91000446)

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

(1) \$10,000,000 of the appropriation in this section is provided solely for the renovation of Sand Point Building 9 into affordable housing units for low-income tenants.

(2) Up to \$4,000,000 of the appropriation in this section is for reimbursement to the University of Washington for its expenditures associated with Sand Point Building 9 for infrastructure, major repairs, operations and maintenance, staffing and development preparation.

(3) The department may not expend the appropriation provided in this section unless and until the United States department of education and the United States department of the Navy provide the University of Washington with title to Sand Point Building 9 that is either free and clear or that, at a minimum, does not prohibit use of that property for affordable housing. If the federal government does not provide such title by January 1, 2015, the appropriation provided in this section shall lapse.

Appropriation:

State Taxable Building Construction	
Account—State.	\$14,000,000
Prior Biennia (Expenditures).	\$0
Future Biennia (Projected Costs).	\$0
TOTAL	\$14,000,000

NEW SECTION. Sec. 1069. FOR THE DEPARTMENT OF COMMERCE

Housing Preservation (91000448)

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

(1) The appropriation in this section is provided solely for grants to local housing authorities for the purchase of the housing projects designated in this section. The purpose of providing the grants is to assure the retention of subsidized housing for low-income tenants.

(2) The appropriation is provided solely for the following list of projects:

Charter House	\$777,000
Emerson Manor.	\$829,000
Naches House	\$1,065,000
Wenatchee House	\$1,173,000
Harbor Manor	\$656,000
TOTAL.	\$4,500,000

Appropriation:

State Building Construction	
Account—State.	\$2,000,000
Washington Housing Trust Account—State	\$2,500,000
Subtotal Appropriation	\$4,500,000
Prior Biennia (Expenditures).	\$0
Future Biennia (Projected Costs).	\$0
TOTAL	\$4,500,000

NEW SECTION. Sec. 1070. FOR THE DEPARTMENT OF COMMERCE

Community Economic Revitalization Board (30000190)

The appropriation in this section is subject to the following conditions and limitations: During the 2013-2015 fiscal biennium, the community economic revitalization board may make loans to municipalities to finance public facilities projects that will improve opportunities for revitalizing existing retail, industrial, or commercial properties located within incorporated areas. These properties must have either been abandoned, or have more than seventy-five percent of their square footage vacant.

(1) Municipalities include: Cities, towns, counties, port districts, and housing authorities of this state.

(2) Public facilities projects include: Planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of: Bridges; roads; research, testing, training, and incubation facilities in areas designated as innovation partnership zones under RCW 43.330.270; buildings or structures; domestic and industrial water; earth stabilization; sanitary sewer; storm sewer; railroad; electricity; telecommunications; transportation; natural gas; and port facilities.

(3) The board may make a revitalization loan only for a public facilities project approved by a municipality that demonstrates convincing evidence that a specific private development or expansion is ready to occur and will occur only if the public facility improvement is made.

(4) The board may allow de minimis general system improvements to be funded if they are critically linked to the viability of the project.

(5) An application for a revitalization loan must be made in the form and manner prescribed by the board. When evaluating and prioritizing projects, the board must give consideration, at a minimum, to the following factors:

(a) The project's value to the community, including evidence of support from affected local businesses and government;

(b) The project's feasibility, using standard economic principles;

(c) Commitment of local matching resources and local participation;

(d) The project's inclusion in a capital facilities plan, comprehensive plan, or local economic development plan consistent with applicable state planning requirements;

(e) Whether the proposed project offers a health insurance plan for employees that includes an option for dependents of employees; and

(f) The project's readiness to proceed.

(6) In making revitalization loans, the board must conform to the following requirements:

(a) The board must provide reasonable terms and conditions for repayment for loans;

(b) The board must not make loans that exceed twenty years in duration;

(c) A municipality must begin repayment of a loan five years after receiving it; and

(d) One or a combination of loans made to a municipality for a specific project must not exceed two million dollars.

(7) The board must not provide financing for any public facilities project that:

- (a) Has the primary purpose of facilitating or promoting a retail shopping development with a floor exceeding ten thousand square feet;
- (b) Will result in a development or expansion that would displace existing jobs in any other community in the state;
- (c) Has the primary purpose of facilitating or promoting gambling;
- (d) Is located outside the jurisdiction of the applicant; or
- (e) Will result in a development or expansion of a professional sports arena.

Appropriation:

Public Facility Construction Loan Revolving	
Account—State.....	\$9,000,000
Prior Biennia (Expenditures).....	\$0
Future Biennia (Projected Costs).....	\$36,000,000
TOTAL.....	\$45,000,000

NEW SECTION. Sec. 1071. FOR THE DEPARTMENT OF COMMERCE

Mental Health Beds (91000447)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for the department of commerce, in collaboration with the department of social and health services, to issue grants to hospitals or other entities to establish new community hospital inpatient psychiatric beds, free-standing evaluation and treatment facilities, enhanced services facilities, triage facilities, or crisis stabilization facilities with sixteen or fewer beds for the purpose of providing short term detention services through the publicly funded mental health system. Funds may be used for construction and equipment costs associated with establishment of the community hospital inpatient psychiatric beds, free-standing evaluation and treatment facilities, enhanced services facilities, triage facilities, or crisis stabilization facilities. These funds shall not be used for operating costs associated with the treatment of patients using these services. The department shall establish criteria for the issuance of grants and priority shall be given to those proposals to establish new community hospital inpatient psychiatric beds or free-standing evaluation and treatment facilities. The criteria shall include:

- (1) Evidence that the application was developed in collaboration with one or more regional support networks, as defined in RCW 71.24.025;
- (2) Evidence that the applicant has assessed and would meet gaps in geographical access to short term detention services under chapter 71.05 RCW in their region;
- (3) A commitment by applicants to serve persons who are publicly funded and persons detained under the involuntary treatment act at chapter 71.05 RCW;
- (4) Evidence of capacity of the applicant to serve individuals with medical and psychiatric comorbidities;
- (5) A commitment by the applicant to maintain the beds or facility for at least a ten year period;

(6) The date upon which structural modifications or construction would begin and the anticipated date of completion of the project;

(7) A detailed estimate of the costs associated with opening the beds; and

(8) The applicant's commitment to work with local courts and prosecutors to ensure that prosecutors and courts in the area served by the hospital or facility will be available to conduct involuntary commitment hearings and proceedings under chapter 71.05 RCW.

To accommodate the emergent need for inpatient psychiatric services, the department of health and the department of commerce, in collaboration with the department of social and health services shall establish a concurrent and expedited process for the purpose of grant applicants meeting any applicable regulatory requirements necessary to operate inpatient psychiatric beds, free-standing evaluation and treatment facilities, enhanced services facilities, triage facilities, or crisis stabilization facilities.

Appropriation:

State Building Construction	
Account—State	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 1072. FOR THE DEPARTMENT OF COMMERCE

Building Communities Fund Grants (30000188)

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

(1) The appropriation is subject to the provisions of RCW 43.63A.125.

(2) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.

(3) The appropriation is provided solely for the following list of projects:

Interfaith community health center	\$559,000
LaCrosse community pride	\$ 20,000
Gay city health project	\$ 64,000
YWCA Pierce county	\$305,000
University Heights center for the community	\$367,000
Brigit Collins family support center	\$ 62,000
Safeplace	\$241,000
Spokane neighborhood action partners	\$638,000
Associated ministries of Tacoma-Pierce county	\$105,000
Friends of youth	\$476,000
Behavioral health resources	\$1,000,000
Ryther	\$240,000

PROVAIL	\$268,000
Vadis	\$73,000
New Life CDA	\$800,000
MLK FAME community center	\$61,000
TOTAL	\$5,279,000

Appropriation:

State Building Construction Account—State	\$5,279,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$40,000,000
TOTAL	\$45,279,000

NEW SECTION. Sec. 1073. FOR THE DEPARTMENT OF COMMERCE

Drinking Water State Revolving Fund Loan Program (30000189)

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

(1) \$4,400,000 for fiscal year 2014 and \$4,400,000 for fiscal year 2015 is provided solely as state match for federal safe drinking water funds.

(2) For projects involving repair, replacement, or improvement of a clean water infrastructure facility or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its drinking water state revolving fund program loan.

Appropriation:

State Building Construction Account—State	\$8,800,000
Drinking Water Assistance Repayment Account—State	\$200,000,000
Subtotal Appropriation	\$208,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$680,000,000
TOTAL	\$888,800,000

NEW SECTION. Sec. 1074. FOR THE DEPARTMENT OF COMMERCE

Clean Energy and Energy Freedom Program (910000582)

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

(1) All expenditures from the state taxable building construction account—state appropriation in this section must be used for projects that provide a benefit to the public through development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions or otherwise increase energy independence for the state. All expenditures must be used for projects that develop and acquire assets that have a useful life of at least thirteen years. These requirements must be specified in funding agreements issued by the department.

(2) For any project funded from the state taxable building construction account—state appropriation in this section, state funds must not exceed fifty

percent of the estimated cost of a project, and funding preference must be provided to projects that offer a higher percentage of nonstate match funds.

(3)(a) \$15,000,000 of the state taxable building construction account—state appropriation in this section is provided solely to create a revolving loan fund to support the widespread use of proven building energy efficiency and renewable energy technologies now inhibited by lack of access to capital.

(b) To create the loan fund, the department shall provide grant funds to a competitively selected nonprofit lender that will provide matching private capital and will administer the loan fund. The department must select the loan fund administrator through a competitive process, with scoring conducted by a group of qualified experts, applying criteria specified by the department.

(c) The department must establish guidelines for the lender related to applicant eligibility, the screening process, and evaluation and selection criteria. The criteria must include requiring evidence of support for the proposed project from the impacted community and consistency with economic growth strategies and plans of the affected local governments. Applications for loans from the revolving fund must disclose all sources of public funding to be provided for a project. The nonprofit lender must use the revolving loan fund to make affordable loans for projects including, but not limited to: Residential and commercial energy retrofits, residential and community-scale solar installations, anaerobic digesters to treat dairy and organic waste, and combined heat and power projects using woody biomass as a fuel source.

(d) The department must conduct due diligence activities associated with the use of public funds, including oversight of the project selection process and project monitoring.

(e) Projects seeking financing of solar installations under this section must agree in contract to not participate in the cost-recovery program under RCW 82.16.120.

(4) \$15,000,000 of the state taxable building construction account—state appropriation in this section is provided solely for grants to advance renewable energy technologies by public and private electrical utilities that serve retail customers in the state. The department shall work with utilities to offer matching grants for projects that demonstrate new smart grid technologies. The department shall develop a grant application process to competitively select projects for grant awards, to include scoring conducted by a group of qualified experts with application of criteria specified by the department. Applications for grants must disclose all sources of public funding to be provided for a project. The grant funds must be used to fund projects that demonstrate how to: Integrate intermittent renewables through energy storage and information technology, dispatch energy storage resources from utility control rooms, use the thermal properties and electric load of commercial buildings and district energy systems to store energy, or otherwise improve the reliability and reduce the costs of intermittent or distributed renewable energy.

(5) \$6,000,000 of the state taxable building construction account—state appropriation in this section is provided solely for grants to match federal funds used to develop and demonstrate clean energy technologies. The department shall work with the University of Washington, Washington State University, and the Pacific Northwest National Laboratory to offer matching funds for projects including, but not limited to: Advancing energy storage and solar technologies,

and federal manufacturing innovation centers related to use of light-weight carbon fiber components to advance energy efficiency in the aeronautical, automotive, and marine sectors.

(6) The department must report on number and results of projects funded through the clean energy fund, including the number of job hours created and the number of jobs maintained and created, to the governor and the legislature, by November 1, 2014.

(7) The energy recovery act account—federal appropriation in this section is provided solely for loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology, consistent with provisions of RCW 43.325.040 (energy freedom account).

Appropriation:

State Taxable Building Construction Account—State	\$36,000,000
Energy Recovery Act Account—Federal	\$4,000,000
Subtotal Appropriation	\$40,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$40,000,000

NEW SECTION. Sec. 1075. FOR THE DEPARTMENT OF COMMERCE

2013-2015 Energy Efficiency Grants (30000193)

The appropriation in this section is subject to the following conditions and limitations: \$18,000,000 for fiscal year 2014 and \$7,000,000 for fiscal year 2015 is provided solely for grants to be awarded in competitive rounds to local agencies, public higher education institutions, and state agencies for operational cost savings improvements to facilities and related projects that result in energy and operational cost savings.

(1) At least ten percent of each competitive grant round must be awarded to small cities or towns with a population of five thousand or fewer residents.

(2) In each competitive round, the higher the leverage ratio of non-state funding sources to state grant and the higher the energy savings, the higher the project ranking.

(3) The department must develop rating criteria and a scoring system that provide access to at least five million dollars in energy efficiency grants for projects that involve the purchase and installation of Washington-manufactured solar energy systems, including solar modules and inverters.

Appropriation:

State Building Construction Account—State	\$25,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$240,000,000
TOTAL	\$265,000,000

NEW SECTION. Sec. 1076. FOR THE DEPARTMENT OF COMMERCE

Weatherization (30000192)

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

(1) \$10,000,000 of the appropriation in this section is provided solely for low-income weatherization through the energy matchmakers program.

(2) \$10,000,000 of the appropriation in this section is provided solely for continuation of the community energy efficiency program administered by the Washington State University energy extension.

Appropriation:

State Taxable Building Construction Account—State.....	\$20,000,000
Prior Biennia (Expenditures).....	\$0
Future Biennia (Projected Costs).....	\$20,000,000
TOTAL	\$40,000,000

NEW SECTION. Sec. 1077. FOR THE DEPARTMENT OF COMMERCE

Projects for Jobs and Economic Development (92000151)

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

(1) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriations in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriations are released for design costs only.

(2) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement does not apply to appropriations for preconstruction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.

(3) Projects funded in this section may be required to comply with Washington's high performance building standards as required by chapter 39.35D RCW.

(4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.

(5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in RCW 43.63A.125(6).

(6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.

(7) The appropriations are provided solely for the following list of projects:

Projects for Jobs & Economic Development

City of Bremerton Puget Sound Naval Safety Project	\$1,300,000
Fairchild Airforce Base	\$2,700,000

City of Lynnwood Main Street Improvements	\$250,000
Port of Everett: Roll-On/Roll-Off Cargo Berth	\$1,500,000
Kittitas County Infrastructure and Facilities	\$5,000,000
City of Kennewick Industrial Land	\$1,000,000
Perry Tech Institute Building	\$1,000,000
City of Buckley Drinking Water Improvements	\$350,000
Coronado Reservoir Replacement	\$525,000
Hopelink Cleveland Street Project	\$1,000,000
Redmond Connector	\$1,300,000
Washougal Storm Water Decant Facility	\$1,000,000
Roslyn Renaissance Northwest Improvement Company Building	\$500,000
Everett/Tulalip Water Pipeline Construction	\$1,000,000
Renton Aerospace Training Center Construction	\$5,000,000
Renton Riverview Bridge Replacement	\$1,100,000
Omak City Sewer, Collection System, and Treatment Plant	\$2,000,000
Harper Pier Replacement	\$800,000
University Place Main Street Redevelopment	\$975,000
Sultan Alder Avenue Water/Sewer Line Replacement	\$185,000
Quincy Industrial Water Reclamation & Reuse	\$700,000
NW Medical School	\$136,000
Ione - 8th St Lift Station Replacement	\$165,000
Stevens PUD Projects	\$532,000
Port Orchard Bay St. Pedestrian Path - Phase 2	\$336,000
Dekalb Pier - Phase 2	\$255,000
Kenmore Village	\$300,000
South Kirkland TOD/Cross Kirkland Corridor	\$1,300,000
Washington Agriculture Discovery Center	\$100,000
Mountlake Terrace Mainstreet Grant	\$2,000,000
Issaquah - North Roadway Network Improvement	\$5,000,000
TRIDEC Development of Small Modular Reactor Proposal	\$500,000
City of Shelton Wastewater	\$1,500,000
Port of Moses Lake Firefighting System	\$300,000
Seattle Chinatown/ID Development	\$500,000
TOTAL	\$42,109,000

Appropriation:

State Building Construction Account—State \$35,009,000

Public Facility Construction Loan Revolving	
Account—State	\$7,100,000
Subtotal Appropriation	\$42,109,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$42,109,000

NEW SECTION. Sec. 1078. FOR THE DEPARTMENT OF COMMERCE

Projects That Strengthen Communities and Quality of Life (92000230)

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

(1) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.

(2) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement does not apply to appropriations for preconstruction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.

(3) Projects funded in this section may be required to comply with Washington's high performance building standards as required by chapter 39.35D RCW.

(4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.

(5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in RCW 43.63A.125(6).

(6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.

(7) \$1,500,000 of the appropriation in this section from the state building construction account—state is provided solely for design development to align ongoing planning for the replacement of the Seattle multimodal terminal at Colman dock with the creation of a public park. The scope of work must provide a design plan that includes an elevated park and corresponding amenities above the terminal. Design development shall be delivered through the city of Seattle. The scope of this project does not preclude any current plans for Colman dock to replace or seismically upgrade the facility, nor does it reduce the amount of general and commercial traffic, high occupancy vehicles, transit, bicyclist and pedestrian movement.

(8) \$500,000 of the appropriation from the environmental legacy stewardship account—state is provided solely for an investigation of possible contaminated soils around the Colman dock.

(9) The appropriation is provided solely for the following list of projects:

Projects that Strengthen Communities & Quality of Life

Ft. Vancouver - Mother Joseph Academy & Infantry Barracks	\$1,000,000
LaConner Boardwalk	\$1,600,000
Kent Interurban Trail Connector	\$750,000
Town of Concrete Public Safety Building	\$785,000
Complete Development of Ashford Park Facilities	\$1,000,000
Jackson Park Renovation	\$1,000,000
South Whatcom Library Construction	\$90,000
Guemes Channel Trail Project	\$700,000
Seabrook Trail	\$437,000
Vashon Island Allied Arts	\$2,000,000
Federal Way Performing Arts	\$2,000,000
Japanese Gulch Land Acquisition	\$1,000,000
Milton - Triangle Park ADA Upgrades	\$225,000
Langston Hughes Performing Arts Center - Storage	\$150,000
Wood Pellet Heat in Schools Pilot	\$500,000
Snohomish County Sheriff's Office South Precinct	\$1,000,000
Ravensdale Park	\$650,000
Worthington Park	\$210,000
Eastside Tacoma Community Center	\$400,000
228th Street Trail	\$500,000
Institute for Community Leadership	\$275,000
FISH of Vancouver/Nonprofit Community Service Center	\$1,000,000
Yelm Community Center	\$1,000,000
Ellensburg Depot	\$500,000
Roslyn City Hall	\$400,000
Northwest Carriage Museum	\$375,000
People's Community Center and Pool	\$500,000
Town of Concrete Fire and Life Safety Facility	\$500,000
Chehalis Pool	\$250,000
Mount Rainier Park Ranger Memorial	\$60,000
McAllister Air Museum	\$500,000
Repairs to Stevenson Grange	\$50,000
Meydenbauer Park Improvements	\$3,000,000
Sixty Acres Park Enhancements	\$750,000

Covington Community Park Phase 2	\$2,100,000
Johnson Farm Museum - Anderson Island	\$250,000
Nikolai Project	\$40,000
Ft. Steilacoom Building Preservation	\$250,000
Plaza Roberto Maestas - Building the Beloved Community	\$1,000,000
Seattle Multimodal Terminal at Colman Dock/Public Park	\$2,000,000
Confluence Project	\$747,000
Castle Rock Citywide Residential Street Project	\$504,000
UWAVE	\$30,000
Transit-Community Center	\$800,000
Mt. Spokane Lodge	\$250,000
TOTAL	\$33,128,000

Appropriation:

State Building Construction Account—State	\$32,628,000
Environmental Legacy Stewardship Account—State	\$500,000
Subtotal Appropriation	\$33,128,000
 Prior Biennia (Expenditures)	 \$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$33,128,000

NEW SECTION. Sec. 1079. FOR THE DEPARTMENT OF COMMERCE

Projects That Strengthen Youth and Families (92000227)

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

(1) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the Spublic for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.

(2) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement does not apply to appropriations for preconstruction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.

(3) Projects funded in this section may be required to comply with Washington's high performance building standards as required by chapter 39.35D RCW.

(4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.

(5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in RCW 43.63A.125(6).

(6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.

(7) The appropriation is provided solely for the following list of projects:

Projects that Strengthen Youth & Families

Emmanuel Family Life Center	\$250,000
Lower Falls Community Center	\$230,000
Jerry Taylor Memorial Plaza for Veterans	\$65,000
Spokane Valley Foodbank Remodel	\$225,000
Rainier Beach Urban Farm Youth Program	\$300,000
Algona Community Center	\$125,000
Community Center at the Village Green	\$500,000
Milton - Activities Center	\$250,000
S Everett Community Resource Center	\$53,000
Dynamic Aquatic and Autism Center	\$250,000
Disabled Veterans' Recreation Improvements	\$500,000
B. F. Day School Playground	\$157,000
YWCA Facility Improvements	\$231,000
King County Boys and Girls Club	\$1,000,000
The Children's Center - Vancouver	\$1,200,000
Food Lifeline Relocation	\$3,100,000
Camp Primetime Repairs and Improvements	\$100,000
Boys & Girls Club Community Center/Clubhouse	\$300,000
Safe Routes to School - 68th Avenue NW	\$471,000
Drug Abuse Prevention Center	\$114,000
SERA Campus Multi-Sports Facility	\$1,000,000
Adna School District Track	\$160,000
Safe Harbor	\$100,000
HUB Center for Seniors	\$500,000
Small Faces Child Development Center	\$500,000
Meals on Wheels Services Center	\$496,000
Cottages at Forest Park	\$500,000
Pasco Second Harvest Distribution Center Construction Phase 2	\$3,000,000
Thurston County Food Bank	\$1,000,000
Auburn Community Center at Les Grove Park Campus	\$3,000,000

TOTAL \$19,677,000

Appropriation:

State Building Construction Account—State \$19,677,000

Prior Biennia (Expenditures)..... \$0

Future Biennia (Projected Costs)..... \$0

TOTAL \$19,677,000

NEW SECTION. Sec. 1080. FOR THE DEPARTMENT OF COMMERCE

Pacific Medical Center (91000445)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for predesign, design, renovation, and other development or transition costs necessary for Pacific Tower to be used for community college health career training programs, offices for the department of commerce or other appropriate state agencies, and other nonprofit community uses, including community meeting and training facilities. Funds may be allotted only after a memorandum of understanding containing the lease provisions and a plan for construction management has been executed between the state of Washington and the Pacific hospital preservation and development authority.

Appropriation:

State Building Construction Account—State \$20,000,000

Prior Biennia (Expenditures)..... \$0

Future Biennia (Projected Costs)..... \$0

TOTAL \$20,000,000

NEW SECTION. Sec. 1081. FOR THE DEPARTMENT OF COMMERCE

Public Works Assistance Account Project Backfill (91000581)

The appropriation in this section is subject to the following conditions and limitations: \$104,000,000 for fiscal year 2014 and \$54,000,000 for fiscal year 2015 is provided solely for the anticipated drawdown of funds associated with previously authorized projects under sections 1010, 1036, 1039, 1040, 1058, and 1059 of this act.

Appropriation:

State Taxable Building Construction Account—
State \$158,000,000

Prior Biennia (Expenditures)..... \$0

Future Biennia (Projected Costs)..... \$0

TOTAL \$158,000,000

NEW SECTION. Sec. 1082. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Cowlitz River Dredging (20082856)

Reappropriation:

State Building Construction Account—State \$250,000

Prior Biennia (Expenditures)	\$1,250,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,500,000

NEW SECTION. Sec. 1083. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Chehalis River Basin Flood Relief Projects (91000398)

Reappropriation:

State Building Construction Account—State	\$4,689,000
	Prior Biennia (Expenditures)\$311,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 1084. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Catastrophic Flood Relief (20084850)

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

(1) Up to \$9,200,000 of the appropriation is for design alternatives for large capital flood damage reduction projects, including basin-level water retention and Interstate 5 protection projects.

(2) Up to \$15,092,000 of the appropriation is for construction of priority local flood protection projects, including multipurpose projects that reduce flood damage and benefit fish habitat.

(3) Up to \$1,750,000 of the appropriation is for projects to reduce damage to residential and other structures in the floodplain, through flood proofing and buyouts.

(4) Up to \$2,160,000 of the appropriation is for state agency technical assistance, stakeholder project management, project support, and coordination.

Reappropriation:

State Building Construction Account—State	\$752,000
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Appropriation:

State Building Construction Account—State	\$28,202,000
Prior Biennia (Expenditures)	\$8,733,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$37,687,000

NEW SECTION. Sec. 1085. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Oversight of State Facilities (30000035)

The appropriation in this section is subject to the following conditions and limitations: The office of financial management in consultation with the department of enterprise services, shall work with all appropriate public and private stakeholders that lease and/or build commercial office space and/or warehouse facilities to the state of Washington to review and recommend policies relating to lease renewals, request for proposals, cancellation clauses, backfill policy of private sector real estate, and other related issues. Members of the appropriate fiscal committees of the legislature must be invited to participate

in stakeholder meetings. The office of financial management must recommend improvements to these policies to ensure cancellation clauses are used in a financially advantageous way, and renewal practices minimize unnecessary relocation costs.

Appropriation:

State Building Construction Account—State	\$2,080,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,080,000

NEW SECTION. Sec. 1086. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Aerospace and Manufacturing Training Equipment Pool (91000003)

Reappropriation:

State Building Construction Account—State	\$2,265,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,265,000

NEW SECTION. Sec. 1087. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Emergency Repairs (90000008)

The appropriation in this section is subject to the following conditions and limitations: Emergency repair funding is provided solely to address unexpected building or grounds failures that will impact public health and safety and the day-to-day operations of the facility. To be eligible for funds from the emergency repair pool, an emergency declaration signed by the affected agency director must be submitted to the office of financial management and the appropriate legislative fiscal committees. The emergency declaration must include a description of the health and safety hazard, the possible cause, the proposed scope of emergency repair work and related cost estimate, and identification of other funding that may be applied to the project. For emergencies occurring during a legislative session, an agency must notify the legislative fiscal committees before requesting emergency funds from the office of financial management. The office of financial management must notify the legislative evaluation and accountability program committee, the house capital budget committee, and senate ways and means committee as emergency projects are approved for funding.

Appropriation:

State Building Construction Account—State	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 1088. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Office of Financial Management Capital Staff (30000034)

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

(1) Up to \$100,000 of the appropriation in this section is for the office of financial management to review and update the existing cost estimating process and electronic forms to more accurately reflect project costs and alternative public works. The scope of the review must include, at a minimum, construction inflation, project management fees, the architectural and engineering fee schedule, consultant extra services, project contingencies, and project cost ranges. The office of financial management shall confer with legislative staff and other agencies with public works authority. Inflation must be adjusted biennially while the governor's budget is being developed using the construction cost index from global insight.

(2) The department of enterprise services, in consultation with the office of financial management, shall provide the capital project cost estimates source data, business logic, and electronic copies to the legislative evaluation and accountability program. The source data and electronic copies of the cost estimates shall be provided with the agency request and governor budget submittals to the legislature. The business logic used for creation of the cost estimates developed for the 2013 legislative session must be provided to the legislative evaluation and accountability program by July 31, 2013. Any changes to the cost estimate business logic must be shared with the legislative evaluation and accountability program on an ongoing basis. Projects may also be adjusted by the legislature with new inflation forecasts using the cost estimate tool developed by the legislative evaluation and accountability program.

(3) The office of financial management shall report to the senate ways and means committee and the house capital budget committee by November 30, 2013, on these efforts.

Appropriation:

State Building Construction Account—State	\$900,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$900,000

NEW SECTION. Sec. 1089. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Emergency Repair Pool for K-12 Public Schools (91000399)

The appropriation in this section is subject to the following conditions and limitations: Emergency repair funding is provided solely to address unexpected and imminent health and safety hazards at K-12 public schools, including skill centers, that will impact the day-to-day operations of the school facility. To be eligible for funds from the emergency repair pool, an emergency declaration must be signed by the school district board of directors and the superintendent of public instruction, and submitted to the office of financial management for consideration. The emergency declaration must include a description of the imminent health and safety hazard, the possible cause, the proposed scope of emergency repair work and related cost estimate, and identification of local funding to be applied to the project. Grants of emergency repair moneys must be conditioned upon the written commitment and plan of the school district board

of directors to repay the grant with any insurance payments or other judgments that may be awarded, if applicable. The office of financial management must notify the legislative evaluation and accountability program committee, the house capital budget committee, and the senate ways and means committee as emergency projects are approved for funding.

Appropriation:

State Building Construction Account—State	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 1090. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Higher Education Preservation Information (91000427)

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely to refresh preservation information that resides in the state's comparable framework for higher education buildings including any necessary revisions or adjustments that will enable more direct translation of information, updates for last renewal or replacement of major systems, and quality assurance field sampling. In executing this continued capital study, the office of financial management shall consult the legislative fiscal committees about its workplan to ensure field sampling of facilities prioritized for renovation or replacement, and timely delivery of assembled facilities information and related capital models in an easy to understand format. As a general condition, upon appropriations provided to higher education agencies in this act, the state board for community and technical colleges and each state baccalaureate institution shall provide requested facilities information in a timely manner to enable the office of financial management to complete the tasks and oversight assigned in this section.

Appropriation:

University of Washington Building Account—State	\$130,000
Washington State University Building Account—State	\$94,000
Eastern Washington University Capital Projects Account—State	\$23,000
Central Washington University Capital Projects Account—State	\$19,000
The Evergreen State College Capital Projects Account—State	\$13,000
Western Washington University Capital Projects Account—State	\$21,000
Subtotal Appropriation	\$300,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$300,000

NEW SECTION. Sec. 1091. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Construction Contingency Pool (91000428)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for construction projects that confront emergent and unavoidable costs in excess of the construction contingency and management reserves included in the project appropriation. For requests occurring during a legislative session, an agency must notify the legislative fiscal committees before requesting contingency funds from the office of financial management. Eligible agencies that may apply to the pool include higher education institutions, the state parks and recreation commission, the department of corrections, the department of enterprise services, and the department of health. Eligible construction projects are only projects that had project cost reductions. The office of financial management must notify the legislative evaluation and accountability program committee, the house capital budget committee, and senate ways and means committee as projects are approved for funding.

Appropriation:

State Building Construction Account—State	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,000,000

NEW SECTION. Sec. 1092. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Culverts in Three State Agencies (92000004)

Appropriation:

State Building Construction Account—State	\$7,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,000,000

NEW SECTION. Sec. 1093. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Natural Resource Building Roof Replacement/Exterior Foam Insulation Repairs (30000546)

Reappropriation:

State Building Construction Account—State	\$510,000
Prior Biennia (Expenditures)	\$3,972,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,482,000

NEW SECTION. Sec. 1094. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

East Plaza - Water Infiltration and Elevator Repairs (30000548)

Appropriation:

State Vehicle Parking Account—State	\$793,000
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State Building Construction Account—State	\$2,310,000
Subtotal Appropriation	\$3,103,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$7,444,000
TOTAL	\$10,547,000

NEW SECTION. Sec. 1095. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Minor Works Preservation (30000550)

Reappropriation:

State Building Construction Account—State	\$1,698,000
Prior Biennia (Expenditures)	\$636,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,334,000

NEW SECTION. Sec. 1096. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Lake Dredging (30000571)

The reappropriation in this section is subject to the following conditions and limitations: Within the reappropriation, the department must prepare a long term financing plan for maintenance dredging activities that may be required to either maintain Capitol Lake or support estuary restoration efforts. In consultation with the involved local governments, the department must recommend an equitable cost sharing formula for the cost of maintenance dredging based on the relative benefits received by the state and the various local governments.

Reappropriation:

State Toxics Control Account—State	\$181,000
Prior Biennia (Expenditures)	\$19,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$200,000

NEW SECTION. Sec. 1097. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Legislative Building Critical Exterior Repairs (30000577)

Reappropriation:

State Building Construction Account—State	\$64,000
Prior Biennia (Expenditures)	\$892,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$956,000

NEW SECTION. Sec. 1098. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Engineering and Architectural Services: Staffing (30000580)

The appropriations in this section are subject to the following conditions and limitations: Within the appropriations the department must determine the rough feasibility and economic benefits of recovering heat energy from wastewater at one of the state's large facilities. If likely to be feasible and

economically beneficial, the department must recommend an institution for a pilot project.

Appropriation:

Charitable, Educational, Penal and Reformatory	
Institutions Account—State	\$1,000,000
State Vehicle Parking Account—State	\$500,000
Thurston County Capital Facilities	
Account—State	\$1,850,000
State Building Construction Account—State	\$9,550,000
Subtotal Appropriation	\$12,900,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$56,600,000
TOTAL	\$69,500,000

NEW SECTION. Sec. 1099. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Legislative Building Critical Hydronic Loop Repairs (30000584)

Reappropriation:

State Building Construction Account—State	\$1,075,000
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Appropriation:

State Building Construction Account—State	\$851,000
Prior Biennia (Expenditures)	\$104,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,030,000

NEW SECTION. Sec. 1100. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Reuse General Administration Building for Heritage Center, State Library, and State Patrol (92000003)

Reappropriation:

Washington State Heritage Center Account—State	\$75,000
Prior Biennia (Expenditures)	\$75,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$150,000

NEW SECTION. Sec. 1101. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Legislative Building Critical Exterior Repairs (92000004)

Reappropriation:

State Building Construction Account—State	\$557,000
Prior Biennia (Expenditures)	\$843,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,400,000

NEW SECTION. Sec. 1102. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Natural Resources Building Garage Fire Suppression System Repairs (30000578)

Appropriation:

State Vehicle Parking Account—State	\$738,000
State Building Construction Account—State	\$1,500,000
Subtotal Appropriation	\$2,238,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,238,000

NEW SECTION. Sec. 1103. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Minor Works Preservation (30000635)

Appropriation:

State Building Construction Account—State	\$3,218,000
Thurston County Capital Facilities Account—State	\$810,000
Subtotal Appropriation	\$4,028,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$12,000,000
TOTAL	\$16,028,000

NEW SECTION. Sec. 1104. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Campus Underground Utility Repairs (30000687)

Appropriation:

State Building Construction Account—State	\$1,983,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$8,827,000
TOTAL	\$10,810,000

NEW SECTION. Sec. 1105. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Natural Resource Building Repairs Phase 1 (91000009)

The appropriations in this section are subject to the following conditions and limitations: The natural resource building repairs phase 1 project must include at a minimum the multipurpose room water infiltration project and the roof project. After this work is completed, the department may include work that was in the department's 2013-2015 capital budget request for other repairs to the building.

Appropriation:

State Building Construction Account—State	\$4,161,000
Thurston County Capital Facilities Construction Account—State	\$940,000
Subtotal Appropriation	\$5,101,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,101,000

NEW SECTION. Sec. 1106. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

 Campus Steam System and Chiller Upgrades (91000014)

The appropriations in this section are subject to the following conditions and limitations: The campus steam system repairs and powerhouse chiller projects must be done as one project, with energy savings from heat recovery paying for as much of the project as practical. Energy savings must also be used to upgrade the HVAC system in the governor's residence, and provide hot water boilers in as many buildings as needed to shut down the powerhouse in the summer months.

Appropriation:

State Building Construction Account—State	\$2,497,000
Thurston County Capital Facilities Construction Account—State	\$1,500,000
Subtotal Appropriation	\$3,997,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,997,000

NEW SECTION. Sec. 1107. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

 Archives Building and Capitol Court HVAC Upgrades (91000015)

The appropriation in this section is subject to the following conditions and limitations: The archives building HVAC upgrade and capitol court HVAC upgrade projects must be done as one project, with energy savings from heat recovery paying for as much of the project as practical.

Appropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 1108. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

 Legislative Building Exterior Repairs (30000604)

Appropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 1109. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

1063 Block Replacement (91000016)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for predesign and bridging documents, design, competition honoraria, project management, demolition, and other planning activities including permits. The predesign must specify the tenants of the building as directed by the office of financial management. The predesign must indicate the estimated annual cost increase for state agency tenants compared to the cost of their existing leases. The estimated cost increase may take into account estimated cost savings in staff costs and other costs that may result in more efficient building design and layout of office space. The director of the office of financial management must review these cost estimates and submit a report to the appropriate committees of the legislature indicating the budget increase that would be required sixty days prior to executing any construction contracts for the building. The lease for any prospective tenant may not be extended beyond the anticipated occupancy date of the building. The building will be alternatively financed as authorized in section 7014 of this act.

Appropriation:

State Building Construction Account—State	\$13,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$13,000,000

NEW SECTION. Sec. 1110. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Security Improvements Division 3 Court of Appeals (92000006)

Appropriation:

State Building Construction Account—State	\$104,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$104,000

NEW SECTION. Sec. 1111. FOR THE MILITARY DEPARTMENT

Minor Works Preservation (30000560)

Reappropriation:

General Fund—Federal	\$1,840,000
State Building Construction Account—State	\$417,000
Subtotal Reappropriation	\$2,257,000
Prior Biennia (Expenditures)	\$2,542,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,799,000

NEW SECTION. Sec. 1112. FOR THE MILITARY DEPARTMENT

Minor Works Program (30000561)

Reappropriation:

General Fund—Federal	\$4,728,000
Prior Biennia (Expenditures)	\$5,230,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,958,000

NEW SECTION, Sec. 1113. FOR THE MILITARY DEPARTMENT

Information Operations Readiness Center-Joint Base Lewis McChord (30000589)

Appropriation:

General Fund—Federal	\$35,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$35,000,000

NEW SECTION, Sec. 1114. FOR THE MILITARY DEPARTMENT

Pierce County Readiness Center (30000593)

Appropriation:

General Fund—Federal	\$26,942,000
State Building Construction Account—State	\$3,659,000
Military Department Capital Account—State	\$3,000,000
Subtotal Appropriation	\$33,601,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$33,601,000

NEW SECTION, Sec. 1115. FOR THE MILITARY DEPARTMENT

Thurston County Readiness Center (30000594)

Appropriation:

State Building Construction Account—State	\$2,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$44,249,000
TOTAL	\$47,049,000

NEW SECTION, Sec. 1116. FOR THE MILITARY DEPARTMENT

Minor Works Preservation - 2013-2015 Biennium (30000602)

Appropriation:

General Fund—Federal	\$3,726,000
State Building Construction Account—State	\$1,500,000
Subtotal Appropriation	\$5,226,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$13,121,000
TOTAL	\$18,347,000

NEW SECTION, Sec. 1117. FOR THE MILITARY DEPARTMENT

Minor Works Program - 2013-2015 Biennium (30000605)

Appropriation:

General Fund—Federal	\$12,925,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$29,397,000
TOTAL	\$42,322,000

NEW SECTION. Sec. 1118. FOR THE MILITARY DEPARTMENT

Yakima Training Center Barracks (30000696)

Appropriation:

General Fund—Federal	\$18,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$18,000,000

NEW SECTION. Sec. 1119. FOR THE MILITARY DEPARTMENT

Thurston County Readiness Center (91000005)

Reappropriation:

General Fund—Federal	\$75,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$75,000

NEW SECTION. Sec. 1120. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

Heritage Barn Preservation Program (30000005)

Reappropriation:

State Building Construction Account—State	\$105,000
Prior Biennia (Expenditures)	\$95,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$200,000

NEW SECTION. Sec. 1121. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

Courthouse Preservation (30000006)

Reappropriation:

State Building Construction Account—State	\$673,000
Prior Biennia (Expenditures)	\$77,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$750,000

NEW SECTION. Sec. 1122. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

Historic Courthouse Preservation Grants (92000001)

Appropriation:

State Building Construction Account—State	\$2,000,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,000,000

NEW SECTION. Sec. 1123. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

Heritage Barn Preservation Program (92000002)

Appropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$500,000

**PART 2
HUMAN SERVICES**

NEW SECTION. Sec. 2001. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Eastern State Hospital: Westlake Building Renovation (30000852)

Reappropriation:

State Building Construction Account—State	\$300,000
Prior Biennia (Expenditures)	\$1,575,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,875,000

NEW SECTION. Sec. 2002. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor Works Preservation: Health, Safety, and Code Requirements (30001264)

Reappropriation:

State Building Construction Account—State	\$1,500,000
Prior Biennia (Expenditures)	\$2,000,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,500,000

NEW SECTION. Sec. 2003. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor Works Preservation: Infrastructure Preservation (30001290)

Reappropriation:

State Building Construction Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$2,000,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,000,000

NEW SECTION. Sec. 2004. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor Works Preservation: Facilities Preservation (30001291)

Reappropriation:

State Building Construction Account—State	\$3,315,000
Prior Biennia (Expenditures)	\$2,760,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,075,000

NEW SECTION. Sec. 2005. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Hazards Abatement and Demolition (30002221)

Reappropriation:

State Building Construction Account—State	\$600,000
Prior Biennia (Expenditures)	\$400,000
Future Biennia (Projected Costs)	\$4,244,000
TOTAL	\$5,244,000

NEW SECTION. Sec. 2006. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Capacity to Replace Maple Lane School (92000005)

Reappropriation:

State Building Construction Account—State	\$50,000
Prior Biennia (Expenditures)	\$2,410,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,460,000

NEW SECTION. Sec. 2007. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Rainier School: Cottages Remodel and Renovation (91000017)

Reappropriation:

State Building Construction Account—State	\$2,800,000
Prior Biennia (Expenditures)	\$200,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,000,000

NEW SECTION. Sec. 2008. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Naselle Youth Camp-Three Cottages: Renovation (20081222)

Appropriation:

State Building Construction Account—State	\$1,900,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,900,000

NEW SECTION. Sec. 2009. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Eastern State Hospital and Western State Hospital - All Wards: Patient Safety Improvements (91000019)

Appropriation:

Charitable, Educational, Penal and Reformatory Institutions Account—State	\$4,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,800,000

NEW SECTION. Sec. 2010. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor Works Preservation Projects: Statewide (30002235)

Appropriation:

State Building Construction Account—State	\$11,755,000
Charitable, Educational, Penal and Reformatory Institutions Account—State	\$2,400,000
Subtotal Appropriation	\$14,155,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$14,155,000

NEW SECTION. Sec. 2011. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Medical Lake Infrastructure Modernization Study (92000007)

Appropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$500,000

NEW SECTION. Sec. 2012. FOR THE DEPARTMENT OF HEALTH

Drinking Water Assistance Program (30000013)

Reappropriation:

Drinking Water Assistance Account—Federal	\$75,670,000
Prior Biennia (Expenditures)	\$51,840,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$127,510,000

NEW SECTION. Sec. 2013. FOR THE DEPARTMENT OF HEALTH

Safe Reliable Drinking Water Grants (92000002)

Reappropriation:

State Building Construction Account—State	\$9,628,000
Prior Biennia (Expenditures)	\$2,010,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$11,638,000

NEW SECTION. Sec. 2014. FOR THE DEPARTMENT OF HEALTH

HVAC Systems Upgrade Continuation (30000298)

Appropriation:

State Building Construction Account—State	\$2,809,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,809,000

NEW SECTION. Sec. 2015. FOR THE DEPARTMENT OF HEALTH

Minor Works - Facility Preservation (30000300)

Appropriation:

State Building Construction Account—State	\$958,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$1,800,000
TOTAL	\$2,758,000

NEW SECTION. Sec. 2016. FOR THE DEPARTMENT OF HEALTH

Drinking Water Assistance Program (30000323)

Appropriation:

Drinking Water Assistance Account—Federal	\$28,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$115,200,000
TOTAL	\$144,000,000

NEW SECTION. Sec. 2017. FOR THE DEPARTMENT OF VETERANS AFFAIRS

Minor Works Facilities Preservation (30000094)

Appropriation:

State Building Construction Account—State	\$1,313,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,313,000

NEW SECTION. Sec. 2018. FOR THE DEPARTMENT OF VETERANS AFFAIRS

Walla Walla Nursing Facility (20082008)

Reappropriation:

General Fund—Federal	\$31,200,000
State Building Construction Account—State	\$15,978,000
Subtotal Reappropriation	\$47,178,000
Prior Biennia (Expenditures)	\$947,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$48,125,000

NEW SECTION. Sec. 2019. FOR THE DEPARTMENT OF CORRECTIONS

Washington State Penitentiary: Housing Units, Kitchen, and Site Work (30000482)

Reappropriation:

State Building Construction Account—State	\$9,130,000
Prior Biennia (Expenditures)	\$38,442,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$47,572,000

NEW SECTION. Sec. 2020. FOR THE DEPARTMENT OF CORRECTIONS

SW: Minor Works - Infrastructure Preservation (30000539)

Reappropriation:

State Building Construction Account—State	\$1,026,000
Prior Biennia (Expenditures)	\$1,474,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,500,000

NEW SECTION. Sec. 2021. FOR THE DEPARTMENT OF CORRECTIONS

SW: Minor Works - Facility Preservation (30000540)

Reappropriation:

State Building Construction Account—State	\$1,506,000
Prior Biennia (Expenditures)	\$994,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,500,000

NEW SECTION. Sec. 2022. FOR THE DEPARTMENT OF CORRECTIONS

Monroe Corrections Complex: Close Sewer Lagoon (20082022)

Reappropriation:

State Building Construction Account—State	\$294,000
Prior Biennia (Expenditures)	\$1,097,000
Future Biennia (Projected Costs)	\$8,500,000
TOTAL	\$9,891,000

NEW SECTION. Sec. 2023. FOR THE DEPARTMENT OF CORRECTIONS

SW: Minor Works - Health, Safety, and Code (30000541)

Reappropriation:

State Building Construction Account—State	\$1,740,000
Prior Biennia (Expenditures)	\$860,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,600,000

NEW SECTION. Sec. 2024. FOR THE DEPARTMENT OF CORRECTIONS

Monroe Corrections Center: WSR Living Units Roofs (30000542)

Appropriation:

State Building Construction Account—State	\$1,785,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,785,000

NEW SECTION. Sec. 2025. FOR THE DEPARTMENT OF CORRECTIONS

Washington Corrections Center: Replace Intensive Management Unit Roof (30000723)

Appropriation:

State Building Construction Account—State	\$1,071,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,071,000

NEW SECTION. Sec. 2026. FOR THE DEPARTMENT OF CORRECTIONS

Monroe Corrections Center: WSR Replace Fire Alarm System (30000724)

Appropriation:

State Building Construction Account—State	\$2,616,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,616,000

NEW SECTION. Sec. 2027. FOR THE DEPARTMENT OF CORRECTIONS

Airway Heights Corrections Center: Replace Fire Alarm System (30000725)

Appropriation:

State Building Construction Account—State	\$3,399,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,399,000

NEW SECTION. Sec. 2028. FOR THE DEPARTMENT OF CORRECTIONS

Washington Corrections Center for Women: Replace Fire Alarm System (30000727)

Appropriation:

State Building Construction Account—State	\$2,569,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,569,000

NEW SECTION. Sec. 2029. FOR THE DEPARTMENT OF CORRECTIONS

SW: Minor Works - Preservation Projects (30000734)

Appropriation:

State Building Construction Account—State	\$10,100,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$51,618,000
TOTAL	\$61,718,000

NEW SECTION. Sec. 2030. FOR THE DEPARTMENT OF CORRECTIONS

Airway Heights Corrections Center: Security Electronics Renovations (30000726)

Appropriation:

State Building Construction Account—State	\$5,047,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,047,000

NEW SECTION. Sec. 2031. FOR THE DEPARTMENT OF CORRECTIONS

Washington Corrections Center: Security Video System (30000791)

Appropriation:

State Building Construction Account—State	\$6,972,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,972,000

NEW SECTION. Sec. 2032. FOR THE DEPARTMENT OF CORRECTIONS

Monroe Corrections Center: TRU Security Video System (30000801)

Appropriation:

State Building Construction Account—State	\$3,876,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,876,000

NEW SECTION. Sec. 2033. FOR THE DEPARTMENT OF CORRECTIONS

Washington Corrections Center for Women: Security Video System (30000802)

Appropriation:

State Building Construction Account—State	\$3,421,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,421,000

NEW SECTION. Sec. 2034. FOR THE DEPARTMENT OF CORRECTIONS

Monroe Corrections Center: SOU IMU Security Video (30000803)

Appropriation:

State Building Construction Account—State	\$2,640,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,640,000

NEW SECTION. Sec. 2035. FOR THE DEPARTMENT OF CORRECTIONS

Monroe Corrections Center: WSR Security Video System (30000795)

Appropriation:

State Building Construction Account—State	\$5,233,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,233,000

NEW SECTION. Sec. 2036. FOR THE DEPARTMENT OF CORRECTIONS

Monroe Corrections Center: TRU Support Building Repair Fire Detection System (30000733)

Appropriation:

State Building Construction Account—State	\$1,058,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,058,000

NEW SECTION. Sec. 2037. FOR THE DEPARTMENT OF CORRECTIONS

Department of Corrections Centralized Pharmacy (92000034)

Appropriation:

State Building Construction Account—State	\$700,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$700,000

NEW SECTION. Sec. 2038. FOR THE DEPARTMENT OF CORRECTIONS

OFM Emergency Funds (90000027)

Reappropriation:

State Building Construction Account—State	\$250,000
Prior Biennia (Expenditures)	\$1,050,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,300,000

**PART 3
NATURAL RESOURCES**

NEW SECTION. Sec. 3001. FOR THE DEPARTMENT OF ECOLOGY

Water Supply Facilities (19742006)

Reappropriation:

State and Local Improvements Revolving Account (Water Supply Facilities)—State	\$552,000
Prior Biennia (Expenditures)	\$19,998,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,550,000

NEW SECTION. Sec. 3002. FOR THE DEPARTMENT OF ECOLOGY

Low-Level Nuclear Waste Disposal Trench Closure (19972012)

Reappropriation:

Site Closure Account—State	\$11,885,000
Prior Biennia (Expenditures)	\$3,548,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$15,433,000

NEW SECTION. Sec. 3003. FOR THE DEPARTMENT OF ECOLOGY

Twin Lake Aquifer Recharge Project (20042951)

Reappropriation:

State Building Construction Account—State	\$191,000
Prior Biennia (Expenditures)	\$559,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$750,000

NEW SECTION. Sec. 3004. FOR THE DEPARTMENT OF ECOLOGY

Water Supply Facilities (20044006)

Reappropriation:

State and Local Improvements Revolving Account (Water Supply Facilities)—State	\$51,000
Prior Biennia (Expenditures)	\$13,467,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$13,518,000

NEW SECTION. Sec. 3005. FOR THE DEPARTMENT OF ECOLOGY

Water Conveyance Infrastructure Projects (20052850)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 322, chapter 488, Laws of 2005.

Reappropriation:

State Building Construction Account—State	\$1,569,000
Prior Biennia (Expenditures)	\$4,143,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,712,000

NEW SECTION. Sec. 3006. FOR THE DEPARTMENT OF ECOLOGY

Quad Cities Water Right Mitigation (20052852)

Reappropriation:

State Building Construction Account—State	\$421,000
Prior Biennia (Expenditures)	\$1,179,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,600,000

NEW SECTION. Sec. 3007. FOR THE DEPARTMENT OF ECOLOGY

Watershed Plan Implementation and Flow Achievement (20062003)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 136, chapter 371, Laws of 2006.

Reappropriation:

State Building Construction Account—State	\$364,000
Prior Biennia (Expenditures)	\$12,436,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$12,800,000

NEW SECTION. Sec. 3008. FOR THE DEPARTMENT OF ECOLOGY

Columbia River Basin Water Supply Development Program (20062950)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3008, chapter 49, Laws of 2011 1st sp. sess.

Reappropriation:

Columbia River Basin Water Supply Development	
Account—State	\$29,705,000
Columbia River Basin Taxable Bond Water Supply	
Development Account—State	\$10,404,000
Subtotal Reappropriation	\$40,109,000
Prior Biennia (Expenditures)	\$51,391,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$91,500,000

NEW SECTION. Sec. 3009. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Account (20064002)

Reappropriation:

Water Pollution Control Revolving Account—State	\$5,223,000
Water Pollution Control Revolving Account—Federal	\$8,453,000
Subtotal Reappropriation	\$13,676,000
Prior Biennia (Expenditures)	\$225,940,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$239,616,000

NEW SECTION. Sec. 3010. FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Program (20064007)

Reappropriation:

State Building Construction Account—State	\$317,000
Water Quality Capital Account—State	\$32,000
Subtotal Reappropriation	\$349,000
Prior Biennia (Expenditures)	\$47,151,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$47,500,000

NEW SECTION. Sec. 3011. FOR THE DEPARTMENT OF ECOLOGY

Local Toxics Grants for Cleanup and Prevention (20064008)

Reappropriation:

State Building Construction Account—State	\$9,066,000
Prior Biennia (Expenditures)	\$89,834,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$98,900,000

NEW SECTION. Sec. 3012. FOR THE DEPARTMENT OF ECOLOGY

Transfer of Water Rights for Cabin Owners (20081951)

Reappropriation:

State Building Construction Account—State	\$305,000
Prior Biennia (Expenditures)	\$145,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$450,000

NEW SECTION. Sec. 3013. FOR THE DEPARTMENT OF ECOLOGY

Remedial Action Grants (20084008)

Reappropriation:

State Building Construction Account—State	\$14,108,000
Prior Biennia (Expenditures)	\$78,767,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$92,875,000

NEW SECTION. Sec. 3014. FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Program (20084010)

Reappropriation:

State Building Construction Account—State	\$771,000
Water Quality Capital Account—State	\$401,000
State Toxics Control Account—State	\$997,000
Subtotal Reappropriation	\$2,169,000
Prior Biennia (Expenditures)	\$64,314,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$66,483,000

NEW SECTION. Sec. 3015. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Loan Program (20084011)

Reappropriation:

Water Pollution Control Revolving Account—State	\$14,581,000
Water Pollution Control Revolving Account—Federal.	\$19,068,000
Subtotal Reappropriation	\$33,649,000
Prior Biennia (Expenditures)	\$106,351,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$140,000,000

NEW SECTION. Sec. 3016. FOR THE DEPARTMENT OF ECOLOGY

Yakima River Basin Water Storage Feasibility Study (20084026)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided solely for completion of the United States bureau of reclamation's Yakima basin storage feasibility study, including the associated joint national environmental policy act, the state environmental policy act, and the environmental impact statement. The reappropriated funds are to be used by the bureau of reclamation and the department of ecology to evaluate potential in basin storage facilities such as the proposed Bumping Lake and Wymer reservoirs and other reasonable alternatives that will enhance water supplies and streamflows in the Yakima Basin.

Reappropriation:

State Building Construction Account—State	\$83,000
Prior Biennia (Expenditures)	\$5,167,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,250,000

NEW SECTION. Sec. 3017. FOR THE DEPARTMENT OF ECOLOGY

Watershed Plan Implementation and Flow Achievement (20084029)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 3054, chapter 520, Laws of 2007.

Reappropriation:

State Building Construction Account—State	\$2,897,000
Prior Biennia (Expenditures)	\$11,103,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$14,000,000

NEW SECTION. Sec. 3018. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Fund Program (30000007)

Reappropriation:

Water Pollution Control Revolving Account—State	\$16,325,000
Water Pollution Control Revolving Account—Federal	\$16,825,000
Water Pollution Control Revolving Account—Federal Stimulus	\$2,720,000
Subtotal Reappropriation	\$35,870,000
Prior Biennia (Expenditures)	\$142,830,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$178,700,000

NEW SECTION. Sec. 3019. FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Program (30000008)

Reappropriation:

State Building Construction Account—State	\$8,925,000
Prior Biennia (Expenditures)	\$21,075,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$30,000,000

NEW SECTION. Sec. 3020. FOR THE DEPARTMENT OF ECOLOGY

Upper Columbia River Black Sand Beach Cleanup (30000016)

Reappropriation:

State Building Construction Account—State	\$117,000
Prior Biennia (Expenditures)	\$383,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$500,000

NEW SECTION. Sec. 3021. FOR THE DEPARTMENT OF ECOLOGY

Watershed Plan Implementation and Flow Achievement (30000028)

Reappropriation:

State Building Construction Account—State	\$2,612,000
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Prior Biennia (Expenditures)	\$3,388,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,000,000

NEW SECTION. Sec. 3022. FOR THE DEPARTMENT OF ECOLOGY

Kittitas Groundwater Study (30000029)

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

(1) Funds may be provided to develop and implement water banking and transfer methods and agreements that are fully protective of senior water rights and that protect domestic groundwater users and improve the profitability of farming operations. The legislature finds such activities to be in the public interest because they can help sustain the viability of the agricultural economy and enhance the certainty of water supplies for domestic groundwater users.

(2) Funds may be provided to lease or purchase water rights to create a reserve water supply for domestic groundwater users that have a groundwater right with a priority date later than May 10, 1905, as well as for all out-of-priority groundwater users. In securing water for such domestic groundwater users, strong preference must be given to the use of water banking and transfer methods that provide alternatives to permanent purchase and dry-up of agricultural water rights in the basin, including dry-year options, water banking, long-term water supply lease agreements, long-term agricultural land fallowing agreements, and reduced consumptive use through efficiency or alternative cropping arrangements while maintaining historic return flows.

(3) A portion of the reappropriation may be used for administrative costs, not to exceed four percent, and other costs associated with leasing or acquiring and transferring the water rights. All costs must be fully recovered from participating domestic water users for their prorated portion of the cost, including, but not limited to, the costs of securing a water right or rights for this purpose, costs associated with the development and implementation of alternative agricultural water transfer methods, associated annual operational costs, and federal water service contract costs owed to the United States bureau of reclamation. Funds recovered in this manner must be deposited in the state and local improvements revolving account and may be used for any purpose provided in this section.

Reappropriation:

State and Local Improvements Revolving Account	
(Water Supply Facilities)—State	\$263,000
Prior Biennia (Expenditures)	\$437,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$700,000

NEW SECTION. Sec. 3023. FOR THE DEPARTMENT OF ECOLOGY

Remedial Action Grant Program (30000039)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3006, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

Local Toxics Control Account—State	\$17,019,000
State Building Construction Account—State	\$3,062,000
Subtotal Reappropriation	\$20,081,000
Prior Biennia (Expenditures)	\$55,830,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$75,911,000

NEW SECTION. Sec. 3024. FOR THE DEPARTMENT OF ECOLOGY

Storm Water Retrofit and Low-Impact Development Grant Program (30000097)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3005, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State and Local Improvements Revolving Account—State	\$973,000
Local Toxics Control Account—State	\$1,151,000
State and Local Improvements Revolving Account—Waste Facilities 1980—State	\$325,000
State Building Construction Account—State	\$20,812,000
State Toxics Control Account—State	\$5,564,000
Subtotal Reappropriation	\$28,825,000
Prior Biennia (Expenditures)	\$25,784,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$54,609,000

NEW SECTION. Sec. 3025. FOR THE DEPARTMENT OF ECOLOGY

Reducing Diesel Particle Emissions in Tacoma (30000139)

Reappropriation:

Air Pollution Control Account—State	\$350,000
Prior Biennia (Expenditures)	\$650,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 3026. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Fund Program (30000142)

Reappropriation:

Water Pollution Control Revolving Account—Federal	\$8,793,000
Water Pollution Control Revolving Account—State	\$21,742,000
Subtotal Reappropriation	\$30,535,000

Prior Biennia (Expenditures)	\$6,465,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$37,000,000

NEW SECTION. Sec. 3027. FOR THE DEPARTMENT OF ECOLOGY

Clean Up Toxic Sites - Puget Sound (30000144)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3021, chapter 48, Laws of 2011 1st sp. sess.

Reappropriation:

Cleanup Settlement Account—State	\$7,402,000
State Toxics Control Account—State	\$6,670,000
Subtotal Reappropriation	\$14,072,000
Prior Biennia (Expenditures)	\$27,126,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$41,198,000

NEW SECTION. Sec. 3028. FOR THE DEPARTMENT OF ECOLOGY

Settlement Funding To Clean Up Toxic Sites (30000145)

Reappropriation:

Cleanup Settlement Account—State	\$299,000
Prior Biennia (Expenditures)	\$8,201,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,500,000

NEW SECTION. Sec. 3029. FOR THE DEPARTMENT OF ECOLOGY

Habitat Mitigation (91000007)

Reappropriation:

State Building Construction Account—State	\$3,338,000
Prior Biennia (Expenditures)	\$1,062,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,400,000

NEW SECTION. Sec. 3030. FOR THE DEPARTMENT OF ECOLOGY

Protect Communities from Flood and Drought (92000002)

Reappropriation:

State Building Construction Account—State	\$3,984,000
Prior Biennia (Expenditures)	\$10,991,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$14,975,000

NEW SECTION. Sec. 3031. FOR THE DEPARTMENT OF ECOLOGY

Wastewater Treatment and Water Reclamation (92000041)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3016, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$1,641,000
Prior Biennia (Expenditures)	\$1,789,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,430,000

NEW SECTION. Sec. 3032. FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Program (30000208)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3024, chapter 48, Laws of 2011 1st sp. sess.

Reappropriation:

State Toxics Control Account—State	\$20,904,000
Prior Biennia (Expenditures)	\$13,196,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$34,100,000

NEW SECTION. Sec. 3033. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Fund Program (30000209)

The reappropriations in this section are subject to the following conditions and limitations: For projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the department of ecology must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its water pollution control revolving fund program loan.

Reappropriation:

Water Pollution Control Revolving Account—Federal.	\$58,594,000
Water Pollution Control Revolving Account—State	\$97,068,000
Subtotal Reappropriation	\$155,662,000
Prior Biennia (Expenditures)	\$36,482,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$192,144,000

NEW SECTION. Sec. 3034. FOR THE DEPARTMENT OF ECOLOGY

Waste Tire Pile Prevention and Cleanup (30000210)

Reappropriation:

Waste Tire Removal Account—State	\$263,000
Prior Biennia (Expenditures)	\$737,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 3035. FOR THE DEPARTMENT OF ECOLOGY

Wood Stove Pollution Reduction (30000211)

Reappropriation:

Local Toxics Control Account—State	\$2,111,000
Prior Biennia (Expenditures)	\$889,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,000,000

NEW SECTION. Sec. 3036. FOR THE DEPARTMENT OF ECOLOGY

Diesel Emissions Reduction (30000212)

Reappropriation:

Local Toxics Control Account—State	\$3,419,000
Prior Biennia (Expenditures)	\$3,581,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,000,000

NEW SECTION. Sec. 3037. FOR THE DEPARTMENT OF ECOLOGY

Watershed Plan Implementation and Flow Achievement (30000213)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3030, chapter 49, Laws of 2011 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$6,219,000
Prior Biennia (Expenditures)	\$1,781,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,000,000

NEW SECTION. Sec. 3038. FOR THE DEPARTMENT OF ECOLOGY

Hood Canal Regional Septic Repair Loan Program (30000215)

Reappropriation:

State Building Construction Account—State	\$395,000
Prior Biennia (Expenditures)	\$2,855,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,250,000

NEW SECTION. Sec. 3039. FOR THE DEPARTMENT OF ECOLOGY

Remedial Action Grant Program (30000216)

Reappropriation:

Local Toxics Control Account—State	\$51,463,000
Prior Biennia (Expenditures)	\$12,371,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$63,834,000

NEW SECTION. Sec. 3040. FOR THE DEPARTMENT OF ECOLOGY

Eastern Washington Clean Sites Initiative (30000217)

Reappropriation:

State Toxics Control Account—State	\$4,146,000
Prior Biennia (Expenditures)	\$1,854,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,000,000

NEW SECTION. Sec. 3041. FOR THE DEPARTMENT OF ECOLOGY

Burlington Northern Santa Fe Skykomish Restoration (30000218)

Reappropriation:

Cleanup Settlement Account—State	\$284,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$284,000

NEW SECTION. Sec. 3042. FOR THE DEPARTMENT OF ECOLOGY

Safe Soils Remediation Program - Central Washington (30000263)

Reappropriation:

State Toxics Control Account—State	\$2,693,000
Prior Biennia (Expenditures)	\$1,018,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,711,000

NEW SECTION. Sec. 3043. FOR THE DEPARTMENT OF ECOLOGY

Clean Up Toxics Sites - Puget Sound (30000265)

Reappropriation:

State Toxics Control Account—State	\$15,410,000
Prior Biennia (Expenditures)	\$990,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$16,400,000

NEW SECTION. Sec. 3044. FOR THE DEPARTMENT OF ECOLOGY

Yakima Basin Integrated Water Management Plan Implementation (30000278)

Reappropriation:

State Building Construction Account—State	\$220,000
Prior Biennia (Expenditures)	\$1,780,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,000,000

NEW SECTION. Sec. 3045. FOR THE DEPARTMENT OF ECOLOGY

ASARCO - Tacoma Smelter Plume and Mines (30000280)

Reappropriation:

Cleanup Settlement Account—State	\$17,963,000
Prior Biennia (Expenditures)	\$2,684,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,647,000

NEW SECTION. Sec. 3046. FOR THE DEPARTMENT OF ECOLOGY

Padilla Bay Boat Launch (30000281)

Reappropriation:

General Fund—Federal	\$100,000
Prior Biennia (Expenditures)	\$220,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$320,000

NEW SECTION. Sec. 3047. FOR THE DEPARTMENT OF ECOLOGY

Padilla Bay Federal Capital Projects (30000282)

Reappropriation:

General Fund—Federal	\$800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$800,000

NEW SECTION. Sec. 3048. FOR THE DEPARTMENT OF ECOLOGY

Coastal Wetlands Federal Funds Administration (30000283)

Reappropriation:

General Fund—Federal	\$17,413,000
Prior Biennia (Expenditures)	\$5,787,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$23,200,000

NEW SECTION. Sec. 3049. FOR THE DEPARTMENT OF ECOLOGY

Water Irrigation Efficiencies (30000285)

Reappropriation:

State Building Construction Account—State	\$549,000
Prior Biennia (Expenditures)	\$451,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 3050. FOR THE DEPARTMENT OF ECOLOGY

Statewide Storm Water Projects (30000294)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided solely for construction projects or design/construction projects statewide that result in the greatest improvements necessary to meet national pollution discharge elimination system requirements for communities least able to pay for those projects or for jurisdictions that are early adopters of new regulations and effective new technology. The department must develop specific evaluative criteria to award grants on a competitive basis to projects that meet the policy objectives in this section, demonstrate readiness to proceed, and have a minimum cash match of twenty-five percent.

Reappropriation:

Local Toxics Control Account—State	\$29,334,000
Prior Biennia (Expenditures)	\$666,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$30,000,000

NEW SECTION. Sec. 3051. FOR THE DEPARTMENT OF ECOLOGY

Green River Flood Levee Improvements (30000295)

Reappropriation:

State Building Construction Account—State	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,000,000

NEW SECTION. Sec. 3052. FOR THE DEPARTMENT OF ECOLOGY

Mount Vernon Flood Protection (30000297)

Reappropriation:

State Building Construction Account—State	\$700,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$700,000

NEW SECTION. Sec. 3053. FOR THE DEPARTMENT OF ECOLOGY

Clean Up Toxics Sites - Puget Sound (91000032)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided solely for the following list of projects:

Project	Authorized Amount
Port Gamble Bay - Open up 90 acres of geoduck tracts	\$2,000,000
Port Gamble Bay - Source control, habitat preservation and clean-up sustainability	\$7,000,000
Administration	\$180,000
TOTAL	\$9,180,000

Reappropriation:

State Toxics Control Account—State	\$9,180,000
Prior Biennia (Expenditures)	\$90,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,270,000

NEW SECTION. Sec. 3054. FOR THE DEPARTMENT OF ECOLOGY

Eastern Washington Clean Sites Initiative (91000033)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3003, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Toxics Control Account—State	\$1,543,000
Prior Biennia (Expenditures)	\$2,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,545,000

NEW SECTION. Sec. 3055. FOR THE DEPARTMENT OF ECOLOGY

Fiscal Year 2012 Statewide Storm Water Grant Program (91000053)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3004, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

Local Toxics Control Account—State	\$23,161,000
Prior Biennia (Expenditures)	\$912,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$24,073,000

NEW SECTION. Sec. 3056. FOR THE DEPARTMENT OF ECOLOGY

Storm Water Retrofit and Local Improvement District Competitive Grants (91000054)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3005, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

Local Toxics Control Account—State	\$14,459,000
Prior Biennia (Expenditures)	\$4,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$14,463,000

NEW SECTION. Sec. 3057. FOR THE DEPARTMENT OF ECOLOGY

Columbia River Water Management Projects (91000179)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 502, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

Columbia River Basin Water Supply Development	
Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$2,500,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,500,000

NEW SECTION. Sec. 3058. FOR THE DEPARTMENT OF ECOLOGY

Skagit Mitigation (91000181)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation in this section is provided solely for the department to develop mitigation options and alternative water sources or tools to make water available for stream flows and for rural domestic permit-exempt uses within the Carpenter/Fisher, East Nookachamps, and Upper Nookachamps subbasins. Up to \$500,000 of the amount specified shall be used to develop a rural domestic demonstration project to determine if surface or groundwater infiltration can mitigate for ground water use during low flow periods to meet the mitigation requirements of chapter 173-503 WAC.

Reappropriation:

State Building Construction Account—State	\$2,156,000
Prior Biennia (Expenditures)	\$69,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,225,000

NEW SECTION. Sec. 3059. FOR THE DEPARTMENT OF ECOLOGY

Flood Levee Improvements (92000057)

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

(1) The reappropriation in this section from the state building construction account is provided solely for the Mt. Vernon flood protection project.

(2) The reappropriation in this section from the local toxics control account is provided solely for the King county flood district for the Briscoe-Desimone levee improvement project.

Reappropriation:

State Building Construction Account—State	\$1,500,000
Local Toxics Control Account—State	\$7,000,000
Subtotal Reappropriation	\$8,500,000
 Prior Biennia (Expenditures)	 \$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,500,000

NEW SECTION. Sec. 3060. FOR THE DEPARTMENT OF ECOLOGY

Ground Water Management Yakima Basin (92000061)

Reappropriation:

Columbia River Basin Water Supply Development Account—State	\$450,000
 Prior Biennia (Expenditures)	 \$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$450,000

NEW SECTION. Sec. 3061. FOR THE DEPARTMENT OF ECOLOGY

Coordinated Prevention Grants (30000321)

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

- (1) The department shall allocate the appropriation in this section through a distribution formula to eligible jurisdictions.
- (2) The department must grant the entire appropriation according to the distribution formula and match requirements in chapter 70.95 RCW.
- (3) The state grant funding must not be used to supplant local funds.
- (4) If eligible jurisdictions are unable to use their entire allocation, the department may offer competitive grants for solid waste enforcement and implementation.

Appropriation:

Local Toxics Control Account—State	\$28,240,000
 Prior Biennia (Expenditures)	 \$0
Future Biennia (Projected Costs)	\$131,520,000
TOTAL	\$159,760,000

NEW SECTION. Sec. 3062. FOR THE DEPARTMENT OF ECOLOGY

Waste Tire Pile Cleanup and Prevention (30000322)

Appropriation:

Waste Tire Removal Account—State	\$1,000,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,000,000
TOTAL	\$5,000,000

NEW SECTION. Sec. 3063. FOR THE DEPARTMENT OF ECOLOGY

Mercury Switch Removal (30000323)

Appropriation:

State Toxics Control Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$500,000

NEW SECTION. Sec. 3064. FOR THE DEPARTMENT OF ECOLOGY

Reducing Toxic Diesel Emissions (30000324)

Appropriation:

State Toxics Control Account—State	\$4,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$20,000,000
TOTAL	\$24,500,000

NEW SECTION. Sec. 3065. FOR THE DEPARTMENT OF ECOLOGY

Reducing Toxic Wood Stove Emissions (30000325)

Appropriation:

State Toxics Control Account—State	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$16,000,000
TOTAL	\$20,000,000

NEW SECTION. Sec. 3066. FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Program (30000326)

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

(1) For projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the department of ecology must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its centennial clean water program grant.

(2) \$3,000,000 of the appropriation in this section is provided solely for the Port of Walla Walla/Burbank school district septic system replacement project.

Appropriation:

Environmental Legacy Stewardship Account—State	\$50,000,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$240,000,000
TOTAL	\$290,000,000

NEW SECTION. Sec. 3067. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Program (30000327)

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

(1) \$7,750,000 for fiscal year 2014 and \$7,750,000 for fiscal year 2015 of the state building construction account—state is provided solely as state match for federal clean water funds.

(2) For projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the department of ecology must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its water pollution control program loan.

Appropriation:

State Building Construction Account—State	\$15,500,000
Water Pollution Control Revolving Account—State	\$184,500,000
Water Pollution Control Revolving Account—Federal	\$50,000,000
Subtotal Appropriation	\$250,000,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$510,000,000
TOTAL	\$760,000,000

NEW SECTION. Sec. 3068. FOR THE DEPARTMENT OF ECOLOGY

Coastal Wetlands Federal Funds (30000328)

Appropriation:

General Fund—Federal	\$9,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$40,000,000
TOTAL	\$49,800,000

NEW SECTION. Sec. 3069. FOR THE DEPARTMENT OF ECOLOGY

Floodplain Management and Control Grants (92000078)

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

(1) \$11,250,000 of the appropriation in this section is provided solely for making grants for flood hazard reduction projects on a competitive basis to the following eligible entities: Counties; cities; federally recognized Indian tribes; port districts; flood control zone districts; flood control districts; and diking and drainage districts. Preference may be given to entities with approved comprehensive flood hazard management plans. Applicants must provide a

twenty percent match with nonstate dollars. The department must evaluate, score, and rank applications according to the following criteria:

(a) Projects that provide cost-effective hazard reduction to people, property, critical facilities, and transportation corridors.

(b) Projects that achieve multiple benefits, including, but not limited to, salmon recovery, water quality improvements, habitat restoration, and channel migration zone protection.

(c) Projects that minimize or eliminate future costs for maintenance, operation, or emergency response.

(d) Projects that have been examined through a planning process that includes public comment, such as a comprehensive flood hazard management plan, a hazard mitigation plan, a comprehensive plan, a watershed plan, or other applicable plans.

(e) Projects that are ready to proceed with the scope of work, and whose sponsors have the capacity to complete the project successfully.

(2) \$33,000,000 of the appropriation in this section is provided solely for floodplain restoration grants for the following specific projects and amounts:

(a) Calistoga Reach Setback Levee and Side-Channel	
Construction	\$5,708,000
(b) Canyon Creek Integrated Flood-Fish	
	\$2,086,000
(c) Lower Cedar River Integrated Floodplain	
Restoration	\$4,103,000
(d) Lower Dungeness Floodplain Recovery	
	\$7,828,000
(e) Lower Stillaguamish Fish, Farm, and Flood	
Management	\$4,272,000
(f) Neadham Road Setback Levee	
	\$3,394,000
(g) Skokomish River Floodplain Restoration and Sediment	
Management	\$1,387,000
(h) Lower Snohomish River Restoration and Infrastructure	
Assessment	\$894,000
(i) Snoqualmie River Fall City Corridor.	
	\$3,328,000

(3) \$5,000,000 of the appropriation in this section is provided solely for the Mt. Vernon protection project.

(4) \$750,000 of the appropriation is provided solely for the Prairie Creek Drainage Improvements.

Appropriation:

State Building Construction Account—State	\$50,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$24,000,000
TOTAL	\$74,000,000

NEW SECTION. Sec. 3070. FOR THE DEPARTMENT OF ECOLOGY

Watershed Plan Implementation and Flow Achievement (30000331)

Appropriation:

State Building Construction Account—State	\$10,000,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,000,000
TOTAL	\$14,000,000

NEW SECTION. Sec. 3071. FOR THE DEPARTMENT OF ECOLOGY

Sunnyside Valley Irrigation District Water Conservation (30000332)

Appropriation:

State Building Construction Account—State	\$3,055,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$5,900,000
TOTAL	\$8,955,000

NEW SECTION. Sec. 3072. FOR THE DEPARTMENT OF ECOLOGY

ASARCO Cleanup (30000334)

The appropriation in this section is subject to the following conditions and limitations: \$400,000 of the appropriation in this section is provided solely for the department to contract for the cleanup and remediation of the former Ruston Way tunnel.

Appropriation:

Cleanup Settlement Account—State	\$30,660,000
State Building Construction Account—State	\$4,000,000
Subtotal Appropriation	\$34,660,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$34,660,000

NEW SECTION. Sec. 3073. FOR THE DEPARTMENT OF ECOLOGY

Padilla Bay Federal Capital Projects - Programmatic (30000335)

Appropriation:

General Fund—Federal	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$2,000,000
TOTAL	\$2,500,000

NEW SECTION. Sec. 3074. FOR THE DEPARTMENT OF ECOLOGY

Padilla Bay Federal Capital Projects - Preservation (30000336)

Appropriation:

General Fund—Federal	\$100,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$2,000,000
TOTAL	\$2,100,000

NEW SECTION. Sec. 3075. FOR THE DEPARTMENT OF ECOLOGY

Cleanup Toxics Sites - Puget Sound (30000337)

Appropriation:

Environmental Legacy Stewardship Account—State	\$31,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$35,517,000
TOTAL	\$67,017,000

NEW SECTION. Sec. 3076. FOR THE DEPARTMENT OF ECOLOGY

Eastern Washington Clean Sites Initiative (30000351)

Appropriation:

Environmental Legacy Stewardship Account—State	\$10,300,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$9,047,000
TOTAL	\$19,347,000

NEW SECTION. Sec. 3077. FOR THE DEPARTMENT OF ECOLOGY

Yakima River Basin Water Supply (30000373)

Appropriation:

State Building Construction Account—State	\$32,100,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$85,000,000
TOTAL	\$117,100,000

NEW SECTION. Sec. 3078. FOR THE DEPARTMENT OF ECOLOGY

Columbia River Water Supply Development Program (30000372)

Appropriation:

Columbia River Basin Water Supply Development Account—State	\$43,955,000
Columbia River Basin Taxable Bond Water Supply Development Account—State	\$30,545,000
Subtotal Appropriation	\$74,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$74,500,000

NEW SECTION. Sec. 3079. FOR THE DEPARTMENT OF ECOLOGY

Remedial Action Grants (30000374)

Appropriation:

Local Toxics Control Account—State	\$62,537,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$260,000,000
TOTAL	\$322,537,000

NEW SECTION. Sec. 3080. FOR THE DEPARTMENT OF ECOLOGY

Water Irrigation Efficiencies Program (30000389)

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

(1) The appropriation is provided solely for technical assistance and grants to conservation districts for the purpose of implementing water conservation measures and irrigation efficiencies. The department and the state conservation commission shall give preference in order of priority to projects located in the 16 fish critical basins, other water short basins, and basins with significant water resource and instream flow issues. Projects that are not within basins as described in this subsection are also eligible to receive funding.

(2) Conservation districts statewide are eligible for grants listed in subsection (1) of this section. A conservation district receiving funds shall manage each grant to ensure that a portion of the water saved by the water conservation measure or irrigation efficiency will be placed as a purchase or a lease in the trust water rights program to enhance instream flows. The proportion of saved water placed in the trust water rights program must be equal to the percentage of the public investment in the conservation measure or irrigation efficiency. The percentage of the public investment may not exceed eighty-five percent of the total cost of the conservation measure or irrigation efficiency.

Appropriation:

State Building Construction Account—State	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$13,000,000
TOTAL	\$17,000,000

NEW SECTION. Sec. 3081. FOR THE DEPARTMENT OF ECOLOGY

Storm Water Improvements (92000076)

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

(1) \$81,081,000 of the appropriation in this section is provided solely for grants to cities and counties to perform project-specific planning, design, and construction of projects that reduce storm water impacts from existing infrastructure and development. The grants are intended to build on and expand a city's or county's storm water program.

(a) In consultation with storm water stakeholders, the department shall develop and implement a competitive grant program by July 1, 2014, that is designed to fund storm water projects and activities that have been proven effective at reducing environmental degradation from storm water.

(b) In order to receive funding, projects must have a high water quality or ecological benefit and address pollution from existing development.

(c) A project that relies on low-impact development retrofit techniques to reduce storm water impacts that is otherwise rated equally to a project that does not rely on low-impact development retrofit techniques must be given priority for grant funding.

(d) Projects required by court or administrative order or for mitigation purposes are not eligible for funding.

(e) Up to \$15,000,000 of the appropriation provided in this subsection may be allocated to cities or counties covered by a phase I or II national pollutant discharge elimination system permit for project-specific planning and design activities that prepare projects for application to the competitive grant program to be implemented under subsection (1)(a) of this section. As a condition for funding, cities or counties shall prepare low-impact development retrofit projects for the competitive grant program. Cities or counties may also use project-specific planning and design funds for other projects that have high water quality and ecological benefits that address pollution from existing development. The department must provide notice to all cities and counties that are eligible for planning and design grants. The notice of eligibility must also include information on grant requirements so that those who elect to participate understand the requirements for funding.

(2)(a) \$150,000 of the appropriation in this section is provided solely to the department to develop an ongoing comprehensive, statewide storm water financial assistance program to be implemented beginning no later than July 1, 2015. The program will provide grants to local governments for the protection and improvement of statewide water quality and to improve watershed functionality by reducing the transport of toxics and other pollutants through storm water runoff, and by reducing uncontrolled runoff flows.

(b) The department must collaborate with storm water stakeholders to develop the funding criteria for the storm water financial assistance program, and include the new statewide storm water financial assistance program into the department's integrated water quality funding cycle process.

(c) The storm water financial assistance program may include, but not be limited to: Funding for retrofit capital improvement projects; low-impact development; research and development components and investments in learning; pass-through funding for local government storm water permit implementation, education, and outreach; prioritized watershed basin retrofit strategies; purchase of pooled equipment for local government use; and preconstruction awards solely for the planning and design of either new storm water facilities or a retrofit of existing storm water facilities.

(3) \$18,769,000 of the appropriation in this section is provided solely for the following list of projects.

Storm Water Improvements

Bellingham Shipping Terminal Storm Water Project	\$1,500,000
Camas Storm Water Projects	\$2,000,000
Centralia Station Storm Water Project	\$750,000
Clark County Storm Water Projects	\$1,531,000
Kennewick Storm Water Projects	\$1,780,000

Tacoma Regional Stormwater Facility	\$3,000,000
Port of Bellingham Marine Trades Storm Water Project	\$1,000,000
15th Street Water Quality Infrastructure Project	\$2,184,000
Richland Storm Water Projects	\$900,000
Spanaway Lake Management Plan	\$400,000
Spokane Storm Water Projects	\$2,000,000
Sunnyside Storm Water Project	\$455,000
Union Gap Storm Water Project	\$495,000
West Richland Yakima River Outfall Elimination	\$124,000
Zillah Storm Water Project	\$650,000
TOTAL	\$18,769,000

Appropriation:

Environmental Legacy Stewardship Account—State	\$100,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$100,000,000

NEW SECTION. Sec. 3082. FOR THE DEPARTMENT OF ECOLOGY

Dungeness Water Supply and Mitigation (30000333)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for the department to develop projects and acquire water rights to enhance flows and to mitigate for rural development within the basin. The department will work with the Dungeness local leaders workgroup to coordinate water supply and mitigation projects for implementation that have been developed in cooperation with local stakeholders.

Appropriation:

State Building Construction Account—State	\$2,050,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,050,000

NEW SECTION. Sec. 3083. FOR THE DEPARTMENT OF ECOLOGY

Lower Yakima GWMA Program Development (92000085)

Appropriation:

State Building Construction Account—State	\$1,614,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,614,000

NEW SECTION. Sec. 3084. FOR THE DEPARTMENT OF ECOLOGY

Veterans' Conservation Corps (91000237)

Appropriation:

Environmental Legacy Stewardship Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 3085. FOR THE STATE PARKS AND RECREATION COMMISSION

Bay View Park: Wide Wastewater Treatment System (20082041)

Reappropriation:

State Building Construction Account—State	\$370,000
Prior Biennia (Expenditures)	\$1,817,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,187,000

NEW SECTION. Sec. 3086. FOR THE STATE PARKS AND RECREATION COMMISSION

Ike Kinswa State Park: Improvement (20082950)

Reappropriation:

Parks Renewal and Stewardship Account—Private/Local	\$490,000
Prior Biennia (Expenditures)	\$10,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$500,000

NEW SECTION. Sec. 3087. FOR THE STATE PARKS AND RECREATION COMMISSION

Fish Barrier Removal (30000540)

Reappropriation:

State Building Construction Account—State	\$700,000
Prior Biennia (Expenditures)	\$538,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,238,000

NEW SECTION. Sec. 3088. FOR THE STATE PARKS AND RECREATION COMMISSION

Iron Horse Tunnel Hazard Repair (30000552)

Reappropriation:

State Building Construction Account—State	\$600,000
Prior Biennia (Expenditures)	\$1,296,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,896,000

NEW SECTION. Sec. 3089. FOR THE STATE PARKS AND RECREATION COMMISSION

Minor Works - Health and Safety (30000667)

Reappropriation:

State Building Construction Account—State	\$3,200,000
Prior Biennia (Expenditures)	\$1,800,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 3090. FOR THE STATE PARKS AND RECREATION COMMISSION

Minor Works - Facilities and Infrastructure Preservation (30000766)

Reappropriation:

State Building Construction Account—State	\$1,700,000
Prior Biennia (Expenditures)	\$1,300,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,000,000

NEW SECTION. Sec. 3091. FOR THE STATE PARKS AND RECREATION COMMISSION

Facility and Infrastructure Backlog Reduction (30000770)

Reappropriation:

State Building Construction Account—State	\$400,000
Prior Biennia (Expenditures)	\$900,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,300,000

NEW SECTION. Sec. 3092. FOR THE STATE PARKS AND RECREATION COMMISSION

Picnic Shelters (91000018)

Reappropriation:

State Building Construction Account—State	\$490,000
Prior Biennia (Expenditures)	\$10,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$500,000

NEW SECTION. Sec. 3093. FOR THE STATE PARKS AND RECREATION COMMISSION

Rocky Reach Trail (91000035)

Reappropriation:

State Building Construction Account—State	\$325,000
Prior Biennia (Expenditures)	\$75,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$400,000

NEW SECTION. Sec. 3094. FOR THE STATE PARKS AND RECREATION COMMISSION

Comfort Stations (91000036)

Reappropriation:

State Building Construction Account—State	\$1,500,000
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Prior Biennia (Expenditures)	\$254,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,754,000

NEW SECTION. Sec. 3095. FOR THE STATE PARKS AND RECREATION COMMISSION

Deferred Maintenance (91000030)

Reappropriation:

State Building Construction Account—State	\$400,000
Prior Biennia (Expenditures)	\$670,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,070,000

NEW SECTION. Sec. 3096. FOR THE STATE PARKS AND RECREATION COMMISSION

Energy Conservation (91000040)

Reappropriation:

State Building Construction Account—State	\$156,000
Prior Biennia (Expenditures)	\$59,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$215,000

NEW SECTION. Sec. 3097. FOR THE STATE PARKS AND RECREATION COMMISSION

Culverts (91000046)

Reappropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 3098. FOR THE STATE PARKS AND RECREATION COMMISSION

Wallace Falls: Footbridge (91000047)

Reappropriation:

State Building Construction Account—State	\$470,000
Prior Biennia (Expenditures)	\$16,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$486,000

NEW SECTION. Sec. 3099. FOR THE STATE PARKS AND RECREATION COMMISSION

Spencer Spit: Water System Replacement (30000140)

Appropriation:

State Building Construction Account—State	\$983,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0

TOTAL\$983,000

NEW SECTION. Sec. 3100. FOR THE STATE PARKS AND RECREATION COMMISSION

Peace Arch: Waterline Replacement and Upgrade (30000375)

Appropriation:

State Building Construction Account—State \$972,000
Prior Biennia (Expenditures)..... \$0
Future Biennia (Projected Costs)..... \$0
TOTAL\$972,000

NEW SECTION. Sec. 3101. FOR THE STATE PARKS AND RECREATION COMMISSION

Dosewallips: Wastewater Treatment System (30000523)

Appropriation:

State Building Construction Account—State \$4,079,000
Prior Biennia (Expenditures)..... \$0
Future Biennia (Projected Costs)..... \$0
TOTAL\$4,079,000

NEW SECTION. Sec. 3102. FOR THE STATE PARKS AND RECREATION COMMISSION

Lewis and Clark: Replace Wastewater System (30000544)

Appropriation:

State Building Construction Account—State \$1,077,000
Prior Biennia (Expenditures)..... \$0
Future Biennia (Projected Costs)..... \$0
TOTAL\$1,077,000

NEW SECTION. Sec. 3103. FOR THE STATE PARKS AND RECREATION COMMISSION

Potholes: Replace Failed Recreational Vehicle Campsites Electrical Hookups (30000549)

Appropriation:

State Building Construction Account—State \$997,000
Prior Biennia (Expenditures)..... \$0
Future Biennia (Projected Costs)..... \$0
TOTAL\$997,000

NEW SECTION. Sec. 3104. FOR THE STATE PARKS AND RECREATION COMMISSION

Lake Sammamish State Park: Sunset Beach Bathhouse Replacement (30000653)

The appropriation in this section is subject to the following conditions and limitations: The state parks and recreation commission shall enter into an interagency agreement with the office of financial management to provide funding for a budget evaluation study. The office of financial management shall

use a budget evaluation study team approach using value engineering techniques and life cycle cost analysis in conducting the study. The office of financial management shall select the budget evaluation team members, contract for the study, and report the results to the legislature and agencies in a timely manner following the study. Funds must not be allotted until the scope of work is approved by the office of financial management as recommended by the study.

Appropriation:

State Building Construction Account—State	\$2,984,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,984,000

NEW SECTION. Sec. 3105. FOR THE STATE PARKS AND RECREATION COMMISSION

Flaming Geyser State Park: Infrastructure (30000810)

Appropriation:

State Building Construction Account—State	\$1,325,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,325,000

NEW SECTION. Sec. 3106. FOR THE STATE PARKS AND RECREATION COMMISSION

Flaming Geyser State Park: Day Use Renovation (30000832)

Appropriation:

State Building Construction Account—State	\$1,002,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,002,000

NEW SECTION. Sec. 3107. FOR THE STATE PARKS AND RECREATION COMMISSION

Parkland Acquisition Account (91000056)

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

(1) The appropriation in this section is provided solely for the acquisition of property adjacent to existing state park property and shall not be used to purchase property to establish new parks.

(2) The appropriation of state building construction account—state is provided solely for the development of a report that identifies parks and recreation commission lands that are poorly used and/or not well positioned for future directions of the commission. The commission must identify estimated sale price, potential lease revenue, or other income that may be derived from disposal or alternative use of these lands. The legislature intends to use these under used commission assets for development of undeveloped park lands that have significant potential as destination state parks.

Appropriation:

State Building Construction Account—State	\$250,000
Parkland Acquisition Account—State	\$2,000,000
Subtotal Appropriation	\$2,250,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$8,000,000
TOTAL	\$10,250,000

NEW SECTION. Sec. 3108. FOR THE STATE PARKS AND RECREATION COMMISSION

Minor Works - Facility and Infrastructure Preservation (30000845)

Appropriation:

State Building Construction Account—State	\$10,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,000,000

NEW SECTION. Sec. 3109. FOR THE STATE PARKS AND RECREATION COMMISSION

Fish Barrier Removal (30000854)

Appropriation:

State Building Construction Account—State	\$1,048,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,368,000
TOTAL	\$5,416,000

NEW SECTION. Sec. 3110. FOR THE STATE PARKS AND RECREATION COMMISSION

Rocky Reach - Chelan County Public Utility District Grant (30000855)

Appropriation:

Parks Renewal and Stewardship Account—Private/Local	\$600,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$600,000

NEW SECTION. Sec. 3111. FOR THE STATE PARKS AND RECREATION COMMISSION

Clean Vessel Boating Pump-out Grants (30000856)

Appropriation:

General Fund—Federal	\$2,600,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,600,000

NEW SECTION. Sec. 3112. FOR THE STATE PARKS AND RECREATION COMMISSION

Local Grant Authority (30000857)

Appropriation:

Parks Renewal and Stewardship Account—Private/Local	\$1,200,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,000,000
TOTAL	\$5,200,000

NEW SECTION. Sec. 3113. FOR THE STATE PARKS AND RECREATION COMMISSION

Federal Grant Authority (30000858)

The appropriations in this section are subject to the following conditions and limitations: Prior to opening the Fudge Point state park area for public use, the commission shall work with the Mason County Board of Commissioners and local stakeholders to identify and appropriately mitigate environmental and public service impacts of park development and use.

Appropriation:

General Fund—Federal	\$1,750,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$3,000,000
TOTAL	\$4,750,000

NEW SECTION. Sec. 3114. FOR THE STATE PARKS AND RECREATION COMMISSION

Backlog Repairs and Enhanced Amenities (92000007)

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

(1) The appropriation is provided solely to reduce the backlog of deferred maintenance projects and for purchase, installation, and construction of park amenities that will produce additional park revenue. The state parks commission must limit charges against these capital appropriations for state parks throughout this act for project management and indirect and overhead costs to no more than fifteen percent of total project costs. The state parks commission must provide an annual progress report each December 1st on achieving these savings and the progress in reducing the backlog of deferred maintenance.

(2) The state parks and recreation commission shall report to the appropriate legislative fiscal committees by November 30, 2014, on how many cabins and yurts have been installed, their locations, and the number of cabins and yurts contracted for completion by June 30, 2015. Cabins or yurts may not have a total cost of more than \$52,000 each.

Appropriation:

State Building Construction Account—State	\$9,404,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,404,000

NEW SECTION. Sec. 3115. FOR THE STATE PARKS AND RECREATION COMMISSION

Cape Disappointment Trail Development (30000419)

Appropriation:

State Building Construction Account—State	\$517,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,379,000
TOTAL	\$4,896,000

NEW SECTION. Sec. 3116. FOR THE STATE PARKS AND RECREATION COMMISSION

Cape Disappointment North Head Parking (30000522)

Appropriation:

State Building Construction Account—State	\$925,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$1,365,000
TOTAL	\$2,290,000

NEW SECTION. Sec. 3117. FOR THE STATE PARKS AND RECREATION COMMISSION

Kopachuck Day Use Development Design and Permit (30000820)

Appropriation:

State Building Construction Account—State	\$319,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,974,000
TOTAL	\$5,293,000

NEW SECTION. Sec. 3118. FOR THE STATE PARKS AND RECREATION COMMISSION

Twanoh State Park Storm Water Improvements Construction Phase 1 (30000851)

Appropriation:

State Building Construction Account—State	\$354,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$1,578,000
TOTAL	\$1,932,000

NEW SECTION. Sec. 3119. FOR THE STATE PARKS AND RECREATION COMMISSION

Camano Island Day Use Access and Facility Renovation (30000782)

Appropriation:

State Building Construction Account—State	\$301,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$1,549,000
TOTAL	\$1,850,000

NEW SECTION. Sec. 3120. FOR THE STATE PARKS AND RECREATION COMMISSION

Millersylvania Replace Environmental Learning Center Cabins (30000821)

Appropriation:

State Building Construction Account—State	\$1,089,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,089,000

NEW SECTION. Sec. 3121. FOR THE STATE PARKS AND RECREATION COMMISSION

Minor Works - Revenue Generation (30000847)

Appropriation:

State Building Construction Account—State	\$437,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$1,592,000
TOTAL	\$2,029,000

NEW SECTION. Sec. 3122. FOR THE STATE PARKS AND RECREATION COMMISSION

Rocky Reach State Park Trail Development (30000853)

Appropriation:

State Building Construction Account—State	\$3,755,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,755,000

NEW SECTION. Sec. 3123. FOR THE STATE PARKS AND RECREATION COMMISSION

Deception Pass - Kukutali Access and Interpretation (30000774)

Appropriation:

State Building Construction Account—State	\$225,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$525,000
TOTAL	\$750,000

NEW SECTION. Sec. 3124. FOR THE STATE PARKS AND RECREATION COMMISSION

Ice Age Floods Interpretive Panels (30000827)

Appropriation:

State Building Construction Account—State	\$154,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$154,000

NEW SECTION. Sec. 3125. FOR THE STATE PARKS AND RECREATION COMMISSION

Lyons Ferry State Park (91000055)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for capital expenses associated with re-establishing Lyons Ferry State Park. The operating costs for re-establishing the park will be offset by reduced services on Columbia Plateau

Trail State Park. Other than taking actions, both in operating expenditures and use of limited staff time, to minimize state liabilities, such as maintaining culverts, noxious weed controls, oversight to access and easements, and other legal obligations as landowner, the agency shall not spend any additional operating funds on improvements to the following 85.5 mile undeveloped portion of Columbia Plateau Trail State Park: From Mile Post 256.5 to Mile Post 342, the Martin Road Trailhead.

Appropriation:

State Building Construction Account—State	\$600,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$600,000

NEW SECTION. Sec. 3126. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Salmon Recovery Funding Board Programs (20044001)

Reappropriation:

General Fund—Federal	\$3,500,000
State Building Construction Account—State	\$161,000
Subtotal Reappropriation	\$3,661,000
Prior Biennia (Expenditures)	\$42,714,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$46,375,000

NEW SECTION. Sec. 3127. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife and Recreation Program (20044002)

The reappropriations in this section are subject to the following conditions and limitations: Any amount of the reappropriations that are not obligated to a specific project may be used to fund alternate projects approved by the legislature from the same account in biennia succeeding that in which the moneys were originally appropriated.

Reappropriation:

Outdoor Recreation Account—State	\$415,000
Habitat Conservation Account—State	\$200,000
Subtotal Reappropriation	\$615,000
Prior Biennia (Expenditures)	\$43,915,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$44,530,000

NEW SECTION. Sec. 3128. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Youth Athletic Fields (20062952)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 172, chapter 371, Laws of 2006.

Reappropriation:

State Building Construction Account—State	\$63,000
Prior Biennia (Expenditures)	\$2,437,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,500,000

NEW SECTION. Sec. 3129. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Salmon Recovery Funding Board Programs (20064001)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 403, chapter 488, Laws of 2005.

Reappropriation:

General Fund—Federal	\$3,600,000
State Building Construction Account—State	\$950,000
Subtotal Reappropriation	\$4,550,000
Prior Biennia (Expenditures)	\$57,450,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$62,000,000

NEW SECTION. Sec. 3130. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife and Recreation Program (20064002)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 404, chapter 488, Laws of 2005.

Reappropriation:

Outdoor Recreation Account—State	\$928,000
Habitat Conservation Account—State	\$2,300,000
Subtotal Reappropriation	\$3,228,000
Prior Biennia (Expenditures)	\$46,772,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$50,000,000

NEW SECTION. Sec. 3131. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Nonhighway and Off-Road Vehicle Activities Program (20064004)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 170, chapter 371, Laws of 2006.

Reappropriation:

NOVA Program Account—State	\$437,000
Prior Biennia (Expenditures)	\$7,142,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,579,000

NEW SECTION. Sec. 3132. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Family Forest and Fish Passage Program (20082001)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3138, chapter 520, Laws of 2007.

Reappropriation:

State Building Construction Account—State	\$239,000
Prior Biennia (Expenditures)	\$5,761,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,000,000

NEW SECTION. Sec. 3133. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Boating Facilities Program (20084001)

Reappropriation:

Recreation Resources Account—State	\$469,000
Prior Biennia (Expenditures)	\$7,552,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,021,000

NEW SECTION. Sec. 3134. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Firearms and Archery Range Recreation (20084003)

Reappropriation:

Firearms Range Account—State	\$48,000
Prior Biennia (Expenditures)	\$424,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$472,000

NEW SECTION. Sec. 3135. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Restoration and Acquisition (20084004)

Reappropriation:

State Building Construction Account—State	\$783,000
Prior Biennia (Expenditures)	\$39,967,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$40,750,000

NEW SECTION. Sec. 3136. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Aquatic Lands Enhancement Account (20084005)

Reappropriation:

State Building Construction Account—State	\$264,000
Prior Biennia (Expenditures)	\$4,761,000
Future Biennia (Projected Costs)	\$0

TOTAL \$5,025,000

NEW SECTION. Sec. 3137. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Nonhighway and Off-Road Vehicle Activities Program (20084008)

Reappropriation:

NOVA Program Account—State \$425,000

Prior Biennia (Expenditures) \$8,611,000

Future Biennia (Projected Costs) \$0

TOTAL \$9,036,000

NEW SECTION. Sec. 3138. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife Recreation Grants (20084011)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3146, chapter 520, Laws of 2007.

Reappropriation:

Outdoor Recreation Account—State \$1,174,000

Habitat Conservation Account—State \$7,217,000

Subtotal Reappropriation \$8,391,000

Prior Biennia (Expenditures) \$90,101,000

Future Biennia (Projected Costs) \$0

TOTAL \$98,492,000

NEW SECTION. Sec. 3139. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Salmon Recovery Funding Board Programs (20084851)

Reappropriation:

State Building Construction Account—State \$1,929,000

Prior Biennia (Expenditures) \$58,071,000

Future Biennia (Projected Costs) \$0

TOTAL \$60,000,000

NEW SECTION. Sec. 3140. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife Recreation Grants (30000002)

Reappropriation:

Outdoor Recreation Account—State \$619,000

Habitat Conservation Account—State \$6,721,000

Riparian Protection Account—State \$3,600,000

Farmlands Preservation Account—State \$1,040,000

Subtotal Reappropriation \$11,980,000

Prior Biennia (Expenditures) \$57,465,000

Future Biennia (Projected Costs) \$0

TOTAL \$69,445,000

NEW SECTION. Sec. 3141. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Salmon Recovery Funding Board Programs (30000003)

Reappropriation:

General Fund—Federal	\$10,300,000
State Building Construction Account—State	\$213,000
Subtotal Reappropriation	\$10,513,000
Prior Biennia (Expenditures)	\$59,487,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$70,000,000

NEW SECTION. Sec. 3142. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Land and Water Conservation Fund (30000005)

Reappropriation:

General Fund—Federal	\$1,160,000
Prior Biennia (Expenditures)	\$2,840,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,000,000

NEW SECTION. Sec. 3143. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Aquatic Lands Enhancement Account (30000007)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are provided solely for the list of projects in LEAP capital document No. 2009-3, developed March 9, 2009.

Reappropriation:

Aquatic Lands Enhancement Account—State	\$390,000
State Building Construction Account—State	\$324,000
Subtotal Reappropriation	\$714,000
Prior Biennia (Expenditures)	\$4,311,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,025,000

NEW SECTION. Sec. 3144. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Firearms and Archery Range Recreation (30000009)

Reappropriation:

Firearms Range Account—State	\$210,000
Prior Biennia (Expenditures)	\$285,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$495,000

NEW SECTION. Sec. 3145. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Acquisition and Restoration (30000080)

Reappropriation:

State Building Construction Account—State	\$4,369,000
Prior Biennia (Expenditures)	\$28,631,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$33,000,000

NEW SECTION. Sec. 3146. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Estuary and Salmon Restoration Program (30000081)

Reappropriation:

State Building Construction Account—State	\$2,101,000
Prior Biennia (Expenditures)	\$4,899,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,000,000

NEW SECTION. Sec. 3147. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Boating Facilities Program (30000138)

Reappropriation:

Recreation Resources Account—State	\$4,300,000
Prior Biennia (Expenditures)	\$3,700,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,000,000

NEW SECTION. Sec. 3148. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife Recreation Grants (30000139)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are provided solely for the list of projects in LEAP capital document No. 2011-3A, developed May 24, 2011.

Reappropriation:

Riparian Protection Account—State	\$650,000
Farmlands Preservation Account—State	\$314,000
Outdoor Recreation Account—State	\$8,330,000
Habitat Conservation Account—State	\$7,567,000
Subtotal Reappropriation	\$16,861,000
Prior Biennia (Expenditures)	\$25,139,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$42,000,000

NEW SECTION. Sec. 3149. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Salmon Recovery Funding Board Programs (30000140)

Reappropriation:

General Fund—Federal	\$50,000,000
State Building Construction Account—State	\$7,350,000
Subtotal Reappropriation	\$57,350,000

Prior Biennia (Expenditures)	\$12,712,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$70,062,000

NEW SECTION. Sec. 3150. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Nonhighway and Off-Road Vehicle Activities Program (30000141)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3067, chapter 48, Laws of 2011 1st sp. sess.

Reappropriation:

NOVA Program Account—State	\$3,347,000
Prior Biennia (Expenditures)	\$2,153,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,500,000

NEW SECTION. Sec. 3151. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Land and Water Conservation Fund (30000142)

Reappropriation:

General Fund—Federal	\$3,750,000
Prior Biennia (Expenditures)	\$250,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,000,000

NEW SECTION. Sec. 3152. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Aquatic Lands Enhancement Account (30000143)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided solely for the list of projects in LEAP capital document No. 2011-3B, revised April 10, 2013.

Reappropriation:

Aquatic Lands Enhancement Account—State	\$2,601,000
Prior Biennia (Expenditures)	\$4,205,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,806,000

NEW SECTION. Sec. 3153. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Firearms and Archery Range Recreation (30000144)

Reappropriation:

Firearms Range Account—State	\$45,000
Prior Biennia (Expenditures)	\$320,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$365,000

NEW SECTION. Sec. 3154. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Boating Improvement Grants (30000145)

Reappropriation:

General Fund—Federal	\$359,000
Prior Biennia (Expenditures)	\$1,741,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,100,000

NEW SECTION. Sec. 3155. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Recreational Trails Program (30000146)

Reappropriation:

General Fund—Federal	\$3,960,000
Prior Biennia (Expenditures)	\$1,040,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 3156. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Estuary and Salmon Restoration Program (30000148)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation shall not be expended on the acquisition of lands by state agencies.

Reappropriation:

State Building Construction Account—State	\$3,455,000
Prior Biennia (Expenditures)	\$1,545,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 3157. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Family Forest Fish Passage Program (91000001)

Reappropriation:

State Building Construction Account—State	\$188,000
Prior Biennia (Expenditures)	\$4,812,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 3158. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Restoration (30000147)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation shall not be expended on the acquisition of lands by state agencies.

Reappropriation:

State Building Construction Account—State	\$10,684,000
Prior Biennia (Expenditures)	\$4,316,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$15,000,000

NEW SECTION. Sec. 3159. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Family Forest Fish Passage Program (30000203)

Reappropriation:

State Building Construction Account—State	\$367,000
Prior Biennia (Expenditures)	\$16,633,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$17,000,000

NEW SECTION. Sec. 3160. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Family Forest Fish Passage Program (91000097)

Reappropriation:

State Toxics Control Account—State	\$8,981,000
Prior Biennia (Expenditures)	\$1,019,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,000,000

NEW SECTION. Sec. 3161. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife Recreation Grants (30000205)

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

(1) The appropriations in this section are provided solely for the list of projects in LEAP capital document No. 2013-6A, developed June 29, 2013.

(2) Amounts allocated to the Okanogan Similkameen 2012 project must not be disbursed until the recreation conservation office has reevaluated the level of local support for the project, including consultation with the Okanogan county board of commissioners, reported to the appropriate committees of the legislature the results of the reevaluation, and the legislature has amended this appropriation to allow the project to move forward.

Appropriation:

Outdoor Recreation Account—State	\$25,500,000
Habitat Conservation Account—State	\$25,500,000
Riparian Protection Account—State	\$8,500,000
Farmlands Preservation Account—State	\$5,500,000
Subtotal Appropriation	\$65,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$360,000,000
TOTAL	\$425,000,000

NEW SECTION. Sec. 3162. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Salmon Recovery Funding Board Programs (30000206)

The appropriations in this section are subject to the following conditions and limitations: \$100,000 of the state building construction account—state appropriation is provided solely for the recreation and conservation office, in consultation with the department of transportation and using only existing state licensed technologies, to identify transportation mitigation projects that minimize permit delays and optimize salmon habitat restoration.

Appropriation:

General Fund—Federal	\$60,000,000
State Building Construction Account—State	\$15,000,000
Subtotal Appropriation	\$75,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$400,000,000
TOTAL	\$475,000,000

NEW SECTION. Sec. 3163. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Boating Facilities Program (30000207)

Appropriation:

Recreation Resources Account—State	\$6,363,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$38,000,000
TOTAL	\$44,363,000

NEW SECTION. Sec. 3164. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Nonhighway Off-Road Vehicle Activities (30000208)

Appropriation:

NOVA Program Account—State	\$8,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$34,000,000
TOTAL	\$42,500,000

NEW SECTION. Sec. 3165. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Aquatic Lands Enhancement Account (30000210)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for the list of projects in LEAP capital document No. 2013-2B, developed April 10, 2013.

Appropriation:

Aquatic Lands Enhancement Account—State	\$6,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$26,400,000

TOTAL \$32,400,000

NEW SECTION. Sec. 3166. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Acquisition and Restoration (30000211)

Appropriation:

State Building Construction Account—State \$70,000,000
Prior Biennia (Expenditures)..... \$0
Future Biennia (Projected Costs)..... \$140,000,000
TOTAL \$210,000,000

NEW SECTION. Sec. 3167. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Estuary and Salmon Restoration Program (30000212)

Appropriation:

State Building Construction Account—State \$10,000,000
Prior Biennia (Expenditures)..... \$0
Future Biennia (Projected Costs)..... \$25,000,000
TOTAL \$35,000,000

NEW SECTION. Sec. 3168. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Firearms and Archery Range Recreation (30000213)

The appropriations in this section are subject to the following conditions and limitations: \$35,000 of the appropriation is provided solely for a grant for improvements at Klickitat Co. law enforcement/public shooting range.

Appropriation:

Firearms Range Account—State \$800,000
Prior Biennia (Expenditures)..... \$0
Future Biennia (Projected Costs)..... \$1,750,000
TOTAL \$2,550,000

NEW SECTION. Sec. 3169. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Recreational Trails Program (30000214)

Appropriation:

General Fund—Federal \$5,000,000
Prior Biennia (Expenditures)..... \$0
Future Biennia (Projected Costs)..... \$20,000,000
TOTAL \$25,000,000

NEW SECTION. Sec. 3170. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Boating Infrastructure Grants (30000215)

Appropriation:

General Fund—Federal \$2,200,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$8,800,000
TOTAL	\$11,000,000

NEW SECTION. Sec. 3171. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Land and Water Conservation (30000216)

Appropriation:

General Fund—Federal	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$16,000,000
TOTAL	\$20,000,000

NEW SECTION. Sec. 3172. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Family Forest Fish Passage Program (30000218)

Appropriation:

State Building Construction Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$14,540,000
TOTAL	\$16,540,000

NEW SECTION. Sec. 3173. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Youth Recreation Grants (92000055)

The appropriations in this section are subject to the following conditions and limitations: The appropriation is provided solely for grants to the following list of projects:

Bellingham Sports Fields.	\$1,500,000
Northshore Athletic Fields.	\$750,000
Playfields at Woodway High School	\$680,000
Redmond Ridge Athletic Fields.	\$700,000
TOTAL	\$3,630,000

Appropriation:

State Building Construction Account—State	\$3,630,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,630,000

NEW SECTION. Sec. 3174. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Public Lands Inventory (91000445)

The appropriation in this section is subject to the following conditions and limitations: The recreation and conservation office, in collaboration with the joint legislative audit and review committee, shall:

- (1) Provide an updated, centralized inventory of lands in Washington owned by federal, state, and local governments, and by Native American tribes.

(a) The inventory must be in a web-accessible format, including a GIS-based interactive map that allows users to find out information about specific areas. The data must be standardized to allow summary information to be accessible.

(b) The inventory must include the following information:

- (i) Ownership (federal; state, by state agency; local government; and tribal);
- (ii) Ownership type (fee simple or easements);
- (iii) Location;
- (iv) Acreage;

(v) Principal use of these lands (intended use at the time of acquisition and current use) including, but not limited to, developed recreation land, habitat and passive recreation land, and revenue-generation uses; and

(vi) Acquisition costs if acquired by state agencies over the last ten years, including acquisition funding sources.

(2) Develop recommendations for standardization of acquisition and disposal recordkeeping on a biennial basis, including identifying a preferred process for centralizing acquisition data.

(3) Submit a status report on the inventory to the appropriate committees of the legislature by January 1, 2014, and a final report by July 1, 2014.

Appropriation:

State Building Construction Account—State	\$200,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$200,000

NEW SECTION. Sec. 3175. FOR THE STATE CONSERVATION COMMISSION

Conservation Reserve Enhancement Program (91000007)

Reappropriation:

State Building Construction Account—State	\$850,000
Prior Biennia (Expenditures)	\$427,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,277,000

NEW SECTION. Sec. 3176. FOR THE STATE CONSERVATION COMMISSION

Farms and Water Quality (91000004)

Reappropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$4,500,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 3177. FOR THE STATE CONSERVATION COMMISSION

CREP Riparian Cost Share - State Match (30000009)

Appropriation:

State Building Construction Account—State	\$2,590,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$11,000,000
TOTAL	\$13,590,000

NEW SECTION. Sec. 3178. FOR THE STATE CONSERVATION COMMISSION

Natural Resources Investment for the Economy and Environment (30000010)

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

(1) \$4,500,000 of the state building construction account—state appropriation and \$500,000 of the general fund—federal appropriation are provided solely for grants to complete natural resource enhancement projects necessary to improve water quality in shellfish growing areas.

(2) \$4,500,000 of the state building construction account—state appropriation and \$500,000 of the general fund—federal appropriation are provided solely for grants to complete natural resource enhancement projects necessary to improve water quality in non-shellfish growing areas.

Appropriation:

State Building Construction Account—State	\$9,000,000
General Fund—Federal	\$1,000,000
Subtotal Appropriation	\$10,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$20,000,000
TOTAL	\$30,000,000

NEW SECTION. Sec. 3179. FOR THE STATE CONSERVATION COMMISSION

CREP PIP Loan Program (30000011)

Appropriation:

Conservation Assistance Revolving Account—State	\$180,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$720,000
TOTAL	\$900,000

NEW SECTION. Sec. 3180. FOR THE STATE CONSERVATION COMMISSION

Conservation Reserve Enhancement Program Riparian Contract Funding (30000012)

Appropriation:

State Building Construction Account—State	\$2,231,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$8,924,000
TOTAL	\$11,155,000

NEW SECTION. Sec. 3181. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Voights Creek Hatchery (20081003)

Reappropriation:

State Building Construction Account—State	\$13,300,000
Prior Biennia (Expenditures)	\$1,997,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$15,297,000

NEW SECTION. Sec. 3182. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Stemilt Basin Acquisition (20082029)

Reappropriation:

State Building Construction Account—State	\$153,000
Prior Biennia (Expenditures)	\$47,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$200,000

NEW SECTION. Sec. 3183. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Facility Preservation (30000300)

Reappropriation:

State Building Construction Account—State	\$1,350,000
Prior Biennia (Expenditures)	\$1,207,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,557,000

NEW SECTION. Sec. 3184. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Road Maintenance and Abandonment Plan (30000295)

Reappropriation:

State Building Construction Account—State	\$1,505,000
Prior Biennia (Expenditures)	\$321,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,826,000

NEW SECTION. Sec. 3185. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Access Areas Preservation (30000296)

Reappropriation:

State Building Construction Account—State	\$336,000
Prior Biennia (Expenditures)	\$691,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,027,000

NEW SECTION. Sec. 3186. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Dam and Dike (30000297)

Reappropriation:

State Building Construction Account—State	\$750,000
Prior Biennia (Expenditures)	\$293,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,043,000

NEW SECTION. Sec. 3187. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Migratory Waterfowl Habitat (30000653)

Appropriation:

State Wildlife Account—State	\$600,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$1,800,000
TOTAL	\$2,400,000

NEW SECTION. Sec. 3188. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Lab Equipment (30000656)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for the department to purchase lab equipment for the Manchester and Mukilteo research stations as specified by the national oceanic and atmospheric administration to support the Washington state shellfish initiative.

Appropriation:

State Building Construction Account—State	\$100,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$100,000

NEW SECTION. Sec. 3189. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Leque Island Highway 532 Road Protection (92000019)

Reappropriation:

State Building Construction Account—State	\$394,000
Prior Biennia (Expenditures)	\$286,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$680,000

NEW SECTION. Sec. 3190. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Mitchell Act Federal Grant (91000021)

Reappropriation:

General Fund—Federal	\$2,328,000
Prior Biennia (Expenditures)	\$672,000
Future Biennia (Projected Costs)	\$0

TOTAL \$3,000,000

NEW SECTION. Sec. 3191. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Mitigation Projects and Dedicated Funding (20082048)

The appropriations are subject to the following conditions and limitations: The department must prepare an inventory of their agricultural land holdings. Agricultural land holdings are department owned lands that support agricultural activities, including raising nonnative crops for sale or use by wildlife, or grazing of domestic animals. The inventory must be submitted to the appropriate committees of the legislature by December 1, 2013. The inventory must also be submitted to the recreation conservation office for inclusion in the office's computer system for lands the department acquired through grants from recreation conservation office programs. The inventory must describe:

- (1) The size, location, and amount of any water right of each parcel used for agricultural activities;
- (2) The date of acquisition of the parcel, the amount and source of funds for the acquisition, and the intended purpose of the land at the time of acquisition;
- (3) The nature of the agricultural activities over the past five years;
- (4) Whether the activities are conducted by department employees or through a contract or lease to a private agricultural operator, and the terms of any lease;
- (5) The amount of the harvest and revenue received from the agricultural activities; and
- (6) A description of current leasing policies and procedures for leasing department lands for agricultural uses.

Reappropriation:

General Fund—Federal	\$12,778,000
Special Wildlife Account—Federal	\$300,000
Special Wildlife Account—Private/Local	\$203,000
Subtotal Reappropriation	\$13,281,000

Appropriation:

Special Wildlife Account—Federal	\$800,000
Special Wildlife Account—Private/Local	\$1,600,000
State Wildlife Account—State	\$1,500,000
General Fund—Private/Local	\$2,500,000
General Fund—Federal	\$29,600,000
Subtotal Appropriation	\$36,000,000
Prior Biennia (Expenditures)	\$81,515,000
Future Biennia (Projected Costs)	\$90,750,000
TOTAL	\$221,546,000

NEW SECTION. Sec. 3192. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Health Safety and Code Requirements (30000284)

Reappropriation:

State Building Construction Account—State	\$693,000
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Prior Biennia (Expenditures)	\$548,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,241,000

NEW SECTION. Sec. 3193. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Infrastructure Preservation (30000298)

Reappropriation:

State Building Construction Account—State	\$600,000
Prior Biennia (Expenditures)	\$1,930,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,530,000

NEW SECTION. Sec. 3194. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Fish Passage Barrier Corrections (30000372)

Reappropriation:

State Building Construction Account—State	\$841,000
Prior Biennia (Expenditures)	\$439,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,280,000

NEW SECTION. Sec. 3195. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Beebe Springs Development (92000026)

Reappropriation:

State Building Construction Account—State	\$960,000
Prior Biennia (Expenditures)	\$931,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,891,000

NEW SECTION. Sec. 3196. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Fishway Improvements/Diversions (91000033)

Reappropriation:

State Building Construction Account—State	\$7,300,000
Prior Biennia (Expenditures)	\$700,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,000,000

NEW SECTION. Sec. 3197. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Hatchery Improvements (91000036)

Reappropriation:

State Building Construction Account—State	\$32,250,000
Prior Biennia (Expenditures)	\$2,525,000
Future Biennia (Projected Costs)	\$0

TOTAL \$34,775,000

NEW SECTION. Sec. 3198. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Dry Forest Restoration (91000039)

Reappropriation:

State Building Construction Account—State \$496,000
Prior Biennia (Expenditures) \$300,000
Future Biennia (Projected Costs) \$0
TOTAL \$796,000

NEW SECTION. Sec. 3199. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Dam and Dike (91000042)

Reappropriation:

State Building Construction Account—State \$197,000
Prior Biennia (Expenditures) \$3,000
Future Biennia (Projected Costs) \$0
TOTAL \$200,000

NEW SECTION. Sec. 3200. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Access Sites (91000044)

Reappropriation:

State Building Construction Account—State \$6,125,000
Prior Biennia (Expenditures) \$1,281,000
Future Biennia (Projected Costs) \$0
TOTAL \$7,406,000

NEW SECTION. Sec. 3201. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Fish Passage Barriers (Culverts) (91000045)

Reappropriation:

State Building Construction Account—State \$1,300,000
Prior Biennia (Expenditures) \$195,000
Future Biennia (Projected Costs) \$0
TOTAL \$1,495,000

NEW SECTION. Sec. 3202. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Road Maintenance and Abandonment Plan (91000046)

Reappropriation:

State Building Construction Account—State \$495,000
Prior Biennia (Expenditures) \$21,000
Future Biennia (Projected Costs) \$0
TOTAL \$516,000

NEW SECTION. Sec. 3203. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Acquire Dryden Gravel Pit from Washington DOT (92000028)

Reappropriation:

State Building Construction Account—State	\$251,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$251,000

NEW SECTION. Sec. 3204. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works Programmatic (300000644)

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

(1) \$150,000 of the appropriation is provided solely for expansion of the incubation room at the Hurd Creek Hatchery.

(2) \$350,000 of the appropriation is provided solely for net pens infrastructure and equipment at Mayfield Lake.

(3) \$25,000 of the appropriation is provided solely for the department to construct a primitive road, of a minimum of one mile, with no adverse impacts on streams or riparian areas, in the Naneum road planning area within Kittitas county. This is to replace the lost general public access as a result of the Stray-Tekison road abandonment. The department shall collaborate in the placement of the road with the Kittitas county field and stream club. Further, as part of the Naneum to Columbia river recreational planning process, the department is instructed to adopt a plan that results in a net increase of green dot access roads in Kittitas county.

Appropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$500,000

NEW SECTION. Sec. 3205. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Deschutes Watershed Center (20062008)

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

(1) \$6,000,000 of the appropriation is provided solely to renovate the existing Tumwater Falls facility.

(2) \$680,000 of the appropriation is provided solely for site work at the Pioneer Park site, including walking trails, educational or interpretive displays, a public feature, access, construction staging, parking and contouring.

(3) \$620,000 of the appropriation is provided solely for constructing the water delivery system for the future hatchery facility including development of existing well, constructing an aeration tower, and installing pumps and piping.

Reappropriation:

State Building Construction Account—State \$219,000

Appropriation:

State Building Construction Account—State \$7,300,000

Prior Biennia (Expenditures) \$2,976,000

Future Biennia (Projected Costs) \$31,234,000

TOTAL \$41,729,000

NEW SECTION. Sec. 3206. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works Preservation (30000479)

Appropriation:

State Building Construction Account—State \$9,975,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$135,900,000

TOTAL \$145,875,000

NEW SECTION. Sec. 3207. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Wooten Wildlife Area Improve Flood Plain (30000481)

The appropriations in this section are subject to the following conditions and limitations: The state building construction account—state appropriation is provided solely to relocate an existing campground out of the floodplain. The general fund—federal appropriation is provided solely as authority to expend anticipated funding by the Bonneville power administration for habitat enhancement in the Wooten wildlife area.

Appropriation:

General Fund—Federal \$2,600,000

State Building Construction Account—State \$500,000

Subtotal Appropriation \$3,100,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$18,197,000

TOTAL \$21,297,000

NEW SECTION. Sec. 3208. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Replace Fire Damaged Fencing (30000655)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for repair and replacement of deer and elk fencing damaged in recent fires. Up to \$422,000 of this amount is provided for repair or replacement of fencing along state highway 97A destroyed in the 2012 Byrd complex fire. The department must work with the department of natural resources to pursue possible insurance claims for the damaged fencing. Any insurance payments received must be deposited in the state wildlife account.

Appropriation:

State Building Construction Account—State	\$1,612,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,612,000

NEW SECTION, Sec. 3209. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Cooperative Fencing (91000147)

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

(1) The appropriation in this section is provided solely for a cooperative fencing program between the department and landowners who experience chronic crop damage caused by deer and elk. Cooperative agreements shall be negotiated with landowners and materials provided, facilities constructed, or easements purchased to abate property damage.

(2) \$210,000 of the appropriation in this section is provided solely for the Stemilt wildlife fence.

Appropriation:

State Building Construction Account—State	\$350,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$350,000

NEW SECTION, Sec. 3210. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Derelict Net Removal (91000148)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely to the department of fish and wildlife to work cooperatively with the northwest straits foundation for the removal of shallow water legacy nets from high priority areas of Puget Sound. The high priority areas are those where high historical fishing pressure coincides with sea bed characteristics likely to snag nets. Legacy nets are those nets lost in previous years of fishing, rather than newly lost nets.

Appropriation:

State Building Construction Account—State	\$3,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,500,000

NEW SECTION, Sec. 3211. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Beebe Springs (92000034)

Appropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0

TOTAL \$500,000

NEW SECTION. Sec. 3212. FOR THE PUGET SOUND PARTNERSHIP

Community Partnership Restoration Grants (30000007)

Reappropriation:

General Fund—Federal \$1,155,000

Prior Biennia (Expenditures) \$445,000

Future Biennia (Projected Costs) \$0

TOTAL \$1,600,000

NEW SECTION. Sec. 3213. FOR THE DEPARTMENT OF NATURAL RESOURCES

Land Acquisition Grants (20052021)

Reappropriation:

General Fund—Federal \$3,714,000

Appropriation:

General Fund—Federal \$4,000,000

Prior Biennia (Expenditures) \$39,240,000

Future Biennia (Projected Costs) \$16,000,000

TOTAL \$62,954,000

NEW SECTION. Sec. 3214. FOR THE DEPARTMENT OF NATURAL RESOURCES

Marine Station (20081015)

Reappropriation:

Resources Management Cost Account—State \$318,000

State Building Construction Account—State \$316,000

Subtotal Reappropriation \$634,000

Prior Biennia (Expenditures) \$866,000

Future Biennia (Projected Costs) \$0

TOTAL \$1,500,000

NEW SECTION. Sec. 3215. FOR THE DEPARTMENT OF NATURAL RESOURCES

Forest Legacy (30000060)

Reappropriation:

General Fund—Federal \$11,519,000

Appropriation:

General Fund—Federal \$7,000,000

Prior Biennia (Expenditures) \$2,481,000

Future Biennia (Projected Costs) \$28,000,000

TOTAL \$49,000,000

NEW SECTION. Sec. 3216. FOR THE DEPARTMENT OF NATURAL RESOURCES

Hazardous Fuels Reduction, Forest Health, and Ecosystem Improvements (91000001)

Reappropriation:

General Fund—Federal Stimulus	\$100,000
Prior Biennia (Expenditures)	\$19,900,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,000,000

NEW SECTION. Sec. 3217. FOR THE DEPARTMENT OF NATURAL RESOURCES

National Coastal Wetland Conservation Program Lands Acquisition (91000007)

Reappropriation:

General Fund—Federal	\$593,000
Prior Biennia (Expenditures)	\$407,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 3218. FOR THE DEPARTMENT OF NATURAL RESOURCES

Replacing State Forest Lands with Productive Forests (91000029)

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

(1) The total reappropriation is provided solely to the department to transfer from state forest land status to natural resources conservation area status certain state forest lands in counties with a population of 25,000 or less that are subject to timber harvest deferrals greater than thirty years due to the presence of wildlife species listed as endangered or threatened under the federal endangered species act. The approved list of properties for transfer is identified in the LEAP capital document No. 2011-5A, revised April 10, 2013.

(2) Property transferred under this section must be appraised and transferred at fair market value, without consideration of management or regulatory encumbrances associated with wildlife species listed under the federal endangered species act. The value of the timber and other valuable materials transferred must be distributed as provided in RCW 79.64.110, in the same manner as valuable material revenues from other state forest lands in the applicable counties. The value of the land transferred must be deposited in the park land trust revolving account and be solely used to buy replacement state forest land within the same county as the property transferred, consistent with RCW 79.22.060.

(3) Prior to or concurrent with conveyance of these properties, the department shall execute and record a real property instrument that dedicates the transferred properties to the purposes identified in subsection (1) of this section. Transfer agreements for properties identified in subsection (1) of this section must include terms that restrict the use of the property to the intended purpose.

(4) The department and applicable counties shall work in good faith to carry out the intent of this section. However, the department or applicable counties may remove a property from the transfer list based on new, substantive information, if it is determined that transfer of the property is not in the statewide

interest of either the state forest trust or the natural resources conservation area program.

Reappropriation:

State Building Construction Account—State	\$727,000
Prior Biennia (Expenditures)	\$1,273,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,000,000

NEW SECTION. Sec. 3219. FOR THE DEPARTMENT OF NATURAL RESOURCES

Puget SoundCorps (91000046)

Reappropriation:

Aquatic Lands Enhancement Account—State	\$3,000,000
State Building Construction Account—State	\$8,436,000
Subtotal Reappropriation	\$11,436,000
Prior Biennia (Expenditures)	\$1,564,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$13,000,000

NEW SECTION. Sec. 3220. FOR THE DEPARTMENT OF NATURAL RESOURCES

Derelict Vessel Removal and Disposal (91000049)

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for the expedited removal and disposal of derelict vessels under RCW 79.100.100 and for vessels eligible for the voluntary vessel turn-in program established in chapter 291, Laws of 2013 (Engrossed Substitute House Bill No. 1245).

(1) The department must streamline the process for removing and disposing of derelict vessels in order to expedite the elimination of the backlog of identified derelict vessels. Department staff resources must prioritize their time on the legal process of identifying legal ownership and responsibility and contracting for the removal and disposal of identified derelict vessels. The department must develop and execute contracts for removal and disposal of derelict vessels that:

- (a) Ensure proper management of any hazardous wastes;
- (b) Expedite the removal of identified derelict vessels; and
- (c) Balance costs of removal and disposal after accounting for salvage value with the need to develop contractor capacity to achieve the expedited elimination of the backlog of identified derelict vessels.

(2) The department may expend up to three percent of the appropriations for administration of the project.

(3) The department must submit a progress report each December 1st and May 1st of each year of the biennium. The report must include a list of the vessels removed and disposed of, the costs incurred for administration, removal, and disposal, and the number of vessels remaining to be removed and disposed of at the end of the reporting period.

Reappropriation:

State Building Construction Account—State	\$589,000
Appropriation:	
Environmental Legacy Stewardship Account—State	\$4,500,000
Prior Biennia (Expenditures)	\$2,411,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,500,000

NEW SECTION. Sec. 3221. FOR THE DEPARTMENT OF NATURAL RESOURCES

Urban Forest Restoration (Puget Sound Basin) (91000051)

Reappropriation:

State Building Construction Account—State	\$399,000
Prior Biennia (Expenditures)	\$1,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$400,000

NEW SECTION. Sec. 3222. FOR THE DEPARTMENT OF NATURAL RESOURCES

Large Debris Removal (91000052)

Reappropriation:

State Building Construction Account—State	\$188,000
Prior Biennia (Expenditures)	\$12,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$200,000

NEW SECTION. Sec. 3223. FOR THE DEPARTMENT OF NATURAL RESOURCES

Secret Harbor Estuary Restoration - Cypress Island (91000053)

Reappropriation:

State Building Construction Account—State	\$415,000
Prior Biennia (Expenditures)	\$120,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$535,000

NEW SECTION. Sec. 3224. FOR THE DEPARTMENT OF NATURAL RESOURCES

Restoration Projects to Improve Natural Resources (91000054)

Reappropriation:

State Building Construction Account—State	\$1,200,000
Prior Biennia (Expenditures)	\$1,360,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,560,000

NEW SECTION. Sec. 3225. FOR THE DEPARTMENT OF NATURAL RESOURCES

Point Ruston Sediment Capping/Shoreline Restoration Stabilization (91000065)

Reappropriation:

Cleanup Settlement Account—State	\$6,584,000
Prior Biennia (Expenditures)	\$616,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,200,000

NEW SECTION. Sec. 3226. FOR THE DEPARTMENT OF NATURAL RESOURCES

Forest Hazard Reduction and Safety (91000066)

Reappropriation:

State Building Construction Account—State	\$3,941,000
Prior Biennia (Expenditures)	\$4,529,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,470,000

NEW SECTION. Sec. 3227. FOR THE DEPARTMENT OF NATURAL RESOURCES

Shoreline Restoration Projects (92000011)

Reappropriation:

State Building Construction Account—State	\$2,944,000
Prior Biennia (Expenditures)	\$1,022,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,966,000

NEW SECTION. Sec. 3228. FOR THE DEPARTMENT OF NATURAL RESOURCES

Creosote Piling Removal (92000014)

Reappropriation:

State Building Construction Account—State	\$880,000
Prior Biennia (Expenditures)	\$770,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,650,000

NEW SECTION. Sec. 3229. FOR THE DEPARTMENT OF NATURAL RESOURCES

Natural Areas Facilities Preservation and Access (30000208)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided solely for ecological restoration of the upland buffer areas within the Elk River natural resource conservation area.

Reappropriation:

Aquatic Land Enhancement Account—State	\$345,000
Prior Biennia (Expenditures)	\$1,500,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,845,000

NEW SECTION. Sec. 3230. FOR THE DEPARTMENT OF NATURAL RESOURCES

Forest Riparian Easement Program (30000198)

Appropriation:

State Building Construction Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$1,000,000
Future Biennia (Projected Costs)	\$41,336,000
TOTAL	\$44,336,000

NEW SECTION. Sec. 3231. FOR THE DEPARTMENT OF NATURAL RESOURCES

Trust Land Transfer (30000200)

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

(1) \$300,000 of the appropriation in this section is provided solely for a state trust land inventory evaluation. The inventory evaluation shall determine the acreage of department managed trust lands, by asset class, that may be eligible for the trust land transfer program over the next several decades, based on currently available information. The department shall provide an interim report to the legislature by January 31, 2014, on project scope, progress to date, and recommended criteria for the trust land transfer program. The department shall provide a final report by January 1, 2015.

(2) The remaining appropriation is provided solely to the department to transfer from trust status, or enter into fifty year leases for, certain trust lands of statewide significance deemed appropriate for state park, fish and wildlife habitat, natural area preserve, natural resources conservation area, open space, or recreation purposes. The approved list of properties for lease or transfer is identified in the LEAP capital document No. 2013-3A, developed April 10, 2013.

(3) Property transferred under this section must be appraised and transferred at fair market value. By September 30, 2013, the department must deposit in the common school construction account the portion of the appropriation in this section that represents the estimated value of the timber on the transferred properties. This transfer must be made in the same manner as timber revenues from other common school trust lands. No deduction may be made for the resource management cost account under RCW 79.64.040. The portion of the appropriation in this section that represents the value of the land transferred must be deposited in the natural resources real property replacement account.

(4) Property subject to lease agreements under this section must be appraised at fair market value. Lease terms must be fifty years with options to renew for an additional fifty years. Lease payments must be lump sum payments for the entire term of the lease at the beginning of the lease. The department shall calculate such lump sum payments using professional appraisal standards. These lease payments may not exceed the fee simple purchase price based on current fair market value and must be deposited by the department to the common school construction account in the same manner as lease revenues from other common school trust lands. No deduction may be made for the resource management cost account under RCW 79.64.040. No later than September 30, 2013, the department must transfer to the common school construction account

the portion of the appropriation in this section that is attributable to receipts from lease payments.

(5) All reasonable costs incurred by the department to implement this section are authorized to be paid out of the appropriations. Authorized costs include the actual cost of appraisals, staff time, environmental reviews, surveys, and other similar costs and shall not exceed one and nine-tenths percent of the appropriation.

(6) Intergrant exchanges between common school and other trust lands of equal value may occur if the exchange is in the interest of each trust, as determined by the board of natural resources.

(7) Prior to or concurrent with conveyance of these properties, the department, with full cooperation of the receiving agencies, shall execute and record a real property instrument that dedicates the transferred properties to the purposes identified in subsection (1) of this section. Transfer and lease agreements for properties identified in subsection (1) of this section must include terms that restrict the use of the property to the intended purpose. Transfer and lease agreements may include provisions for receiving agencies to request alternative uses of the property, provided the alternative uses are compatible with the originally intended public purpose and the department and legislature approves such uses.

(8) The department and receiving agencies shall work in good faith to carry out the intent of this section. However, the department or receiving agencies may remove a property from the transfer list based on new, substantive information, if it is determined that transfer of the property is not in the statewide interest of either the common school trust or the receiving agency.

(9) \$39,232,000 of the appropriation must be deposited in the common school construction account by September 30, 2013. The department shall execute trust land transfers so that after the deduction of reasonable costs as provided in subsection (4) of this section on an aggregate basis eighty percent of the total value of transferred property is timber value or lease payments and is deposited in the common school construction account. To achieve the eighty percent requirement, the department may choose to lease properties originally intended as transfers or transfer properties originally intended as leases.

(10) By June 30, 2015, the state treasurer shall transfer to the common school construction account any unexpended balance of the appropriation in this section.

Appropriation:

State Building Construction Account—State	\$56,345,000
Prior Biennia (Expenditures).....	\$0
Future Biennia (Projected Costs).....	\$240,000,000
TOTAL	\$296,345,000

NEW SECTION. Sec. 3232. FOR THE DEPARTMENT OF NATURAL RESOURCES

Sustainable Recreation (30000207)

Appropriation:

State Building Construction Account—State	\$1,000,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,000,000
TOTAL	\$5,000,000

NEW SECTION. Sec. 3233. FOR THE DEPARTMENT OF NATURAL RESOURCES

Road Maintenance and Abandonment Plans (RMAP) (30000211)

Appropriation:

State Building Construction Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,000,000

NEW SECTION. Sec. 3234. FOR THE DEPARTMENT OF NATURAL RESOURCES

2013-2015 Minor Works Preservation (30000213)

Appropriation:

Resources Management Cost Account—State	\$743,000
Forest Development Account—State	\$517,000
Subtotal Appropriation	\$1,260,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$8,000,000
TOTAL	\$9,260,000

NEW SECTION. Sec. 3235. FOR THE DEPARTMENT OF NATURAL RESOURCES

2013-2015 Minor Works Programmatic (30000216)

Appropriation:

Forest Development Account—State	\$442,000
Resources Management Cost Account—State	\$961,000
Subtotal Appropriation	\$1,403,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$31,700,000
TOTAL	\$33,103,000

NEW SECTION. Sec. 3236. FOR THE DEPARTMENT OF NATURAL RESOURCES

Natural Areas Preservation, Access, and Road Maintenance and Abandonment Plans (RMAP) (30000218)

Appropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,000,000
TOTAL	\$5,000,000

NEW SECTION. Sec. 3237. FOR THE DEPARTMENT OF NATURAL RESOURCES

Rivers and Habitat Open Space Program (30000221)

Appropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$2,000,000
TOTAL	\$2,500,000

NEW SECTION. Sec. 3238. FOR THE DEPARTMENT OF NATURAL RESOURCES

Trust Land Replacement (30000222)

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for acquiring replacement trust lands. Regarding the portion of state trust land that is known as "Pasco 16" that is south of Interstate 82 and west of Road 68 in undeveloped and/or in agricultural use, the legislature directs the department of natural resources to:

(1) Coordinate with the city of Pasco to rezone current agriculture land in the area to reflect proposed residential and commercial land use that is consistent with the planning map held by the department and coordinate with the city in their efforts to finalize the plans for a frontage road and any other municipality improvements. The costs for rezoning, road planning, and making municipality improvements shall be borne by the city and/or passed through to future development;

(2) Sell at auction the areas of Pasco 16 that are designated as residential or multifamily as per chapter 79.11 RCW by June 30, 2015;

(3) Reinvest the proceeds according to the department's current authorities; and

(4) Manage the land north of the proposed frontage road designated as commercial land use through leases negotiated by the department to be consistent with the planned commercial land use.

Appropriation:

Resources Management Cost Account—State	\$25,000,000
Natural Resources Real Property Replacement—State	\$25,000,000
Community and Technical College Forest Reserve Account—State	\$500,000
Subtotal Appropriation	\$50,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$202,000,000
TOTAL	\$252,500,000

NEW SECTION. Sec. 3239. FOR THE DEPARTMENT OF NATURAL RESOURCES

State Forest Land Replacement (30000223)

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

(1) The appropriation in this section is provided solely to the department to transfer from state forest land status to natural resources conservation area status certain state forest lands in counties with a population of twenty-five thousand or

less which are subject to timber harvest deferrals greater than thirty years due to the presence of wildlife species listed as endangered or threatened under the federal endangered species act. The total appropriation is to be used equally for the transfer of qualifying state forest lands in the qualifying counties.

(2) Property transferred under this section must be appraised and transferred at fair market value, without consideration of management or regulatory encumbrances associated with wildlife species listed under the federal endangered species act. The value of the timber and other valuable materials transferred must be distributed as provided in RCW 79.64.110. The value of the land transferred must be deposited in the park land trust revolving account and be used solely to buy replacement state forest land, consistent with RCW 79.22.060.

(3) Prior to or concurrent with conveyance of these properties, the department shall execute and record a real property instrument that dedicates the transferred properties to the purposes identified in subsection (1) of this section. Transfer agreements for properties identified in subsection (1) of this section must include terms that restrict the use of the property to the intended purpose.

(4) The department and applicable counties shall work in good faith to carry out the intent of this section. The department will identify eligible properties for transfer, consistent with subsection (1) of this section, in consultation with the applicable counties, and will not execute any property transfers that are not in the statewide interest of either the state forest trust or the natural resources conservation area program.

Appropriation:

State Building Construction Account—State	\$1,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,500,000

NEW SECTION. Sec. 3240. FOR THE DEPARTMENT OF NATURAL RESOURCES

Forest Hazard Reduction (30000224)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for forest health hazard reduction treatments on state, federal, and private lands. The appropriation may be used for mechanical treatments, project planning, site preparation, permitting, or prescribed burning. The department, in consultation with the forest health technical advisory group, shall provide a report to the governor and the legislature by October 1, 2014, on its work to reduce forest health hazards from fiscal year 2010 through fiscal year 2014. This report must include an estimate of work needed through fiscal year 2020 on state, federal, and private lands and recommended mechanisms to fund this work.

Appropriation:

State Building Construction Account—State	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$20,000,000
TOTAL	\$24,000,000

NEW SECTION. Sec. 3241. FOR THE DEPARTMENT OF NATURAL RESOURCES

Road Maintenance and Abandonment Plan (RMAP) (91000040)

Reappropriation:

State Building Construction Account—State	\$3,710,000
Prior Biennia (Expenditures)	\$3,124,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,834,000

NEW SECTION. Sec. 3242. FOR THE DEPARTMENT OF NATURAL RESOURCES

Barbeque Flats Road Access (91000081)

Appropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$500,000

NEW SECTION. Sec. 3243. FOR THE DEPARTMENT OF NATURAL RESOURCES

Quinault Coastal Forest and Watershed Restoration Grant (92000019)

Appropriation:

State Building Construction Account—State	\$1,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,800,000

NEW SECTION. Sec. 3244. FOR THE DEPARTMENT OF NATURAL RESOURCES

Patterson Pipeline (92000020)

Appropriation:

Resource Management Cost Account—State	\$2,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,500,000

NEW SECTION. Sec. 3245. FOR THE DEPARTMENT OF NATURAL RESOURCES

Yakima Basin Integrated Plan Land Purchase (92000018)

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

(1) The appropriations are provided solely for acquisition of the approximately 50,272 acres in the upper Kittitas county known as the Teanaway Property, owned by American Forest Holdings, LLC at the agreed upon purchase price of \$97 million plus \$2,344,000 closing, and transaction costs, based on prior appraisals of the property. The department must expedite the review and execution of the transaction by September 15, 2013. The land must be held in

the community forest trusts under chapter 79.155 RCW to serve the purposes of the community forest trust including the protection of Yakima river basin functioning as authorized in Second Substitute Senate Bill No. 5367. If Second Substitute Senate Bill No. 5367 is not enacted by June 30, 2013, this section is null and void.

(2) The legislature recognizes and declares that the appropriation in this section from the natural resource real property replacement account constitutes a loan from the irreducible principal of the common school trust. The legislature finds that the provisions in Second Substitute Senate Bill No. 5367 regarding purchase review and approval, transitional management plans, and eventual loan repayment or land disposition requirements ensure that the interest of the common school trust beneficiaries are protected.

(3) The department must propose to the board of natural resources a schedule for transfer of trust land inholdings within the land purchase by this appropriation through the trust land transfer program.

Appropriation:

Natural Resources Real Property Replacement

Account—State	\$10,000,000
State Building Construction Account—State	\$89,344,000
Subtotal Appropriation	\$99,344,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$99,344,000

NEW SECTION. Sec. 3246. FOR THE DEPARTMENT OF AGRICULTURE

Health and Safety Improvements at Fairs (91000003)

Appropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 3247. FOR THE DEPARTMENT OF AGRICULTURE

Animal Disease Traceability (91000004)

Appropriation:

Public Facility Construction Loan Revolving

Account—State	\$881,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$881,000

**PART 4
TRANSPORTATION**

**NEW SECTION. Sec. 4001. FOR THE WASHINGTON STATE
PATROL**

Emergency Repairs (30000031)

Appropriation:

Fire Service Training Account—State	\$200,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$800,000
TOTAL	\$1,000,000

**NEW SECTION. Sec. 4002. FOR THE WASHINGTON STATE
PATROL**

Burn Building Repair (30000032)

Appropriation:

Fire Service Training Account—State	\$300,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$300,000
TOTAL	\$600,000

**NEW SECTION. Sec. 4003. FOR THE WASHINGTON STATE
PATROL**

Fire Training Academy Burn Building Replacement (30000071)

Appropriation:

Fire Service Training Account—State	\$1,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$13,000,000
TOTAL	\$14,500,000

**PART 5
EDUCATION**

**NEW SECTION. Sec. 5001. FOR THE SUPERINTENDENT OF
PUBLIC INSTRUCTION**

2007-2009 School Construction Assistance Grant Program (20084200)

The reappropriation in this section is subject to the following conditions and limitations: For school construction projects funded through the school construction assistance grant program, the superintendent of public instruction shall require mapping the design of new facilities and remapping the design of facilities to be remodeled.

Reappropriation:

Common School Construction Account—State	\$650,000
Prior Biennia (Expenditures)	\$791,109,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$791,759,000

NEW SECTION. Sec. 5002. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Northeast King County Skills Center (20084855)

Reappropriation:

School Construction and Skill Centers Building	
Account—State	\$41,000
Prior Biennia (Expenditures)	\$8,561,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,602,000

NEW SECTION. Sec. 5003. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Pierce County Skills Center (20084856)

Reappropriation:

State Building Construction Account—State	\$6,198,000
School Construction and Skills Center Building	
Account—State	\$50,000
Subtotal Reappropriation	\$6,248,000

Appropriation:

State Building Construction Account—State	\$11,609,000
Prior Biennia (Expenditures)	\$17,688,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$35,545,000

NEW SECTION. Sec. 5004. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

2009-2011 School Construction Assistance Grant Program (30000031)

The reappropriations in this section are subject to the following conditions and limitations: Up to \$14,000,000 of the state building construction account—state reappropriation in this section is for the Grand Coulee Dam school district school project, contingent on the availability of sufficient contributions from federal, local, private, or other sources to make up the remainder of the total cost of the project. The Grand Coulee Dam school district is faced with a unique set of local funding barriers and federal or other funds may substitute as the usual requirement for school district participation. In the event sufficient matching contributions are not secured by the Grand Coulee Dam school district, these funds shall lapse.

Reappropriation:

State Building Construction Account—State	\$14,000,000
Common School Construction Account—State	\$12,000,000
Subtotal Reappropriation	\$26,000,000
Prior Biennia (Expenditures)	\$490,595,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$516,595,000

NEW SECTION. Sec. 5005. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Energy Efficiency and Small Repair Grants (91000007)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 5007, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$2,424,000
Prior Biennia (Expenditures)	\$67,465,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$69,889,000

NEW SECTION. Sec. 5006. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

2011-2013 School Construction Assistance Program (30000071)

Reappropriation:

State Building Construction Account—State	\$52,566,000
Common School Construction Account—State	\$281,191,000
Subtotal Reappropriation	\$333,757,000
Prior Biennia (Expenditures)	\$223,435,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$557,192,000

NEW SECTION. Sec. 5007. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Yakima Valley Technical Skills Center (30000076)

Reappropriation:

State Building Construction Account—State	\$12,962,000
Prior Biennia (Expenditures)	\$12,481,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$25,443,000

NEW SECTION. Sec. 5008. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

SEA-Tech Branch Campus of Tri-Tech Skills Center (30000078)

Reappropriation:

State Building Construction Account—State	\$10,570,000
Prior Biennia (Expenditures)	\$949,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$11,519,000

NEW SECTION. Sec. 5009. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Grant County Branch Campus of Wenatchee Valley Skills Center (30000091)

Reappropriation:

State Building Construction Account—State	\$18,861,000
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Prior Biennia (Expenditures)	\$547,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$19,408,000

NEW SECTION. Sec. 5010. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Clark County Skills Center (30000093)

Reappropriation:

State Building Construction Account—State	\$650,000
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Appropriation:

State Building Construction Account—State	\$7,151,000
Prior Biennia (Expenditures)	\$100,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,901,000

NEW SECTION. Sec. 5011. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Energy Operational Savings Project Grants (30000097)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 5011, chapter 49, Laws of 2011 1st sp.s.

Reappropriation:

State Building Construction Account—State	\$4,351,000
Prior Biennia (Expenditures)	\$15,649,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,000,000

NEW SECTION. Sec. 5012. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Energy Efficiency Grants for K-12 Schools (91000017)

Reappropriation:

State Building Construction Account—State	\$37,238,000
Prior Biennia (Expenditures)	\$2,762,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$40,000,000

NEW SECTION. Sec. 5013. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Wenatchee Valley Skills Center (92000004)

Reappropriation:

State Building Construction Account—State	\$9,386,000
Prior Biennia (Expenditures)	\$114,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,500,000

NEW SECTION. Sec. 5014. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Spokane Area Professional - Technical Skills Center (92000005)

Reappropriation:

State Building Construction Account—State \$1,800,000

Appropriation:

State Building Construction Account—State \$11,887,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$0

TOTAL \$13,687,000

NEW SECTION. Sec. 5015. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

WA-NIC (Washington Network for Innovative Careers) Skills Center - Snoqualmie Valley School District/Bellevue Community College (92000006)

Reappropriation:

State Building Construction Account—State \$1,715,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$0

TOTAL \$1,715,000

NEW SECTION. Sec. 5016. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Puget Sound Skills Center (92000007)

The reappropriation in this section is subject to the following conditions and limitations: The office of the superintendent of public instruction and the Puget Sound skills center shall enter into an interagency agreement with the office of financial management to provide funding for a budget evaluation study. The office of financial management shall use a budget evaluation study team approach using value engineering techniques and life cycle cost analysis in conducting the study. The office of financial management shall select the budget evaluation team members, contract for the study, and report the results to the legislature, the office of the superintendent of public instruction, and the Puget Sound skills center in a timely manner following completion of the study. The study must also include a review of land acquisitions for the project site, including whether there was adequate disclosure of fill materials that contained toxic substances or substandard soils that would require disposal prior to construction, and whether those disclosed conditions were accounted for in setting the purchase price and other considerations for the land acquisition.

Reappropriation:

State Building Construction Account—State \$1,500,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$0

TOTAL \$1,500,000

NEW SECTION. Sec. 5017. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Distressed Schools (92000009)

Reappropriation:

State Building Construction Account—State	\$22,415,000
Prior Biennia (Expenditures)	\$4,985,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$27,400,000

NEW SECTION. Sec. 5018. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Yakima Valley Technical Skills Center Sunnyside Satellite (92000013)

Reappropriation:

State Building Construction Account—State	\$5,938,000
Prior Biennia (Expenditures)	\$287,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,225,000

NEW SECTION. Sec. 5019. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Capital Program Administration (30000128)

Appropriation:

Common School Construction Account—State	\$3,854,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$16,246,000
TOTAL	\$20,100,000

***NEW SECTION. Sec. 5020. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

2013-2015 School Construction Assistance Program - Maintenance (30000145)

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

(1) \$1,340,000 of the common school construction account—state appropriation is provided solely for study and survey grants and for completing inventory and building condition assessments for all public school districts once every six years.

(2) \$933,000 of the common school construction account—state appropriation is provided solely for mapping the design of new facilities and remapping the design of facilities to be remodeled, for school construction projects funded through the school construction assistance program.

(3) *\$250,000 of the common school construction account—state appropriation is provided solely for the superintendent of public instruction to create interagency agreements for the following purposes:*

(a) An interagency agreement with The Evergreen State College for a study by the Washington state institute for public policy on the relationship between school design and student performance. The institute must review available research on the relationship between school design and quality of school facilities and student performance. The institute must develop recommendations on how the school construction assistance program can better support state policy objectives to reform and improve public education if

the review finds credible research that supports those recommendations. The institute must prepare a report describing the recommendations and their projected costs and benefits. The report must be submitted to the appropriate committees of the legislature by September 1, 2014. The institute must convene an advisory group to assist in the development of these recommendations. The advisory group must include representation from general classroom teachers at various grade levels, teachers of subjects that require specialized facilities such as science laboratories and vocational facilities, school facility managers, school facility designers, and other experts on the relationship between the quality and design of educational facilities, the efficacy of teaching and instruction, and student academic performance. The advisory group must review and consider findings and recommendations in the 2009 joint legislative task force on school construction funding. The recommendations must consider ways to provide financial assistance to develop and improve educational facilities to support at least the following policy objectives:

(i) Greater access and more effective instruction in science, technology, engineering, and math;

(ii) Improved instruction;

(iii) Class size reduction in grades K-3;

(iv) Expanded college and career readiness programs that require specialized facilities like skill centers.

(b) An interagency agreement with the office of financial management to coordinate a review and make recommendations regarding the financing of specialized school facilities such as skill centers. A report to the appropriate committees of the legislature must be submitted by September 1, 2014. The review and recommendations must include:

(i) Brief overview of current funding mechanisms;

(ii) Options for improving consistency, predictability, and cost-sharing;

(iii) Options for revising the school construction assistance program and/or local levy authority to accommodate skill centers, facilities shared among districts, or other specialized educational program needs;

(iv) A review of siting decision factors; financial incentives; education demands; and recommendations for maximizing the appropriate statewide siting of specialized facilities;

(v) An evaluation of the benefit-cost of skill center expansion to satellite and branch campuses as implemented under RCW 28A.245.030;

(vi) Options for increasing efficiency in the use of high-cost specialized school facilities, such as the shared use of specialized facilities at skill centers and community colleges, and ways to share funding responsibilities between multiple school districts and the state.

(4) The office of the superintendent of public instruction must improve web-based access by taxpayers to school capacity and actual enrollment in order to understand possible opportunities to increase efficiency through consolidation. The office of the superintendent of public instruction must post this capacity and enrollment information on its web site.

(5) Funds from this appropriation may be used to match federal dollars provided by the office of economic adjustment for school replacement facilities located on military bases.

(6) The office of the superintendent of public instruction must expedite allocation and distribution of any eligible funds under the school construction assistance grant program to the Evergreen (Clark County) School District to address the school construction emergency resulting from the fire that destroyed the Crestline School.

(7) The space allocations for state funding assistance purposes for districts with senior or four-year high schools with fewer than four hundred students, as outlined in WAC 392-343-035, must be computed in accordance with the following formula:

Number of Headcount Student-Grades 9-12	Maximum Space Allocation Per Facility
0-200	42,000 square feet
201-300	48,000 square feet
301-or more	52,000 square feet

Appropriation:

State Building Construction Account—State	\$285,355,000
Common School Construction Account—State	\$208,232,000
Common School Construction Account—Federal	\$1,500,000
Subtotal Appropriation	\$495,087,000
 Prior Biennia (Expenditures)	 \$0
Future Biennia (Projected Costs)	\$3,099,310,000
TOTAL	\$3,594,397,000

*Sec. 5020 was partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 5021. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Distressed Schools (91000024)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for renovation of Cedar Park elementary school and to accelerate the replacement of Arbor Heights elementary school.

Appropriation:

State Building Construction Account—State	\$10,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,000,000

NEW SECTION. Sec. 5022. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Tahoma School District (91000023)

The appropriation in this section is subject to the following conditions and limitations: Up to \$4,000,000 of the appropriation in this section is for the purchase of property from King county for the siting of a school within the Tahoma school district.

Appropriation:

State Building Construction Account—State	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,000,000

NEW SECTION. Sec. 5023. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Energy Efficiency Grants for K-12 Schools (91000025)

Appropriation:

State Building Construction Account—State	\$7,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,000,000

NEW SECTION. Sec. 5024. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Spokane Valley Tech (91000026)

Appropriation:

State Building Construction Account—State	\$1,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,500,000

NEW SECTION. Sec. 5025. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

School Security Improvement Grants (92000015)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197).

Appropriation:

State Building Construction Account—State	\$10,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,000,000

NEW SECTION. Sec. 5026. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Delta High School (92000017)

Appropriation:

State Building Construction Account—State	\$5,400,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,400,000

NEW SECTION. Sec. 5027. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

San Juan School District STEM Vocational Building Renovation (91000027)

Appropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 5028. FOR THE STATE SCHOOL FOR THE BLIND

General Campus Preservation (30000018)

Reappropriation:

State Building Construction Account—State	\$149,000
Prior Biennia (Expenditures)	\$401,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$550,000

NEW SECTION. Sec. 5029. FOR THE STATE SCHOOL FOR THE BLIND

General Campus Preservation (30000033)

Appropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$2,215,000
TOTAL	\$2,715,000

NEW SECTION. Sec. 5030. FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

Minor Public Works (30000023)

Appropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,000,000

NEW SECTION. Sec. 5031. FOR THE UNIVERSITY OF WASHINGTON

UW Bothell (20082006)

Reappropriation:

State Building Construction Account—State	\$1,700,000
University of Washington Building Account—State	\$12,963,000
Subtotal Reappropriation	\$14,663,000
Prior Biennia (Expenditures)	\$23,337,000
Future Biennia (Projected Costs)	\$0

TOTAL \$38,000,000

NEW SECTION. Sec. 5032. FOR THE UNIVERSITY OF WASHINGTON

House of Knowledge Longhouse (30000021)

Reappropriation:

State Building Construction Account—State \$2,400,000
Prior Biennia (Expenditures) \$600,000
Future Biennia (Projected Costs) \$0
TOTAL \$3,000,000

NEW SECTION. Sec. 5033. FOR THE UNIVERSITY OF WASHINGTON

Odegaard Undergraduate Learning Center (30000370)

Reappropriation:

State Building Construction Account—State \$900,000
Prior Biennia (Expenditures) \$15,675,000
Future Biennia (Projected Costs) \$0
TOTAL \$16,575,000

NEW SECTION. Sec. 5034. FOR THE UNIVERSITY OF WASHINGTON

High Voltage Infrastructure Improvement Project (30000371)

Reappropriation:

State Building Construction Account—State \$200,000
Prior Biennia (Expenditures) \$4,165,000
Future Biennia (Projected Costs) \$0
TOTAL \$4,365,000

NEW SECTION. Sec. 5035. FOR THE UNIVERSITY OF WASHINGTON

University of Washington Minor Capital Repairs (30000372)

Reappropriation:

State Building Construction Account—State \$500,000
University of Washington Building Account—State \$2,000,000
Subtotal Reappropriation \$2,500,000
Prior Biennia (Expenditures) \$36,487,000
Future Biennia (Projected Costs) \$0
TOTAL \$38,987,000

NEW SECTION. Sec. 5036. FOR THE UNIVERSITY OF WASHINGTON

University of Washington Tacoma Campus Development and Soil Remediation (92000002)

Reappropriation:

State Building Construction Account—State \$4,300,000
State Toxics Control Account—State \$700,000

Subtotal Reappropriation	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

NEW SECTION. Sec. 5037. FOR THE UNIVERSITY OF WASHINGTON

Denny Hall Renovation (20081002)

The appropriation in this section is subject to the following conditions and limitations: In conjunction with the appropriation in this section, the University of Washington is authorized to issue a bond or bonds in an amount not to exceed \$20,000,000 in value for the renovation of Denny hall identified in this section. The bond shall be financed from building fee and trust land revenues deposited into the university's bond retirement account, in accordance with RCW 28B.20.700 through 28B.20.740.

Appropriation:

State Building Construction Account—State	\$30,590,000
Prior Biennia (Expenditures)	\$2,302,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$32,892,000

NEW SECTION. Sec. 5038. FOR THE UNIVERSITY OF WASHINGTON

Lewis Hall Renovation (20081003)

Appropriation:

State Building Construction Account—State	\$2,587,000
Prior Biennia (Expenditures)	\$1,478,000
Future Biennia (Projected Costs)	\$19,095,000
TOTAL	\$23,160,000

NEW SECTION. Sec. 5039. FOR THE UNIVERSITY OF WASHINGTON

Burke Museum Renovation (20082850)

Reappropriation:

State Building Construction Account—State	\$3,000,000
Prior Biennia (Expenditures)	\$800,000
Future Biennia (Projected Costs)	\$14,000,000
TOTAL	\$17,800,000

NEW SECTION. Sec. 5040. FOR THE UNIVERSITY OF WASHINGTON

University of Washington Tacoma - Soils Remediation (20082852)

Reappropriation:

State Toxics Control Account—State	\$500,000
Prior Biennia (Expenditures)	\$500,000
Future Biennia (Projected Costs)	\$20,000,000

TOTAL \$21,000,000

NEW SECTION. Sec. 5041. FOR THE UNIVERSITY OF WASHINGTON

University of Washington Magnuson Health Sciences Center Roofing Replacement Project (30000483)

Appropriation:

State Building Construction Account—State \$5,794,000
University of Washington Building Account—State \$735,000
Subtotal Appropriation \$6,529,000

Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs) \$0
TOTAL \$6,529,000

NEW SECTION. Sec. 5042. FOR THE UNIVERSITY OF WASHINGTON

Minor Capital Repairs - Preservation (30000494)

Appropriation:

State Building Construction Account—State \$3,539,000
University of Washington Building Account—State \$43,215,000
Subtotal Appropriation \$46,754,000

Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs) \$208,000,000
TOTAL \$254,754,000

NEW SECTION. Sec. 5043. FOR THE UNIVERSITY OF WASHINGTON

Preventive Facility Maintenance and Building System Repairs (91000013)

Appropriation:

University of Washington Building Account—State \$25,825,000
Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs) \$0
TOTAL \$25,825,000

NEW SECTION. Sec. 5044. FOR THE UNIVERSITY OF WASHINGTON

University of Washington Tacoma Urban/Science Education Facility (91000014)

Appropriation:

State Building Construction Account—State \$1,900,000
Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs) \$0
TOTAL \$1,900,000

NEW SECTION. Sec. 5045. FOR THE WASHINGTON STATE UNIVERSITY

Washington State University Spokane - Riverpoint Biomedical and Health Sciences (20162953)

Reappropriation:

State Building Construction Account—State	\$5,230,000
Washington State University Building Account—State	\$3,770,000
Subtotal Reappropriation	\$9,000,000
 Prior Biennia (Expenditures)	\$41,140,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$50,140,000

NEW SECTION. Sec. 5046. FOR THE WASHINGTON STATE UNIVERSITY

Minor Works - Preservation (30000525)

Reappropriation:

Washington State University Building Account—State	\$6,300,000
 Prior Biennia (Expenditures)	\$18,015,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$24,315,000

NEW SECTION. Sec. 5047. FOR THE WASHINGTON STATE UNIVERSITY

Preventive Maintenance and Building System Repairs (91000024)

Appropriation:

Washington State University Building Account—State	\$10,115,000
 Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,115,000

NEW SECTION. Sec. 5048. FOR THE WASHINGTON STATE UNIVERSITY

Washington State University Pullman - Troy Hall Renovation (20061030)

Appropriation:

State Building Construction Account—State	\$1,527,000
Washington State University Building Account—State	\$494,000
Subtotal Appropriation	\$2,021,000
 Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$34,550,000
TOTAL	\$36,571,000

NEW SECTION. Sec. 5049. FOR THE WASHINGTON STATE UNIVERSITY

Clean Technology Laboratory (30000069)

The appropriation in this section is subject to the following conditions and limitations: In conjunction with the appropriation in this section, the Washington State University is authorized to issue a bond or bonds in an amount not to exceed \$20,000,000 in value for construction of the clean technology laboratory identified in this section. The bond shall be financed from building

fee and trust land revenues deposited into the university's bond retirement account, in accordance with RCW 28B.30.700 through 28B.30.780.

Appropriation:

State Building Construction Account—State	\$30,335,000
Prior Biennia (Expenditures)	\$2,500,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$32,835,000

NEW SECTION. Sec. 5050. FOR THE WASHINGTON STATE UNIVERSITY

Washington State University Prosser - Viticulture and Enology Facility (30000500)

Appropriation:

Washington State University Building Account—State	\$2,792,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,792,000

NEW SECTION. Sec. 5051. FOR THE WASHINGTON STATE UNIVERSITY

Washington State University Prosser - Agriculture Technology Building Addition (30000518)

Appropriation:

Washington State University Building Account—State	\$2,114,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,114,000

NEW SECTION. Sec. 5052. FOR THE WASHINGTON STATE UNIVERSITY

Washington State University Pullman - Plant Sciences Building (REC#5) (30000519)

Appropriation:

Washington State University Building Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$65,500,000
TOTAL	\$66,000,000

NEW SECTION. Sec. 5053. FOR THE WASHINGTON STATE UNIVERSITY

Plant Growth (Greenhouse) Facilities, Phase 1 (30000835)

Appropriation:

Washington State University Building Account—State	\$225,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$14,775,000
TOTAL	\$15,000,000

NEW SECTION. Sec. 5054. FOR THE WASHINGTON STATE UNIVERSITY

2013-2015 Minor Works - Preservation, Safety, and Infrastructure (30000849)

Appropriation:

State Building Construction Account—State	\$12,214,000
Washington State University Building	
Account—State.	\$16,350,000
Subtotal Appropriation.	\$28,564,000
 Prior Biennia (Expenditures).....	 \$0
Future Biennia (Projected Costs).....	\$0
TOTAL	\$28,564,000

NEW SECTION. Sec. 5055. FOR THE WASHINGTON STATE UNIVERSITY

Washington State University Pullman Pedestrian Bridge (91000028)

Appropriation:

Washington State University Building	
Account—State.	\$1,500,000
 Prior Biennia (Expenditures).....	 \$0
Future Biennia (Projected Costs).....	\$0
TOTAL	\$1,500,000

NEW SECTION. Sec. 5056. FOR THE WASHINGTON STATE UNIVERSITY

Everett University Center (91000026)

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

(1) The building must be delivered using design build, as defined by chapter 39.10 RCW, with a guarantee for energy, operations, and maintenance performance.

(2) To ensure that the total cost of the project is accounted for and the most reasonable and cost efficient design is used, Washington State University shall develop life cycle costs for this project. The life cycle costs shall represent the present value sum of capital costs, installation costs, operating costs, and maintenance costs over the life expectancy of the project. The legislature further finds the most effective approach to the life cycle cost analysis is to integrate it into the early part of the design process.

(3) Washington State University shall develop a minimum of three project alternatives for use in the life cycle cost analysis. These alternatives must be both distinctly different and viable solutions to the issue being addressed. The chosen alternative must be the most reasonable and cost-effective solution. A brief description of each project alternative and why it was chosen must be included in the life cycle cost analysis.

(4) The office of financial management shall: (a) Make available a life cycle cost model to be used for analysis; and (b) in consultation with the department of enterprise services, provide assistance in using the life cycle cost model.

(5) The Washington State University shall consider architectural and engineering firms' and general contractors' experience using life cycle costs, operating costs, and energy efficiency measures when selecting an architectural and engineering firm, or when selecting a contractor using alternative contracting methods.

Appropriation:

State Building Construction Account—State	\$10,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,000,000

NEW SECTION. Sec. 5057. FOR THE WASHINGTON STATE UNIVERSITY

Benefit-Cost Analyses of the Yakima River Basin Integrated Plan Projects (91000027)

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

(1) The appropriation in this section is provided solely for the state of Washington water research center to prepare separate benefit-cost analyses for each of the projects proposed in the 2012 Yakima river basin integrated water resources management plan (Yakima integrated plan), as listed in subsection (7) of this section.

(2) To the greatest extent possible, the center must use information from existing studies, supplemented by primary research, to measure and evaluate each project's benefits and costs.

(3) The center must measure and report the economic benefits of each project on a disaggregated basis, so that it is clear the extent to which an individual project is expected to result in increases in fish populations, increases in the reliability of irrigation water during severe drought years, and improvements in municipal and domestic water supply.

(4) The center may enter into agreements with other state universities and with private consultants as needed to accomplish the scope of work.

(5) The center may consult, as necessary, with the department of ecology and the Yakima river basin water enhancement project workgroup.

(6) No more than twelve percent of the total appropriation may be retained for administrative overhead expenses.

(7) The center must submit the benefit-cost analyses, findings and any recommendations on the following projects by December 15, 2014, to appropriate legislative fiscal committees:

- (a) Tributary/mainstem enhancement
- (b) Box canyon creek
- (c) Subordination of power generation (Roza and Chandler)
- (d) Aquifer storage and recovery projects
- (e) Agricultural conservation
- (f) Municipal conservation
- (g) Water bank exchange programs
- (h) Cle Elum reservoir
- (i) Keechelus, Kachess, Tieton reservoir

- (j) Keechelus to Kachess pipeline
- (k) Wymer reservoir
- (l) Bumping reservoir enlargement

Appropriation:

State Building Construction Account—State	\$300,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$300,000

NEW SECTION. Sec. 5058. FOR THE EASTERN WASHINGTON UNIVERSITY

Patterson Hall Remodel (20062002)

Reappropriation:

State Building Construction Account—State	\$13,885,000
Prior Biennia (Expenditures)	\$42,958,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$56,843,000

NEW SECTION. Sec. 5059. FOR THE EASTERN WASHINGTON UNIVERSITY

Upgrade/Repair Campus Water System (30000422)

Appropriation:

State Building Construction Account—State	\$5,508,000
Eastern Washington University Capital Projects Account—State	\$1,770,000
Subtotal Appropriation	\$7,278,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,278,000

NEW SECTION. Sec. 5060. FOR THE EASTERN WASHINGTON UNIVERSITY

Minor Works - Preservation (30000427)

Reappropriation:

State Building Construction Account—State	\$1,320,000
Eastern Washington University Capital Projects Account—State	\$5,654,000
Subtotal Reappropriation	\$6,974,000
Prior Biennia (Expenditures)	\$9,666,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$16,640,000

NEW SECTION. Sec. 5061. FOR THE EASTERN WASHINGTON UNIVERSITY

University Science Center - Science II (30000466)

Appropriation:

State Building Construction Account—State	\$350,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$86,970,000
TOTAL	\$87,320,000

NEW SECTION. Sec. 5062. FOR THE EASTERN WASHINGTON UNIVERSITY

Eastern Washington University Minor Works Preservation (30000468)

Appropriation:

State Building Construction Account—State	\$1,434,000
Eastern Washington University Capital Projects Account—State	\$7,066,000
Subtotal Appropriation	\$8,500,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,500,000

NEW SECTION. Sec. 5063. FOR THE EASTERN WASHINGTON UNIVERSITY

Preventive Maintenance and Building System Repairs (30000500)

Appropriation:

Eastern Washington University Capital Projects Account—State	\$2,217,000
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Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,217,000

NEW SECTION. Sec. 5064. FOR THE CENTRAL WASHINGTON UNIVERSITY

Science Building (30000045)

Reappropriation:

State Building Construction Account—State	\$900,000
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Appropriation:

State Building Construction Account—State	\$61,193,000
Prior Biennia (Expenditures)	\$1,678,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$63,771,000

NEW SECTION. Sec. 5065. FOR THE CENTRAL WASHINGTON UNIVERSITY

Minor Works Preservation (30000444)

Reappropriation:

Central Washington University Capital Projects Account—State	\$3,500,000
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Prior Biennia (Expenditures)	\$3,930,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,430,000

NEW SECTION. Sec. 5066. FOR THE CENTRAL WASHINGTON UNIVERSITY

Combined Utilities (30000448)

Reappropriation:

State Building Construction Account—State \$700,000

Appropriation:

State Building Construction Account—State \$5,730,000

Central Washington University Capital Projects

Account—State \$480,000

Subtotal Appropriation \$6,210,000

Prior Biennia (Expenditures) \$3,300,000

Future Biennia (Projected Costs) \$19,600,000

TOTAL \$29,810,000

NEW SECTION. Sec. 5067. FOR THE CENTRAL WASHINGTON UNIVERSITY

Samuelson Communication and Technology Center (SCTC) (30000451)

Reappropriation:

State Building Construction Account—State \$3,000,000

Prior Biennia (Expenditures) \$2,000,000

Future Biennia (Projected Costs) \$65,481,000

TOTAL \$70,481,000

NEW SECTION. Sec. 5068. FOR THE CENTRAL WASHINGTON UNIVERSITY

Minor Works Preservation (30000615)

Appropriation:

Central Washington University Capital Projects

Account—State \$7,000,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$0

TOTAL \$7,000,000

NEW SECTION. Sec. 5069. FOR THE CENTRAL WASHINGTON UNIVERSITY

Preventive Maintenance and Building System Repairs (30000677)

Appropriation:

Central Washington University Capital Projects

Account—State \$2,422,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$0

TOTAL \$2,422,000

NEW SECTION. Sec. 5070. FOR THE EVERGREEN STATE COLLEGE

Communications Laboratory Building Preservation and Renovation (30000002)

Reappropriation:

The Evergreen State College Capital Projects	
Account—State	\$350,000
Prior Biennia (Expenditures)	\$10,631,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,981,000

NEW SECTION. Sec. 5071. FOR THE EVERGREEN STATE COLLEGE

Facilities Preservation (30000051)

Reappropriation:

The Evergreen State College Capital Projects	
Account—State	\$375,000
Prior Biennia (Expenditures)	\$6,560,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,935,000

NEW SECTION. Sec. 5072. FOR THE EVERGREEN STATE COLLEGE

Facility Preservation (30000084)

Appropriation:

State Building Construction Account—State	\$1,580,000
The Evergreen State College Capital Projects	
Account—State	\$5,120,000
Subtotal Appropriation	\$6,700,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$212,000
TOTAL	\$6,912,000

NEW SECTION. Sec. 5073. FOR THE EVERGREEN STATE COLLEGE

Science Center - Lab I, 2nd Floor Renovation (30000116)

Reappropriation:

State Building Construction Account—State	\$375,000
Prior Biennia (Expenditures)	\$4,575,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,950,000

NEW SECTION. Sec. 5074. FOR THE EVERGREEN STATE COLLEGE

Science Center - Lab II, 2nd Floor Renovation (30000117)

Appropriation:

State Building Construction Account—State	\$3,544,000
The Evergreen State College Capital Projects	
Account—State	\$1,150,000
Subtotal Appropriation	\$4,694,000
Prior Biennia (Expenditures)	\$0

Future Biennia (Projected Costs) \$0
 TOTAL \$4,694,000

NEW SECTION. Sec. 5075. FOR THE EVERGREEN STATE COLLEGE

Science Center - Lab I Basement Renovation (30000118)

Appropriation:

State Building Construction Account—State \$1,805,000
 Prior Biennia (Expenditures) \$0
 Future Biennia (Projected Costs) \$0
 TOTAL \$1,805,000

NEW SECTION. Sec. 5076. FOR THE EVERGREEN STATE COLLEGE

Lecture Hall Remodel (30000493)

Appropriation:

State Building Construction Account—State \$1,308,000
 Prior Biennia (Expenditures) \$300,000
 Future Biennia (Projected Costs) \$15,457,000
 TOTAL \$17,065,000

NEW SECTION. Sec. 5077. FOR THE EVERGREEN STATE COLLEGE

Preventive Facility Maintenance and Building System Repair (30000503)

Appropriation:

The Evergreen State College Capital Projects
 Account—State \$760,000
 Prior Biennia (Expenditures) \$0
 Future Biennia (Projected Costs) \$0
 TOTAL \$760,000

NEW SECTION. Sec. 5078. FOR THE WESTERN WASHINGTON UNIVERSITY

Carver Academic Renovation (20081060)

Reappropriation:

State Building Construction Account—State \$2,000,000
 Prior Biennia (Expenditures) \$5,374,000
 Future Biennia (Projected Costs) \$73,531,000
 TOTAL \$80,905,000

NEW SECTION. Sec. 5079. FOR THE WESTERN WASHINGTON UNIVERSITY

Classroom and Lab Upgrades (30000425)

Reappropriation:

State Building Construction Account—State \$50,000
 Western Washington University Capital Projects
 Account—State \$489,000

Subtotal Reappropriation	\$539,000
Prior Biennia (Expenditures)	\$4,260,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,799,000

NEW SECTION. Sec. 5080. FOR THE WESTERN WASHINGTON UNIVERSITY

Fraser Hall Renovation (30000427)

Reappropriation:

State Building Construction Account—State	\$2,500,000
Prior Biennia (Expenditures)	\$2,440,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,940,000

NEW SECTION. Sec. 5081. FOR THE WESTERN WASHINGTON UNIVERSITY

Minor Works - Preservation (30000431)

Reappropriation:

Western Washington University Capital Projects Account—State	\$2,508,000
Prior Biennia (Expenditures)	\$7,286,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,794,000

NEW SECTION. Sec. 5082. FOR THE WESTERN WASHINGTON UNIVERSITY

Preventive Facility Maintenance and Building System Repairs (91000006)

Appropriation:

Western Washington University Capital Projects Account—State	\$3,614,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,614,000

NEW SECTION. Sec. 5083. FOR THE WESTERN WASHINGTON UNIVERSITY

North Campus Utility Upgrade (30000426)

Appropriation:

State Building Construction Account—State	\$3,462,000
Western Washington University Capital Projects Account—State	\$120,000
Subtotal Appropriation	\$3,582,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,582,000

NEW SECTION. Sec. 5084. FOR THE WESTERN WASHINGTON UNIVERSITY

Classroom and Lab Upgrades Phase 2 (30000518)

Appropriation:

State Building Construction Account—State	\$3,830,000
Western Washington University Capital Projects	
Account—State.	\$916,000
Subtotal Appropriation	\$4,746,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,746,000

NEW SECTION. Sec. 5085. FOR THE WESTERN WASHINGTON UNIVERSITY

Minor Works - Preservation (30000524)

Appropriation:

Western Washington University Capital Projects	
Account—State.	\$7,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$30,000,000
TOTAL	\$37,500,000

NEW SECTION. Sec. 5086. FOR THE WESTERN WASHINGTON UNIVERSITY

Performing Arts Exterior Renewal (30000428)

Appropriation:

State Building Construction Account—State	\$2,947,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,947,000

NEW SECTION. Sec. 5087. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Pacific-Lewis and Clark Station Camp Park Project (2002S001)

Reappropriation:

State Building Construction Account—State	\$226,000
Prior Biennia (Expenditures)	\$4,261,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,487,000

NEW SECTION. Sec. 5088. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Washington Heritage Grants (20074004)

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

(1) The reappropriation in this section is subject to the provisions of RCW 27.34.330.

(2) The reappropriation in this section is subject to the project list in section 5137, chapter 520, Laws of 2007.

(3) The reappropriation in this section is subject to the provisions of section 5044, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$626,000
Prior Biennia (Expenditures)	\$9,279,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,905,000

NEW SECTION. Sec. 5089. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Washington Heritage Project Capital Grants (30000011)

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

(1) The reappropriation in this section is subject to the provisions of section 5120, chapter 497, Laws of 2009.

(2) The reappropriation in this section is subject to the provisions of section 5045, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$1,152,000
Prior Biennia (Expenditures)	\$8,273,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,425,000

NEW SECTION. Sec. 5090. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Building Preservation (30000111)

Reappropriation:

State Building Construction Account—State	\$414,000
Prior Biennia (Expenditures)	\$386,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$800,000

NEW SECTION. Sec. 5091. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Washington Heritage Grants (30000117)

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

(1) The reappropriation in this section is subject to the provisions of RCW 27.34.330.

(2) The reappropriation in this section is subject to the provisions of section 622, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$3,729,000
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Prior Biennia (Expenditures)	\$3,353,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,082,000

NEW SECTION. Sec. 5092. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Facilities Preservation - Minor Works Projects (30000164)

Appropriation:

State Building Construction Account—State	\$2,483,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,483,000

NEW SECTION. Sec. 5093. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Heritage Capital Grants (30000170)

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

- (1) The appropriation is subject to the provisions of RCW 27.34.330.
- (2) The appropriation is provided solely for the following list of projects:

Project	Authorized Amount
Tacoma Chinese Reconciliation Park	\$400,000
Mabton High School Historic Restoration	\$800,000
1912 Metaline Falls School	\$34,000
Restoration of Duwamish Hill Preserve	\$515,000
Coastal Salish Institute at Northwest Indian College	\$1,000,000
Washington Hall Restoration	\$290,000
Maritime Heritage Education Center at Lake Union	\$990,000
Public Access to the Mary Olsen Farm	\$286,000
Paramount Theatre	\$146,000
Chambers Prairie Schoolhouse	\$39,000
Vancouver National Historic Reserve Trust	\$283,000
Archives Building at the Island Heritage Museum	\$52,000
Western Forest Industries Museum	\$385,000
Jacob & Emma Reard House	\$40,000
Chinook School Rehabilitation	\$115,000
Shoreline Historical Museum	\$219,000
Eddon Boat Restoration	\$128,000
Yamasaki Courtyard Renewal	\$654,000
Railway History Center	\$789,000
Covenant Beach Bible Camp Historic Dining Hall	\$850,000

Virginia V Hull Restoration	\$221,000
Coastal Heritage Alliance	\$82,000
Historical Dash Point School	\$25,000
Nordic Heritage Museum	\$1,000,000
Washington State Holocaust Museum	\$150,000
Highline Heritage Museum	\$338,000
Total	\$9,831,000

Appropriation:

State Building Construction Account—State	\$9,831,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,831,000

NEW SECTION. Sec. 5094. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

Minor Works - Campbell House Preservation (30000021)

Appropriation:

State Building Construction Account—State	\$240,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$124,000
TOTAL	\$364,000

NEW SECTION. Sec. 5095. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

Minor Works - Northwest Museum of Arts and Culture (30000026)

Appropriation:

State Building Construction Account—State	\$55,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$193,000
TOTAL	\$248,000

NEW SECTION. Sec. 5096. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Olympic College: Humanities and Student Services (20061204)

Reappropriation:

State Building Construction Account—State	\$83,000
Prior Biennia (Expenditures)	\$41,305,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$41,388,000

NEW SECTION. Sec. 5097. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Spokane Falls Community College: Campus Classrooms (20062696)

Reappropriation:

State Building Construction Account—State	\$12,629,000
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Prior Biennia (Expenditures)	\$6,987,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$19,616,000

NEW SECTION. Sec. 5098. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

South Puget Sound Community College: Learning Resource Center (20062698)

Reappropriation:

State Building Construction Account—State	\$18,185,000
Prior Biennia (Expenditures)	\$15,476,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$33,661,000

NEW SECTION. Sec. 5099. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Clover Park Technical College: Allied Health Care Facility (20062699)

Reappropriation:

State Building Construction Account—State	\$11,450,000
Prior Biennia (Expenditures)	\$10,883,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$22,333,000

NEW SECTION. Sec. 5100. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Seattle Central Community College: Wood Construction Center (20081216)

Reappropriation:

State Building Construction Account—State	\$942,000
Prior Biennia (Expenditures)	\$21,367,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$22,309,000

NEW SECTION. Sec. 5101. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Spokane Community College: Technical Education Building (20081220)

Reappropriation:

State Building Construction Account—State	\$4,804,000
Prior Biennia (Expenditures)	\$21,626,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$26,430,000

NEW SECTION. Sec. 5102. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Everett Community College: Index Hall Replacement (20081221)

Reappropriation:

State Building Construction Account—State	\$8,652,000
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Prior Biennia (Expenditures)	\$27,662,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$36,314,000

NEW SECTION. Sec. 5103. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Green River Community College: Trades and Industry Building (20081222)

Reappropriation:

State Building Construction Account—State	\$573,000
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Appropriation:

State Building Construction Account—State	\$26,774,000
Prior Biennia (Expenditures)	\$1,272,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$28,619,000

NEW SECTION. Sec. 5104. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Grays Harbor College: Science and Math Building (20081226)

Appropriation:

State Building Construction Account—State	\$41,576,000
Prior Biennia (Expenditures)	\$2,568,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$44,144,000

NEW SECTION. Sec. 5105. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Pierce College Fort Steilacoom: Cascade Core (20081321)

Reappropriation:

State Building Construction Account—State	\$568,000
Community/Technical College Capital Projects Account—State	\$219,000
Subtotal Reappropriation	\$787,000

Prior Biennia (Expenditures)	\$23,054,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$23,841,000

NEW SECTION. Sec. 5106. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Tacoma Community College: Health Careers Center (20082701)

Reappropriation:

State Building Construction Account—State	\$34,971,000
Prior Biennia (Expenditures)	\$6,202,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$41,173,000

NEW SECTION. Sec. 5107. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Bellevue Community College: Health Science Building (20082702)

Reappropriation:

State Building Construction Account—State \$170,000

Appropriation:

State Building Construction Account—State \$28,672,000

Prior Biennia (Expenditures) \$2,884,000

Future Biennia (Projected Costs) \$0

TOTAL \$31,726,000

NEW SECTION. Sec. 5108. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Bates Technical College: Mohler Communications Technology Center (20082703)

Reappropriation:

State Building Construction Account—State \$219,000

Appropriation:

State Building Construction Account—State \$23,808,000

Prior Biennia (Expenditures) \$1,709,000

Future Biennia (Projected Costs) \$0

TOTAL \$25,736,000

NEW SECTION. Sec. 5109. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Columbia Basin College: Social Science Center (20082704)

Appropriation:

State Building Construction Account—State \$965,000

Prior Biennia (Expenditures) \$109,000

Future Biennia (Projected Costs) \$14,758,000

TOTAL \$15,832,000

NEW SECTION. Sec. 5110. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Clark College: Health and Advanced Technologies Building (20082705)

Reappropriation:

State Building Construction Account—State \$1,335,000

Appropriation:

State Building Construction Account—State \$33,784,000

Prior Biennia (Expenditures) \$1,239,000

Future Biennia (Projected Costs) \$0

TOTAL \$36,358,000

NEW SECTION. Sec. 5111. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Peninsula College: Fort Worden Building 202 (30000114)

Reappropriation:

State Building Construction Account—State \$4,191,000

Prior Biennia (Expenditures)	\$186,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,377,000

NEW SECTION. Sec. 5112. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Bellingham Technical College: Fisheries Program (30000117)

Reappropriation:

State Building Construction Account—State	\$1,590,000
Prior Biennia (Expenditures)	\$410,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,000,000

NEW SECTION. Sec. 5113. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Lower Columbia College: Myklebust Gymnasium (30000118)

Reappropriation:

State Building Construction Account—State	\$1,712,000
Prior Biennia (Expenditures)	\$288,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,000,000

NEW SECTION. Sec. 5114. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Seattle Central Community College: Seattle Maritime Academy (30000120)

Reappropriation:

State Building Construction Account—State	\$220,000
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Appropriation:

State Building Construction Account—State	\$15,491,000
Prior Biennia (Expenditures)	\$1,117,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$16,828,000

NEW SECTION. Sec. 5115. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Yakima Valley Community College: Palmer Martin Building (30000121)

Reappropriation:

State Building Construction Account—State	\$3,000
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Appropriation:

State Building Construction Account—State	\$19,243,000
Prior Biennia (Expenditures)	\$994,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,240,000

NEW SECTION. Sec. 5116. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Olympic College: College Instruction Center (30000122)

The reappropriation in this section is subject to the following conditions and limitations: Olympic community college shall enter into an interagency agreement with the office of financial management to provide funding for a budget evaluation study. The office of financial management shall use a budget evaluation study team approach using value engineering techniques and life cycle cost analysis in conducting the study. The office of financial management shall select the budget evaluation team members, contract for the study, and report the results to the legislature and agencies in a timely manner following the study.

Reappropriation:

State Building Construction Account—State	\$3,212,000
Prior Biennia (Expenditures)	\$412,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$3,624,000

NEW SECTION. Sec. 5117. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Centralia Community College: Student Services (30000123)

Appropriation:

State Building Construction Account—State	\$2,517,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$33,075,000
TOTAL	\$35,592,000

NEW SECTION. Sec. 5118. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Peninsula College: Allied Health and Early Childhood Development Center (30000126)

Appropriation:

State Building Construction Account—State	\$1,810,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$26,756,000
TOTAL	\$28,566,000

NEW SECTION. Sec. 5119. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

North Seattle Community College: Technology Building Renewal (30000129)

Reappropriation:

State Building Construction Account—State	\$22,159,000
Prior Biennia (Expenditures)	\$3,260,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$25,419,000

NEW SECTION. Sec. 5120. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Green River Community College: Science, Math, and Technology Building (30000130)

Reappropriation:

State Building Construction Account—State	\$8,271,000
Prior Biennia (Expenditures)	\$11,606,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$19,877,000

NEW SECTION. Sec. 5121. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Renton Technical College: Automotive Complex Renovation (30000134)

Appropriation:

State Building Construction Account—State	\$1,583,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$16,716,000
TOTAL	\$18,299,000

NEW SECTION. Sec. 5122. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Edmonds Community College: Science Engineering Technology Building (30000137)

Appropriation:

State Building Construction Account—State	\$7,820,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$30,000,000
TOTAL	\$37,820,000

NEW SECTION. Sec. 5123. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Whatcom Community College: Learning Commons (30000138)

Appropriation:

State Building Construction Account—State	\$1,822,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$29,802,000
TOTAL	\$31,624,000

NEW SECTION. Sec. 5124. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Site Repairs "A" (30000504)

Reappropriation:

State Building Construction Account—State	\$1,620,000
Community/Technical College Capital Projects	
Account—State	\$2,379,000
Subtotal Reappropriation	\$3,999,000
Prior Biennia (Expenditures)	\$1,046,000
Future Biennia (Projected Costs)	\$0

TOTAL \$5,045,000

NEW SECTION. Sec. 5125. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Facility Repairs "A" (30000505)

Reappropriation:

Community/Technical College Capital Projects

Account—State. \$7,676,000

Prior Biennia (Expenditures) \$8,153,000

Future Biennia (Projected Costs) \$0

TOTAL \$15,829,000

NEW SECTION. Sec. 5126. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

South Seattle Community College: Cascade Court (30000128)

Appropriation:

State Building Construction Account—State \$2,087,000

Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs) \$32,684,000

TOTAL \$34,771,000

NEW SECTION. Sec. 5127. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Roof Repairs "A" (30000434)

Reappropriation:

Community/Technical College Capital Projects

Account—State. \$3,708,000

Prior Biennia (Expenditures) \$5,417,000

Future Biennia (Projected Costs) \$0

TOTAL \$9,125,000

NEW SECTION. Sec. 5128. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Minor Works - Preservation (30000461)

Reappropriation:

Community/Technical College Capital Projects

Account—State. \$10,544,000

Prior Biennia (Expenditures) \$5,457,000

Future Biennia (Projected Costs) \$0

TOTAL \$16,001,000

NEW SECTION. Sec. 5129. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Minor Works - Program (30000674)

Reappropriation:

State Building Construction Account—State \$7,270,000

Prior Biennia (Expenditures)	\$12,730,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,000,000

NEW SECTION. Sec. 5130. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Preventive Maintenance and Building System Repairs (91000043)

Appropriation:

Community/Technical College Capital Projects	
Account—State	\$22,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$22,800,000

NEW SECTION. Sec. 5131. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Minor Works - Program (30000723)

Appropriation:

State Building Construction Account—State	\$354,000
Community/Technical College Capital Projects	
Account—State	\$14,236,000
State Higher Education Construction Account—State	\$620,000
Community and Technical College Forest Reserve	
Account—State	\$582,000
Gardner-Evans Higher Education Construction	
Account—State	\$3,000,000
Subtotal Appropriation	\$18,792,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$18,792,000

NEW SECTION. Sec. 5132. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Minor Works - Preservation (30000779)

Appropriation:

Community/Technical College Capital Projects	
Account—State	\$17,600,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$17,600,000

NEW SECTION. Sec. 5133. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Roof Repairs (30000844)

Appropriation:

Community/Technical College Capital Projects	
Account—State	\$7,785,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$7,785,000

NEW SECTION. Sec. 5134. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Facility Repairs (30000897)

Appropriation:

State Building Construction Account—State	\$20,852,000
Community/Technical College Capital Projects	
Account—State.	\$1,282,000
Subtotal Appropriation	\$22,134,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$22,134,000

NEW SECTION. Sec. 5135. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Site Repairs (30000941)

Appropriation:

Community/Technical College Capital Projects	
Account—State.	\$2,574,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,574,000

**PART 6
2013 SUPPLEMENTAL CAPITAL BUDGET**

Sec. 6001. 2012 2nd sp.s. c 2 s 1022 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Engineering and Architectural Services: Staffing (91000005)

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

Up to \$75,000 is for the department of enterprise services to conduct a review of the state's current public works procurement processes and provide a report by December 15, 2012, to the appropriate committees of the legislature and the governor with procurement reform recommendations. For recommendations that require a statutory change, the report should include draft legislation needed to accomplish the report's recommendations. The director may contract with a private entity for assistance to conduct the study. The capital projects advisory review board will provide advice and assistance as required by the director. The report will include historical data on (1) the use of change orders; (2) the use of job order contracting; (3) how are competitive public works contracts advertised; and (4) contract closeout procedures. State agencies that will participate include one research university, one natural resource agency, and one general government agency.

Appropriation:

State Building Construction Account—State	.....	(\$7,751,000)
		<u>\$8,541,000</u>
Prior Biennia (Expenditures)	.....	\$0
Future Biennia (Projected Costs)	.....	\$34,250,000
TOTAL	.....	(\$42,001,000)
		<u>\$42,791,000</u>

Sec. 6002. 2012 2nd sp.s. c 2 s 1024 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Natural Resource Building Roof Replacement and Exterior Foam Insulation System Repairs (30000546)

Appropriation:

State Building Construction Account—State	.....	(\$982,000)
		<u>\$4,482,000</u>
Prior Biennia (Expenditures)	.....	\$0
Future Biennia (Projected Costs)	.....	\$0
TOTAL	.....	(\$982,000)
		<u>\$4,482,000</u>

Sec. 6003. 2012 2nd sp.s. c 2 s 1025 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Natural Resource Building Roof Replacement and Exterior Foam Insulation System Repairs (30000546)

Appropriation:

Capitol Building Construction Account—State	.....	(\$3,500,000)
		<u>\$0</u>
Prior Biennia (Expenditures)	.....	\$0
Future Biennia (Projected Costs)	.....	\$0
TOTAL	.....	(\$3,500,000)
		<u>\$0</u>

Sec. 6004. 2011 1st sp. s. c 48 s 1022 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ((GENERAL ADMINISTRATION)) ENTERPRISE SERVICES

Engineering and Architectural Services: Staffing (91000005)

Appropriation:

Charitable, Educational, Penal and Reformatory Institutions Account—State	.....	\$928,000
(((Capitol Building Construction Account—State	.....	\$790,000
Subtotal Appropriation	.....	\$1,718,000)
		<u>\$1,718,000</u>
Prior Biennia (Expenditures)	.....	\$0
Future Biennia (Projected Costs)	.....	\$0

TOTAL(((\$1,718,000))
\$928,000

Sec. 6005. 2011 1st sp.s. c 48 s 1023 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((GENERAL ADMINISTRATION))
ENTERPRISE SERVICES**

Legislative Building Critical Hydronic Loop Repairs (30000584)

Appropriation:

Capitol Building Construction Account—State(((\$1,179,000))
\$0
Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs) \$0
TOTAL(((\$1,179,000))
\$0

**NEW SECTION. Sec. 6006. FOR THE DEPARTMENT OF
ENTERPRISE SERVICES**

Legislative Building Critical Hydronic Loop Repairs (30000584)

Appropriation:

State Building Construction Account—State \$1,179,000
Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs) \$0
TOTAL \$1,179,000

Sec. 6007. 2012 2nd sp.s. c 2 s 3002 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

Clean Up Toxic Sites - Puget Sound (91000032)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for the following ranked list of projects. ((If a specified project has not met the requirements for executing a contract with the department by April 30, 2013, the department may allocate the amount specified to additional projects awarded on a competitive basis provided that the awardee is ready to proceed with the project.))

Project	Authorized Amount
Port Gamble Bay - Open up 90 acres of geoduck ((tracks)) <u>tracts</u>	\$2,000,000
Port Gamble Bay - Source control, habitat preservation, and cleanup sustainability	\$7,000,000
Administration	\$270,000
Total	\$9,270,000

Appropriation:

State Toxics Control Account—State \$9,270,000

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,270,000

Sec. 6008. 2011 1st sp.s. c 49 s 3052 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

Fort Worden State Park: Building 202 Rehabilitation (30000027)

Appropriation:

State Building Construction Account—State	(\$2,377,000)
	<u>\$0</u>

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	(\$2,377,000)
	<u>\$0</u>

Sec. 6009. 2011 1st sp.s. c 48 s 3070 (uncodified) is amended to read as follows:

FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Aquatic Lands Enhancement Account (30000143)

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for the list of projects in LEAP capital document No. 2011-3B, (~~developed April 6, 2014~~) revised April 10, 2013.

Appropriation:

Aquatic Lands Enhancement Account—State	(\$6,806,000)
	<u>\$6,461,000</u>

Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	(\$6,806,000)
	<u>\$6,461,000</u>

Sec. 6010. 2011 1st sp s. c 49 s 3112 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

Replacing State Forest Lands with Productive Forests (91000029)

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

(1) The total appropriation is provided solely to the department to transfer from state forest land status to natural resources conservation area status certain state forest lands in counties with a population of 25,000 or less which are subject to timber harvest deferrals greater than thirty years due to the presence of wildlife species listed as endangered or threatened under the federal endangered species act. The approved list of properties for transfer is identified in the LEAP capital document No. 2011-5A, (~~developed March 24, 2011~~) revised April 10, 2013.

(2) Property transferred under this section must be appraised and transferred at fair market value, without consideration of management or regulatory encumbrances associated with wildlife species listed under the federal endangered species act. The value of the timber and other valuable materials transferred must be distributed as provided in RCW 79.64.110, in the same manner as valuable material revenues from other state forest lands in the applicable counties. The value of the land transferred must be deposited in the park land trust revolving account and be solely used to buy replacement state forest land within the same county as the property transferred, consistent with RCW 79.22.060.

(3) Prior to or concurrent with conveyance of these properties, the department shall execute and record a real property instrument that dedicates the transferred properties to the purposes identified in subsection (1) of this section. Transfer agreements for properties identified in subsection (1) of this section must include terms that restrict the use of the property to the intended purpose.

(4) The department and applicable counties shall work in good faith to carry out the intent of this section. However, the department or applicable counties may remove a property from the transfer list based on new, substantive information, if it is determined that transfer of the property is not in the statewide interest of either the state forest trust or the natural resources conservation area program.

Appropriation:

State Building Construction Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,000,000

NEW SECTION, Sec. 6011. FOR THE DEPARTMENT OF NATURAL RESOURCES

Natural Areas Facilities Preservation and Access (30000208)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for ecological restoration of the upland buffer areas within the Elk River natural resource conservation area.

Appropriation:

Aquatic Lands Enhancement Account—State.	\$345,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$345,000

Sec. 6012. 2012 2nd sp.s. c 2 s 5005 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

2011-13 School Construction Assistance Program (30000071)

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

(1) \$1,337,000 of the common school construction account—state appropriation is provided solely for study and survey grants and for completing

inventory and building condition assessments for all public school districts once every six years.

(2) In calculating square foot eligibility for state assistance grants, kindergarten student headcount shall not be reduced by fifty percent.

(3) \$952,000 of the common school construction account—state appropriation is provided solely for mapping the design of new facilities and remapping the design of facilities to be remodeled, for school construction projects funded through the school construction assistance program.

Appropriation:

Common School Construction Account—State	\$307,558,000
Common School Construction Account—Federal	(\$1,600,000)
	<u>\$2,230,000</u>
Subtotal Appropriation	(\$309,158,000)
	<u>\$309,788,000</u>
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$1,351,139,000
TOTAL	(\$1,660,297,000)
	<u>\$1,660,927,000</u>

Sec. 6013. 2011 1st sp.s. c 49 s 5101 (uncodified) is amended to read as follows:

FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Peninsula College: Fort Worden Building 202 (30000114)

Appropriation:

State Building Construction Account—State	(\$2,000,000)
	<u>\$4,377,000</u>
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	(\$2,000,000)
	<u>\$4,377,000</u>

NEW SECTION. Sec. 6014. COLUMBIA RIVER BASIN NONTAXABLE AND TAXABLE BOND PROCEEDS.

Portions of the appropriation authority granted by this act from the Columbia river basin water supply development account may be transferred to the Columbia river basin taxable bond water supply development account as deemed necessary by the state finance committee to comply with the federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds. The state treasurer shall submit written notification to the director of financial management if it is determined that a shift of appropriation authority between the Columbia river basin water supply development account and the Columbia river basin taxable bond water supply development account is necessary, or that a shift of appropriation authority from the Columbia river basin taxable bond water supply development account to the Columbia river basin water supply development account may be made.

PART 7
MISCELLANEOUS PROVISIONS

NEW SECTION. Sec. 7001. RCW 43.88.031 requires the disclosure of the estimated debt service costs associated with new capital bond appropriations. The estimated debt service costs for the appropriations contained in this act are twenty-eight million dollars for the 2013-2015 biennium, one hundred ninety million dollars for the 2015-2017 biennium, and two hundred seventy-eight million dollars for the 2017-2019 biennium.

NEW SECTION. Sec. 7002. (1) Allotments for appropriations in this act shall be provided in accordance with the capital project review requirements adopted by the office of financial management and in compliance with RCW 43.88.110. Projects that will be employing alternative public works construction procedures under chapter 39.10 RCW are subject to the allotment procedures defined in this section and RCW 43.88.110.

(2) Each project is defined as proposed in the legislative budget notes or in the governor's budget document.

NEW SECTION. Sec. 7003. (1) The legislature finds that use of life cycle cost analysis will aid public entities, architects, engineers, and contractors in making design and construction decisions that positively impact both the initial construction cost and the ongoing operating and maintenance cost of a project. To ensure that the total cost of a project is accounted for and the most reasonable and cost efficient design is used, agencies shall develop life cycle costs for any construction project over \$5,000,000. The life cycle costs shall represent the present value sum of capital costs, installation costs, operating costs, and maintenance costs over the life expectancy of the project. The legislature further finds the most effective approach to the life cycle cost analysis is to integrate it into the early part of the design process.

(2) Agencies shall develop a minimum of three project alternatives for use in the life cycle cost analysis. These alternatives must be both distinctly different and viable solutions to the issue being addressed. The chosen alternative must be the most reasonable and cost-effective solution. A brief description of each project alternative and why it was chosen must be included in the life cycle cost analysis section of the predesign.

(3) The office of financial management shall: (a) Make available a life cycle cost model to be used for analysis; (b) in consultation with the department of enterprise services, provide assistance in using the life cycle cost model; and (c) update the life cycle cost model annually including assumptions for inflation rates, discount rates, and energy rates.

(4) Agencies shall consider architectural and engineering firms' and general contractors' experience using life cycle costs, operating costs, and energy efficiency measures when selecting an architectural and engineering firm, or when selecting contractors using alternative contracting methods.

NEW SECTION. Sec. 7004. To ensure that major construction projects are carried out in accordance with legislative and executive intent, appropriations in this act in excess of \$5,000,000 shall not be expended or encumbered until the office of financial management has reviewed and approved the agency's predesign. The predesign document must include, but not be limited to, program, site, and cost analysis, including life-cycle cost, in accordance with the

predesign manual adopted by the office of financial management. The results of life-cycle cost analysis shall be a primary consideration in the selection of a building design. Construction shall proceed only upon providing to the office of financial management the life-cycle costs. To improve monitoring of major construction projects, progress reports must be submitted by the agency administering the project to the office of financial management and to the fiscal committees of the house of representatives and senate. Reports must be submitted on July 1st and December 31st each year in a format to be developed by the office of financial management.

NEW SECTION. Sec. 7005. (1) To ensure minor works appropriations are carried out in accordance with legislative intent, funds appropriated in this act shall not be allotted until project lists are on file at the office of financial management, the house of representatives capital budget committee, and the senate ways and means committee. All projects must meet the criteria included in subsection (2)(a) of this section. Revisions to the lists must be filed with the office of financial management, the house of representatives capital budget committee, and the senate ways and means committee and include an explanation of variances from the prior lists before funds may be expended on the revisions.

(2)(a) Minor works projects are single line appropriations that include multiple projects of a similar nature and that are valued between \$25,000 and \$1,000,000 each, with the exception of higher education minor works projects that may be valued up to \$2,000,000. These projects can generally be completed within two years of the appropriation with the funding provided. Agencies are prohibited from including projects on their minor works lists that are a phase of a larger project, and that if combined over a continuous period of time, would exceed \$1,000,000, or \$2,000,000 for higher education minor works projects. Improvements for accessibility in compliance with the Americans with disabilities act may be included in any of the above minor works categories.

(b) Minor works appropriations shall not be used for, among other things: Studies, except for technical or engineering reviews or designs that lead directly to and support a project on the same minor works list; planning; design outside the scope of work on a minor works list; moveable, temporary, and traditionally funded operating equipment not in compliance with the equipment criteria established by the office of financial management; software not dedicated to control of a specialized system; moving expenses; land or facility acquisition; rolling stock, computers or to supplement funding for projects with funding shortfalls unless expressly authorized elsewhere in this act. The office of financial management may make an exception to the limitations described in this subsection (2)(b) for exigent circumstances after notifying the legislative fiscal committees and waiting ten days for comments by the legislature regarding the proposed exception.

(c) Minor works preservation projects may include program improvements of no more than twenty-five percent of the individual minor works preservation project cost.

(3) Minor works projects are intended to be one-time expenditures that do not require future state resources to complete.

NEW SECTION. Sec. 7006. (1) The office of financial management may authorize a transfer of appropriation authority provided for a capital project that is in excess of the amount required for the completion of such project to another capital project for which the appropriation is insufficient. No such transfer may be used to expand the capacity of any facility beyond that intended in making the appropriation. Such transfers may be effected only between capital appropriations to a specific department, commission, agency, or institution of higher education and only between capital projects that are funded from the same fund or account. No transfers may occur between projects to local government agencies except where the grants are provided within a single omnibus appropriation and where such transfers are specifically authorized by the implementing statutes that govern the grants.

(2) The office of financial management may find that an amount is in excess of the amount required for the completion of a project only if: (a) The project as defined in the notes to the budget document is substantially complete and there are funds remaining; or (b) bids have been let on a project and it appears to a substantial certainty that the project as defined in the notes to the budget document can be completed within the biennium for less than the amount appropriated in this act.

(3) For the purposes of this section, the intent is that each project be defined as proposed to the legislature in the governor's budget document, unless it clearly appears from the legislative history that the legislature intended to define the scope of a project in a different way.

(4) A report of any transfer effected under this section, except emergency projects or any transfer under \$250,000, shall be filed with the legislative fiscal committees of the senate and house of representatives by the office of financial management at least thirty days before the date the transfer is effected. The office of financial management shall report all emergency or smaller transfers within thirty days from the date of transfer.

NEW SECTION. Sec. 7007. (1) It is expected that projects be ready to proceed in a timely manner depending on the type or phase of the project or program that is the subject of the appropriation in this act. Except for major projects that customarily may take more than two biennia to complete from predesign to the end of construction, or large infrastructure grant or loan programs supporting projects that often take more than two biennia to complete, the legislature generally does not intend to reappropriate funds more than once, particularly for smaller grant programs, local/community projects, and minor works.

(2) Agencies shall expedite the expenditure of reappropriations and appropriations in this act in order to: (a) Rehabilitate infrastructure resources; (b) accelerate environmental rehabilitation and restoration projects for the improvement of the state's natural environment; (c) reduce additional costs associated with acquisition and construction inflationary pressures; and (d) provide additional employment opportunities associated with capital expenditures.

(3) To the extent feasible, agencies are directed to accelerate expenditure rates at their current level of permanent employees and shall use contracted design and construction services wherever necessary to meet the goals of this section.

NEW SECTION. Sec. 7008. The office of financial management, in accordance with RCW 28B.77.070 and 43.88D.010, shall include the following in the scoring process: (1) The office of financial management shall develop a single prioritized list that includes all projects requesting funding, with the exception of minor works and predesign requests. Predesigns shall be on a separate prioritized list; (2) the office of financial management shall increase the weighting of the reasonableness of cost criteria; (3) projects shall be scored only once unless the office of financial management, or the requesting school, find that the project scope or budget has significantly changed.

NEW SECTION. Sec. 7009. FOR THE OFFICE OF FINANCIAL MANAGEMENT

State Toxic Control and Environmental Legacy Stewardship Accounts Budgeting

The office of financial management, working with the department of ecology and legislative fiscal committee staff, shall develop a process and procedures for the budgeting of the state toxics control account and the environmental legacy stewardship account to ensure adequate funding for the base operating programs as specified in RCW 70.105D.070 (3) is maintained. This includes recommendations on how the base operating budget work will be assigned to the two accounts, and, if future shifts between the two accounts are necessary to maintain existing funding levels, procedures that describe when they are to be addressed through maintenance level or policy level decision packages. These procedures shall be submitted to the legislative fiscal and environmental committees by October 1, 2013.

NEW SECTION. Sec. 7010. State agencies, including institutions of higher education, shall allot and report full-time equivalent staff for capital projects in a manner comparable to staff reporting for operating expenditures.

NEW SECTION. Sec. 7011. Executive Order No. 05-05, archaeological and cultural resources, was issued effective November 10, 2005. Agencies and higher education institutions shall comply with the requirements set forth in this executive order.

NEW SECTION. Sec. 7012. FOR THE STATE TREASURER—TRANSFERS

Thurston County Capital Facilities Account: For transfer to the Capitol Building Construction Account \$3,200,000

NEW SECTION. Sec. 7013. FOR THE STATE TREASURER—TRANSFERS

State Toxic Control Account: For transfer to the Radioactive Mixed Waste Account \$2,000,000

State Toxic Control Account: For transfer to the Local Toxic Control Account \$4,000,000

Environmental Legacy Stewardship Account: For transfer to the Local Toxic Control Account \$12,000,000

NEW SECTION. Sec. 7014. ACQUISITION OF PROPERTIES AND FACILITIES THROUGH FINANCIAL CONTRACTS. The following agencies may enter into financial contracts, paid from any funds of an agency, appropriated or nonappropriated, for the purposes indicated and in not more than

the principal amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW. When securing properties under this section, agencies shall use the most economical financial contract option available, including long-term leases, lease-purchase agreements, lease-development with option to purchase agreements or financial contracts using certificates of participation. Expenditures made by an agency for one of the indicated purposes before the issue date of the authorized financial contract and any certificates of participation therein are intended to be reimbursed from proceeds of the financial contract and any certificates of participation therein to the extent provided in the agency's financing plan approved by the state finance committee.

State agencies may enter into agreements with the department of enterprise services and the state treasurer's office to develop requests to the legislature for acquisition of properties and facilities through financial contracts. The agreements may include charges for services rendered.

Those noninstructional facilities of higher education institutions authorized in this section to enter into financial contracts are not eligible for state funded maintenance and operations. Instructional space that is available for regularly scheduled classes for academic transfer, basic skills, and workforce training programs may be eligible for state funded maintenance and operations.

(1) Community and technical colleges:

(a) Enter into a financing contract on behalf of Peninsula College for up to \$2,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to renovate or replace the Forks satellite building.

(b) Enter into a financing contract on behalf of South Puget Sound Community College for up to \$5,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to renovate the downtown Lacey campus.

(c) Enter into a financing contract on behalf of Walla Walla Community College for up to \$1,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase up to forty acres of land.

(d) Enter into a financing contract on behalf of Green River Community College for up to \$15,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct a replacement facility for the student life center.

(e) Enter into a financing contract on behalf of Whatcom Community College for up to \$11,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct a student recreation center.

(f) Enter into a financing contract on behalf of Spokane Community College for up to \$3,100,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct an addition to the student services building.

(g) Enter into a long-term lease on behalf of Spokane Community College at Felts Field suitable for the aerospace training center program, subject to the approval of the office of financial management as required by chapter 43.82 RCW.

(2) Department of enterprise services:

(a) Enter into a financing contract for up to \$1,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the modifications to the Yakima office building in preparation for the department of social and health services use of the building.

(b) Enter into a financing contract for up to \$69,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct a new office building at 1063 Capitol Way South, Olympia. The building will be delivered using design build, as defined by chapter 39.10 RCW, with a guarantee for energy, operations and maintenance performance. The term for performance validation must not be less than five years. The state may use state employees for services not related to building performance. Criteria for selecting a contractor must include life cycle costs, energy costs or energy use index. The scope of the building shall be between two hundred thousand and two hundred twenty-five thousand square feet of office space based on the office of financial management's direction for square feet and tenants identified in the programming phase including the Washington State Patrol. Tenant lease costs for the building may not exceed \$26 per gross square foot including debt services and operating expenses. Proposals must be received by January 31, 2014. This is phase one of a two-phase process that includes future demolition of the current general administration building and construction of a similar facility which may include the state library as a tenant.

Sec. 7015. RCW 43.34.080 and 2011 1st sp.s. c 21 s 34 are each amended to read as follows:

(1) The capitol campus design advisory committee is established as an advisory group to the capitol committee and the director of (~~general administration~~) enterprise services to review programs, planning, design, and landscaping of state capitol facilities and grounds and to make recommendations that will contribute to the attainment of architectural, aesthetic, functional, and environmental excellence in design and maintenance of capitol facilities on campus and located in neighboring communities.

(2) The advisory committee shall consist of the following persons who shall be appointed by and serve at the pleasure of the director of (~~general administration~~) enterprise services:

- (a) Two architects;
- (b) A landscape architect; and
- (c) An urban planner.

The director of (~~general administration~~) enterprise services shall appoint the chair and vice chair and shall provide the staff and resources necessary for implementing this section. The advisory committee shall meet at least once every ninety days and at the call of the chair.

The members of the committee shall be reimbursed as provided in RCW 43.03.220 and 44.04.120.

(3) The advisory committee shall also consist of the secretary of state and two members of the house of representatives, one from each caucus, who shall be appointed by the speaker of the house of representatives, and two members of the senate, one from each caucus, who shall be appointed by the president of the senate.

(4) The advisory committee shall review plans and designs affecting state capitol facilities as they are developed. The advisory committee's review shall include:

- (a) The process of solicitation and selection of appropriate professional design services including design-build proposals;

(b) Compliance with the capitol campus master plan and design concepts as adopted by the capitol committee;

(c) The design, siting, and grouping of state capitol facilities relative to the service needs of state government and the impact upon the local community's economy, environment, traffic patterns, and other factors;

(d) The relationship of overall state capitol facility planning to the respective comprehensive plans for long-range urban development of the cities of Olympia, Lacey, and Tumwater, and Thurston county; and

(e) Landscaping plans and designs, including planting proposals, street furniture, sculpture, monuments, and access to the capitol campus and buildings.

(5) For development of the property known as the 1063 block, the committee may review the proposal selected by the department of enterprise services but must not propose changes that will affect the scope, budget, or schedule of the project.

NEW SECTION. Sec. 7016. PUGET SOUND PROTECTION AND RESTORATION. Consistent with RCW 90.71.340, when expending appropriations under this act that contribute to Puget Sound protection and recovery, agencies shall consult with the Puget Sound partnership to ensure that projects and expenditures are either in, or consistent with the 2020 action agenda. These consultations shall include the exchange of information on specific actions, projects, associated funding, performance measures, and other information necessary to track project implementation and ensure alignment with the action agenda. In situations where the Puget Sound partnership finds that a project is not in, or is not consistent with the action agenda Puget Sound partnership shall document this finding and report back to the governor and legislative fiscal committees.

NEW SECTION. Sec. 7017. FOR THE ARTS COMMISSION—ART WORK ALLOWANCE POOLING. (1) One-half of one percent of moneys appropriated in this act for original construction of school plant facilities is provided solely for the purposes of RCW 28A.335.210. The Washington state arts commission may combine the proceeds from individual projects in order to fund larger works of art or mobile art displays in consultation with the superintendent of public instruction and representatives of school district boards.

(2) One-half of one percent of moneys appropriated in this act for original construction or any major renovation or remodel work exceeding two hundred thousand dollars by colleges or universities is provided solely for the purposes of RCW 28B.10.027. The Washington state arts commission may combine the proceeds from individual projects in order to fund larger works of art or mobile art displays in consultation with the board of regents or trustees.

(3) One-half of one percent of moneys appropriated in this act for original construction of any public building by a state agency as defined in RCW 43.17.020 is provided solely for the purposes of RCW 43.17.200. The Washington state arts commission may combine the proceeds from individual projects in order to fund larger works of art or mobile art displays in consultation with the state agency.

(4) At least eighty-five percent of the moneys spent by the Washington state arts commission during the 2013-2015 biennium for the purposes of RCW 28A.335.210, 28B.10.027, and 43.17.200 must be expended solely for direct

acquisition of works of art. The commission may use up to \$100,000 of this amount to conserve or maintain existing pieces in the state art collection pursuant to chapter 36, Laws of 2005.

NEW SECTION. Sec. 7018. The amounts shown under the headings "Prior Biennia," "Future Biennia," and "Total" in this act are for informational purposes only and do not constitute legislative approval of these amounts. "Prior biennia" typically refers to the immediate prior biennium for reappropriations, but may refer to multiple biennia in the case of specific projects. A "future biennia" amount is an estimate of what may be appropriated for the project or program in the 2015-2017 biennium and the following three biennia; an amount of zero does not necessarily constitute legislative intent to not provide funding for the project or program in the future.

NEW SECTION. Sec. 7019. To carry out the provisions of this act, the governor may assign responsibility for predesign, design, construction, and other related activities to any appropriate agency.

NEW SECTION. Sec. 7020. If any federal moneys appropriated by this act for capital projects are not received by the state, the department or agency to which the moneys were appropriated may replace the federal moneys with funds available from private or local sources. No replacement may occur under this section without the prior approval of the director of financial management in consultation with the senate ways and means committee and the house of representatives capital budget committee.

NEW SECTION. Sec. 7021. (1) Unless otherwise stated, for all appropriations under this act that require a match of nonstate money or in-kind contributions, the following requirement, consistent with RCW 43.88.150, shall apply: Expenditures of state money shall be timed so that the state share of project expenditures never exceeds the intended state share of total project costs.

(2) Provision of the full amount of required matching funds is not required to permit the expenditure of capital budget appropriations for phased projects if a proportional amount of the required matching funds is provided for each distinct, identifiable phase of the project.

NEW SECTION. Sec. 7022. **NONTAXABLE AND TAXABLE BOND PROCEEDS.** Portions of the appropriation authority granted by this act from the state building construction account, or any other account receiving bond proceeds, may be transferred to the state taxable building construction account as deemed necessary by the state finance committee to comply with the federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds. Portions of the general obligation bond proceeds authorized by chapter . . . , Laws of 2013 (Substitute House Bill No. 1088, the general obligation bond bill) for deposit into the state taxable building construction account that are in excess of amounts required to comply with the federal internal revenue service rules and regulations shall be deposited into the state building construction account. The state treasurer shall submit written notification to the director of financial management if it is determined that a shift of appropriation authority between the state building construction account, or any other account receiving bond proceeds, and the state taxable building construction account is necessary, or that a shift of appropriation authority from

the state taxable building construction account to the state building construction account may be made.

NEW SECTION. Sec. 7023. By June 30, 2014, the department of social and health services shall transfer deed of the property known as the Stan Hedwall park to the city of Chehalis. The property includes the park and any land adjacent that may be owned by the department. The transfer must be at no cost to the city. When the deed is transferred to the city, the lease expires. The city shall continue to maintain and operate the land as a park.

NEW SECTION. Sec. 7024. The office of financial management, in consultation with the fiscal committees of the legislature, may select capital projects that have completed predesign to undergo a budget evaluation study. The budget evaluation study team approach using value engineering techniques and life cycle cost analysis must be utilized by the office of financial management in conducting the studies. The office of financial management shall select the budget evaluation team members, contract for the study, and report the results to the legislature and agencies in a timely manner following the study. Funds from the project appropriation must be used by the office of financial management through an interagency agreement with the affected agencies to cover the cost of the study.

NEW SECTION. Sec. 7025. COLUMBIA RIVER BASIN NONTAXABLE AND TAXABLE BOND PROCEEDS.

Portions of the appropriation authority granted by this act from the Columbia river basin water supply development account may be transferred to the Columbia river basin taxable bond water supply development account as deemed necessary by the state finance committee to comply with the federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds. The state treasurer shall submit written notification to the director of financial management if it is determined that a shift of appropriation authority between the Columbia river basin water supply development account and the Columbia river basin taxable bond water supply development account is necessary, or that a shift of appropriation authority from the Columbia river basin taxable bond water supply development account to the Columbia river basin water supply development account may be made.

Sec. 7026. RCW 28B.15.210 and 2011 1st sp.s. c 48 s 7022 are each amended to read as follows:

Within thirty-five days from the date of collection thereof, all building fees at the University of Washington, including building fees to be charged students registering in the schools of medicine and dentistry, shall be paid into the state treasury and credited as follows:

One-half or such larger portion as may be necessary to prevent a default in the payments required to be made out of the bond retirement fund to the "University of Washington bond retirement fund" and the remainder thereof to the "University of Washington building account." The sum so credited to the University of Washington building account shall be used exclusively for the purpose of erecting, altering, maintaining, equipping, or furnishing buildings, and for certificates of participation under chapter 39.94 RCW, except for any sums transferred as authorized in RCW 28B.20.725(3). The sum so credited to the University of Washington bond retirement fund shall be used for the payment

of principal of and interest on bonds outstanding as provided by chapter 28B.20 RCW except for any sums transferred as authorized in RCW 28B.20.725(5). ~~((During the 2011-2013 biennium, sums credited to the University of Washington building account shall also be used for routine facility maintenance and utility costs.))~~ During the 2013-2015 biennium, sums credited to the University of Washington building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments.

Sec. 7027. RCW 28B.20.725 and 2011 1st sp.s. c 48 s 7020 are each amended to read as follows:

The board is hereby empowered:

(1) To reserve the right to issue bonds later on a parity with any bonds being issued;

(2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;

(3) To authorize the transfer of money from the University of Washington building account to the bond retirement fund when necessary to prevent a default in the payments required to be made out of such fund;

(4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds;

(5) To authorize the transfer to the University of Washington building account of any money on deposit in the bond retirement fund in excess of debt service for a period of three years from the date of such transfer on all outstanding bonds payable out of such fund. ~~((However, during the 2009-2011 fiscal biennium, the legislature may transfer to the University of Washington building account moneys that are in excess of the debt service due within one year of the date of transfer on all outstanding bonds payable out of the bond retirement fund.))~~ However, during the 2011-2013 fiscal biennium, the legislature may transfer to the University of Washington building account moneys that are in excess of the debt service due within one year of the date of transfer on all outstanding bonds payable out of the bond retirement fund. However, during the 2013-2015 fiscal biennium, the legislature may transfer to the University of Washington building account moneys that are in excess of the debt service due within the 2013-2015 fiscal biennium from the date of such transfer on all outstanding bonds payable out of the bond retirement fund.

Sec. 7028. RCW 28B.15.310 and 2011 1st sp.s. c 48 s 7023 are each amended to read as follows:

Within thirty-five days from the date of collection thereof, all building fees shall be paid and credited as follows: To the Washington State University bond retirement fund, one-half or such larger portion as may be necessary to prevent a default in the payments required to be made out of such bond retirement fund; and the remainder thereof to the Washington State University building account.

The sum so credited to the Washington State University building account shall be expended by the board of regents for buildings, equipment, or maintenance on the campus of Washington State University as may be deemed most advisable and for the best interests of the university, and for certificates of participation under chapter 39.94 RCW, except for any sums transferred as authorized by law. During the 2011-2013 biennium, sums credited to the Washington State University building account shall also be used for routine

facility maintenance and utility costs. During the 2013-2015 biennium, sums credited to the Washington State University building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments. Expenditures so made shall be accounted for in accordance with existing law and shall not be expended until appropriated by the legislature.

The sum so credited to the Washington State University bond retirement fund shall be used to pay and secure the payment of the principal of and interest on building bonds issued by the university, except for any sums which may be transferred out of such fund as authorized by law.

Sec. 7029. RCW 28B.30.750 and 2011 1st sp.s. c 48 s 7021 are each amended to read as follows:

The board is hereby empowered:

(1) To reserve the right to issue bonds later on a parity with any bonds being issued;

(2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;

(3) To authorize the transfer of money from the Washington State University building account to the bond retirement fund when necessary to prevent a default in the payments required to be made out of such fund;

(4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds;

(5) To authorize the transfer to the Washington State University building account of any money on deposit in the bond retirement fund in excess of debt service for a period of three years from the date of such transfer on all outstanding bonds payable out of such fund. (~~However, during the 2009-2011 fiscal biennium, the legislature may transfer to the Washington State University building account moneys that are in excess of the debt service due within one year of the date of transfer on all outstanding bonds payable out of the bond retirement fund.~~) However, during the 2011-2013 fiscal biennium, the legislature may transfer to the Washington State University building account moneys that are in excess of the debt service due within one year of the date of transfer on all outstanding bonds payable out of the bond retirement fund. However, during the 2013-2015 fiscal biennium, the legislature may transfer to the Washington State University building account moneys that are in excess of the debt service due within the 2013-2015 fiscal biennium from the date of such transfer on all outstanding bonds payable out of the bond retirement fund.

Sec. 7030. RCW 28B.35.370 and 2011 1st sp.s. c 48 s 7024 are each amended to read as follows:

Within thirty-five days from the date of collection thereof all building fees of each regional university and The Evergreen State College shall be paid into the state treasury and these together with such normal school fund revenues as provided in RCW 28B.35.751 as are received by the state treasury shall be credited as follows:

(1) On or before June 30th of each year the board of trustees of each regional university and The Evergreen State College, if issuing bonds payable out of its building fees and above described normal school fund revenues, shall certify to the state treasurer the amounts required in the ensuing twelve months to pay and secure the payment of the principal of and interest on such bonds.

The amounts so certified by each regional university and The Evergreen State College shall be a prior lien and charge against all building fees and above described normal school fund revenues of such institution. The state treasurer shall thereupon deposit the amounts so certified in the Eastern Washington University capital projects account, the Central Washington University capital projects account, the Western Washington University capital projects account, or The Evergreen State College capital projects account respectively, which accounts are hereby created in the state treasury. The amounts deposited in the respective capital projects accounts shall be used to pay and secure the payment of the principal of and interest on the building bonds issued by such regional universities and The Evergreen State College as authorized by law. If in any twelve month period it shall appear that the amount certified by any such board of trustees is insufficient to pay and secure the payment of the principal of and interest on the outstanding building and above described normal school fund revenue bonds of its institution, the state treasurer shall notify the board of trustees and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal of and interest on all such bonds then outstanding shall be fully met at all times.

(2) All normal school fund revenue pursuant to RCW 28B.35.751 shall be deposited in the Eastern Washington University capital projects account, the Central Washington University capital projects account, the Western Washington University capital projects account, or The Evergreen State College capital projects account respectively, which accounts are hereby created in the state treasury. The sums deposited in the respective capital projects accounts shall be appropriated and expended to pay and secure the payment of the principal of and interest on bonds payable out of the building fees and normal school revenue and for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto except for any sums transferred therefrom as authorized by law. During the 2011-2013 biennium, sums in the respective capital accounts shall also be used for routine facility maintenance and utility costs. During the 2013-2015 biennium, sums in the respective capital accounts shall also be used for routine facility maintenance, utility costs, and facility condition assessments.

(3) Funds available in the respective capital projects accounts may also be used for certificates of participation under chapter 39.94 RCW.

Sec. 7031. RCW 28B.50.360 and 2011 1st sp.s. c 48 s 7025 are each amended to read as follows:

Within thirty-five days from the date of start of each quarter all collected building fees of each such community and technical college shall be paid into the state treasury, and shall be credited as follows:

(1) On or before June 30th of each year the college board if issuing bonds payable out of building fees shall certify to the state treasurer the amounts required in the ensuing twelve-month period to pay and secure the payment of the principal of and interest on such bonds. The state treasurer shall thereupon deposit the amounts so certified in the community and technical college capital projects account. Such amounts of the funds deposited in the community and technical college capital projects account as are necessary to pay and secure the payment of the principal of and interest on the building bonds issued by the

college board as authorized by this chapter shall be devoted to that purpose. If in any twelve-month period it shall appear that the amount certified by the college board is insufficient to pay and secure the payment of the principal of and interest on the outstanding building bonds, the state treasurer shall notify the college board and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal and interest on all such bonds then outstanding shall be fully met at all times.

(2) The community and technical college capital projects account is hereby created in the state treasury. The sums deposited in the capital projects account shall be appropriated and expended to pay and secure the payment of the principal of and interest on bonds payable out of the building fees and for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the state board for community and technical colleges in the name of the state of Washington, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto, engineering and architectural services provided by the department of ~~((general administration))~~ enterprise services, and for the payment of principal of and interest on any bonds issued for such purposes. During the 2011-2013 biennium, sums in the capital projects account shall also be used for routine facility maintenance and utility costs. During the 2013-2015 biennium, sums in the capital projects account shall also be used for routine facility maintenance and utility costs.

(3) Funds available in the community and technical college capital projects account may also be used for certificates of participation under chapter 39.94 RCW.

Sec. 7032. RCW 43.155.070 and 2013 c 275 s 3 are each amended to read as follows:

(1) To qualify for financial assistance under this chapter the board must determine that a local government meets all of the following conditions:

(a) The city or county must be imposing a tax under chapter 82.46 RCW at a rate of at least one-quarter of one percent;

(b) The local government must have developed a capital facility plan; and

(c) The local government must be using all local revenue sources which are reasonably available for funding public works, taking into consideration local employment and economic factors.

(2) Except where necessary to address a public health need or substantial environmental degradation, a county, city, or town planning under RCW 36.70A.040 may not receive financial assistance under this chapter unless it has adopted a comprehensive plan, including a capital facilities plan element, and development regulations as required by RCW 36.70A.040. This subsection does not require any county, city, or town planning under RCW 36.70A.040 to adopt a comprehensive plan or development regulations before requesting or receiving financial assistance under this chapter if such request is made before the expiration of the time periods specified in RCW 36.70A.040. A county, city, or town planning under RCW 36.70A.040 that has not adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040 may apply for and receive financial assistance under this chapter if the comprehensive plan and development regulations are adopted as required by

RCW 36.70A.040 before executing a contractual agreement for financial assistance with the board.

(3) In considering awarding financial assistance for public facilities to special districts requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, the board must consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.

(4) The board must develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board must attempt to assure a geographical balance in assigning priorities to projects. The board must consider at least the following factors in assigning a priority to a project:

(a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;

(b) Except as otherwise conditioned by RCW 43.155.110, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;

(c) Whether the project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310;

(d) Whether the project is critical in nature and would affect the health and safety of a great number of citizens;

(e) Whether the applicant's permitting process has been certified as streamlined by the office of regulatory assistance;

(f) Whether the applicant has developed and adhered to guidelines regarding its permitting process for those applying for development permits consistent with section 1(2), chapter 231, Laws of 2007;

(g) The cost of the project compared to the size of the local government and amount of loan money available;

(h) The number of communities served by or funding the project;

(i) Whether the project is located in an area of high unemployment, compared to the average state unemployment;

(j) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system;

(k) Except as otherwise conditioned by RCW 43.155.120, and effective one calendar year following the development of model evergreen community management plans and ordinances under RCW 35.105.050, whether the entity receiving assistance has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030;

(l) The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and

(m) Other criteria that the board considers advisable.

(5) For the 2013-2015 fiscal biennium, in place of the criteria, ranking, and submission processes for construction loan lists provided in subsections (4) and (7) of this section:

(a) The board must develop a process for numerically ranking applications for construction loans submitted by local governments. The board must consider, at a minimum and in any order, the following factors in assigning a numerical ranking to a project:

(i) Whether the project is critical in nature and would affect the health and safety of many people;

(ii) The extent to which the project leverages nonstate funds;

(iii) The extent to which the project is ready to proceed to construction;

(iv) Whether the project is located in an area of high unemployment, compared to the average state unemployment;

(v) Whether the project promotes the sustainable use of resources and environmental quality;

(vi) Whether the project consolidates or regionalizes systems;

(vii) Whether the project encourages economic development through mixed-use and mixed income development consistent with chapter 36.70A RCW;

(viii) Whether the system is being well-managed in the present and for long-term sustainability;

(ix) Achieving equitable distribution of funds by geography and population;

(x) The extent to which the project meets the following state policy objectives:

(A) Efficient use of state resources;

(B) Preservation and enhancement of health and safety;

(C) Abatement of pollution and protection of the environment;

(D) Creation of new, family wage jobs, and avoidance of shifting existing jobs from one Washington state community to another;

(E) Fostering economic development consistent with chapter 36.70A RCW;

(F) Efficiency in delivery of goods and services, public transit, and transportation;

(G) Avoidance of additional costs to state and local governments that adversely impact local residents and small businesses; and

(H) Reduction of the overall cost of public infrastructure; and

(xi) Other criteria that the board considers necessary to achieve the purposes of this chapter.

(b) Before November 1, 2014, the board must develop and submit to the appropriate fiscal committees of the senate and house of representatives a ranked list of qualified public works projects which have been evaluated by the board and are recommended for funding by the legislature. The maximum amount of funding that the board may recommend for any jurisdiction is ten million dollars per biennium. For each project on the ranked list, as well as for eligible projects not recommended for funding, the board must document the numerical ranking that was assigned.

(6) Existing debt or financial obligations of local governments may not be refinanced under this chapter. Each local government applicant must provide documentation of attempts to secure additional local or other sources of funding

for each public works project for which financial assistance is sought under this chapter.

~~((6))~~ (7) Before November 1st of each even-numbered year, the board must develop and submit to the appropriate fiscal committees of the senate and house of representatives a description of the loans made under RCW 43.155.065, 43.155.068, and subsection ~~((9))~~ (10) of this section during the preceding fiscal year and a prioritized list of projects which are recommended for funding by the legislature, including one copy to the staff of each of the committees. The list must include, but not be limited to, a description of each project and recommended financing, the terms and conditions of the loan or financial guarantee, the local government jurisdiction and unemployment rate, demonstration of the jurisdiction's critical need for the project and documentation of local funds being used to finance the public works project. The list must also include measures of fiscal capacity for each jurisdiction recommended for financial assistance, compared to authorized limits and state averages, including local government sales taxes; real estate excise taxes; property taxes; and charges for or taxes on sewerage, water, garbage, and other utilities.

~~((7))~~ (8) The board may not sign contracts or otherwise financially obligate funds from the public works assistance account before the legislature has appropriated funds for a specific list of public works projects. The legislature may remove projects from the list recommended by the board. The legislature may not change the order of the priorities recommended for funding by the board.

~~((8))~~ (9) Subsection ~~((7))~~ (8) of this section does not apply to loans made under RCW 43.155.065, 43.155.068, and subsection ~~((9))~~ (10) of this section.

~~((9))~~ (10) Loans made for the purpose of capital facilities plans are exempted from subsection ~~((7))~~ (8) of this section.

~~((10))~~ (11) To qualify for loans or pledges for solid waste or recycling facilities under this chapter, a city or county must demonstrate that the solid waste or recycling facility is consistent with and necessary to implement the comprehensive solid waste management plan adopted by the city or county under chapter 70.95 RCW.

~~((11))~~ (12) After January 1, 2010, any project designed to address the effects of storm water or wastewater on Puget Sound may be funded under this section only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

(13) During the 2013-2015 fiscal biennium, for projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its public works assistance account program loan.

(14)(a) For public works assistance account application rounds conducted during the 2013-2015 fiscal biennium, the board must implement policies and procedures designed to maximize local government use of federally-funded drinking water and clean water state revolving funds operated by the state departments of health and ecology. The board, department of ecology, and

department of health must jointly develop evaluation criteria and application procedures that will increase access of eligible drinking water and wastewater projects to the public works assistance account for short-term preconstruction financing and to the federally funded state revolving funds for construction financing. The procedures must also strengthen coordinated funding of preconstruction and construction projects.

(b) For all construction loan projects proposed to the legislature for funding during the 2013-2015 fiscal biennium, the board must base interest rates on the average daily market interest rate for tax-exempt municipal bonds as published in the bond buyer's index for the period from sixty to thirty days before the start of the application cycle. For projects with a repayment period between five and twenty years, the rate must be sixty percent of the market rate. For projects with a repayment period under five years, the rate must be thirty percent of the market rate. The board must also provide reduced interest rates, extended repayment periods, or forgivable principal loans for projects that meet financial hardship criteria as measured by the affordability index or similar standard measure of financial hardship.

(c) By December 1, 2013, the board must recommend to the appropriate committees of the legislature statutory language to make permanent these new criteria, procedures, and financing policies.

Sec. 7033. RCW 70.105D.070 and 2013 2nd sp.s. c 1 s 9 are each amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2)(a) Moneys collected under RCW 82.21.030 must be deposited as follows: Fifty-six percent to the state toxics control account under subsection (3) of this section and forty-four percent to the local toxics control account under subsection (4) of this section. When the cumulative amount of deposits made to the state and local toxics control accounts under this section reaches the limit during a fiscal year as established in (b) of this subsection, the remainder of the moneys collected under RCW 82.21.030 during that fiscal year must be deposited into the environmental legacy stewardship account created in RCW 70.105D.— (section 10, chapter 1, Laws of 2013 2nd sp. sess.).

(b) The limit on distributions of moneys collected under RCW 82.21.030 to the state and local toxics control accounts for the fiscal year beginning July 1, 2013, is one hundred forty million dollars.

(c) In addition to the funds required under (a) of this subsection, the following moneys must be deposited into the state toxics control account: (i) The costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (ii) penalties collected or recovered under this chapter; and (iii) any other money appropriated or transferred to the account by the legislature.

(3) Moneys in the state toxics control account must be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(a) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(b) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

- (c) The hazardous waste clean-up program required under this chapter;
- (d) State matching funds required under federal cleanup law;
- (e) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;
- (f) State government programs for the safe reduction, recycling, or disposal of paint and hazardous wastes from households, small businesses, and agriculture;
- (g) Oil and hazardous materials spill prevention, preparedness, training, and response activities;
- (h) Water and environmental health protection and monitoring programs;
- (i) Programs authorized under chapter 70.146 RCW;
- (j) A public participation program;
- (k) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both: (i) A substantially more expeditious or enhanced cleanup than would otherwise occur; and (ii) the prevention or mitigation of unfair economic hardship;
 - (l) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;
 - (m) State agriculture and health programs for the safe use, reduction, recycling, or disposal of pesticides;
 - (n) Storm water pollution control projects and activities that protect or preserve existing remedial actions or prevent hazardous clean-up sites;
 - (o) Funding requirements to maintain receipt of federal funds under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et seq.);
 - (p) Air quality programs and actions for reducing public exposure to toxic air pollution;
 - (q) Public funding to assist prospective purchasers to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) if:
 - (i) The facility is located within a redevelopment opportunity zone designated under RCW 70.105D.— (section 4, chapter 1, Laws of 2013 2nd sp. sess.);
 - (ii) The amount and terms of the funding are established under a settlement agreement under RCW 70.105D.040(5); and
 - (iii) The director has found the funding meets any additional criteria established in rule by the department, will achieve a substantially more expeditious or enhanced cleanup than would otherwise occur, and will provide a public benefit in addition to cleanup commensurate with the scope of the public funding;
 - (r) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; ~~(and)~~
 - (s) Appropriations to the local toxics control account or the environmental legacy stewardship account created in RCW 70.105D.—(section 10, chapter 1, Laws of 2013 2nd sp. sess.), if the legislature determines that priorities for spending exceed available funds in those accounts;

(t) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be spent on projects in section 3159 of this act and for transfer to the local toxics control account; and

(u) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be transferred to the radioactive mixed waste account.

(4)(a) The department shall use moneys deposited in the local toxics control account for grants or loans to local governments for the following purposes in descending order of priority:

(i) Extended grant agreements entered into under (c)(i) of this subsection;

(ii) Remedial actions, including planning for adaptive reuse of properties as provided for under (c)(iv) of this subsection. The department must prioritize funding of remedial actions at:

(A) Facilities on the department's hazardous sites list with a high hazard ranking for which there is an approved remedial action work plan or an equivalent document under federal cleanup law;

(B) Brownfield properties within a redevelopment opportunity zone if the local government is a prospective purchaser of the property and there is a department-approved remedial action work plan or equivalent document under the federal cleanup law;

(iii) Storm water pollution source projects that: (A) Work in conjunction with a remedial action; (B) protect completed remedial actions against recontamination; or (C) prevent hazardous clean-up sites;

(iv) Hazardous waste plans and programs under chapter 70.105 RCW;

(v) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; and

(vii) Appropriations to the state toxics control account or the environmental legacy stewardship account created in RCW 70.105D.—(section 10, chapter 1, Laws of 2013 2nd sp. sess.), if the legislature determines that priorities for spending exceed available funds in those accounts.

(b) Funds for plans and programs must be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW.

(c) To expedite cleanups throughout the state, the department may use the following strategies when providing grants to local governments under this subsection:

(i) Enter into an extended grant agreement with a local government conducting remedial actions at a facility where those actions extend over multiple biennia and the total eligible cost of those actions exceeds twenty million dollars. The agreement is subject to the following limitations:

(A) The initial duration of such an agreement may not exceed ten years. The department may extend the duration of such an agreement upon finding substantial progress has been made on remedial actions at the facility;

(B) Extended grant agreements may not exceed fifty percent of the total eligible remedial action costs at the facility; and

(C) The department may not allocate future funding to an extended grant agreement unless the local government has demonstrated to the department that funds awarded under the agreement during the previous biennium have been

substantially expended or contracts have been entered into to substantially expend the funds;

(ii) Enter into a grant agreement with a local government conducting a remedial action that provides for periodic reimbursement of remedial action costs as they are incurred as established in the agreement;

(iii) Enter into a grant agreement with a local government prior to it acquiring a property or obtaining necessary access to conduct remedial actions, provided the agreement is conditioned upon the local government acquiring the property or obtaining the access in accordance with a schedule specified in the agreement;

(iv) Provide integrated planning grants to local governments to fund studies necessary to facilitate remedial actions at brownfield properties and adaptive reuse of properties following remediation. Eligible activities include, but are not limited to: Environmental site assessments; remedial investigations; health assessments; feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; economic and fiscal analyses; and any environmental analyses under chapter 43.21C RCW;

(v) Provide grants to local governments for remedial actions related to areawide groundwater contamination. To receive the funding, the local government does not need to be a potentially liable person or be required to seek reimbursement of grant funds from a potentially liable person;

(vi) The director may alter grant matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardship imposed by the clean-up liability;

(B) Funding would create new substantial economic development, public recreational opportunities, or habitat restoration opportunities that would not otherwise occur; or

(C) Funding would create an opportunity for acquisition and redevelopment of brownfield property under RCW 70.105D.040(5) that would not otherwise occur;

(vii) When pending grant applications under (c)(iv) and (v) of this subsection (4) exceed the amount of funds available, designated redevelopment opportunity zones must receive priority for distribution of available funds.

(d) To expedite multiparty clean-up efforts, the department may purchase remedial action cost-cap insurance. For the 2013-2015 fiscal biennium, moneys in the local toxics control account may be spent on projects in sections 3024, 3035, 3036, and 3059 of this act.

(5) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(6) No moneys deposited into either the state or local toxics control account may be used for: Natural disasters where there is no hazardous substance contamination; high performance buildings; solid waste incinerator facility feasibility studies, construction, maintenance, or operation; or after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310. However, this

subsection does not prevent an appropriation from the state toxics control account to the department of revenue to enforce compliance with the hazardous substance tax imposed in chapter 82.21 RCW.

(7) Except during the 2011-2013 fiscal biennium, one percent of the moneys collected under RCW 82.21.030 shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation that are not expended at the close of any biennium revert to the state toxics control account.

(8) The department shall adopt rules for grant or loan issuance and performance. To accelerate both remedial action and economic recovery, the department may expedite the adoption of rules necessary to implement chapter 1, Laws of 2013 2nd sp. sess. using the expedited procedures in RCW 34.05.353. The department shall initiate the award of financial assistance by August 1, 2013. To ensure the adoption of rules will not delay financial assistance, the department may administer the award of financial assistance through interpretive guidance pending the adoption of rules through July 1, 2014.

(9) Except as provided under subsection (3)(k) and (q) of this section, nothing in chapter 1, Laws of 2013 2nd sp. sess. effects the ability of a potentially liable person to receive public funding.

(10) During the 2013-2015 fiscal biennium the local toxics control account may also be used for the centennial clean water program and for storm water grants.

Sec. 7034. RCW 79.17.010 and 2012 2nd sp.s. c 2 s 6006 are each amended to read as follows:

(1) The department, with the approval of the board, may exchange any state land and any timber thereon for any land of equal value in order to:

- (a) Facilitate the marketing of forest products of state lands;
- (b) Consolidate and block-up state lands;
- (c) Acquire lands having commercial recreational leasing potential;
- (d) Acquire county-owned lands;
- (e) Acquire urban property which has greater income potential or which could be more efficiently managed by the department in exchange for state urban lands as defined in RCW 79.19.100; or

(f) Acquire any other lands when such exchange is determined by the board to be in the best interest of the trust for which the state land is held.

(2) Land exchanged under this section shall not be used to reduce the publicly owned forest land base.

(3) The board shall determine that each land exchange is in the best interest of the trust for which the land is held prior to authorizing the land exchange.

(4)(a) During the biennium ending June 30, 2013, for the purposes of maintaining working farm and forest landscapes or acquiring natural resource lands at risk of development, the department, with approval of the board of natural resources, may exchange any state land and any timber thereon for any

land and proceeds of equal value, when it can be demonstrated that the trust fiduciary obligations can be better fulfilled after an exchange is completed. Proceeds may be in the form of cash or services in order to achieve the purposes established in this section. Any cash received as part of an exchange transaction shall be deposited in the resource management cost account to pay for administrative expenses incurred in carrying out an exchange transaction. These administrative expenses include road maintenance and abandonment expenses. The amount of proceeds received from the exchange partner may not exceed five percent of the total value of the exchange. The receipt of proceeds shall not change the character of the transaction from an exchange to a sale.

(b) During the biennium ending June 30, 2015, for the purposes of maintaining working farm and forest landscapes or acquiring natural resource lands at risk of development, the department, with approval of the board of natural resources, may exchange any state land and any timber thereon for any land and proceeds of equal value, when it can be demonstrated that the trust fiduciary obligations can be better fulfilled after an exchange is completed. Proceeds may be in the form of cash or services in order to achieve the purposes established in this section. Any cash received as part of an exchange transaction shall be deposited in the resource management cost account to pay for administrative expenses incurred in carrying out an exchange transaction. These administrative expenses include road maintenance and abandonment expenses. The amount of proceeds received from the exchange partner may not exceed five percent of the total value of the exchange. The receipt of proceeds shall not change the character of the transaction from an exchange to a sale.

(5) Prior to executing an exchange under this section, and in addition to the public notice requirements set forth in RCW 79.17.050, the department shall consult with legislative members, other state and federal agencies, local governments, tribes, local stakeholders, conservation groups, and any other interested parties to identify and address cultural resource issues and the potential of the state lands proposed for exchange to be used for open space, park, school, or critical habitat purposes.

Sec. 7035. RCW 79.17.020 and 2012 2nd sp.s. c 2 s 6007 are each amended to read as follows:

(1) The board of county commissioners of any county and/or the mayor and city council or city commission of any city or town and/or the board shall have authority to exchange, each with the other, or with the federal forest service, the federal government or any proper agency thereof and/or with any private landowner, county land of any character, land owned by municipalities of any character, and state forest land owned by the state under the jurisdiction of the department, for real property of equal value for the purpose of consolidating and blocking up the respective land holdings of any county, municipality, the federal government, or the state of Washington or for the purpose of obtaining lands having commercial recreational leasing potential.

(2)(a) During the biennium ending June 30, 2013, for the purposes of maintaining working farm and forest landscapes or acquiring natural resource lands at risk of development, the department, with approval of the board of natural resources, may exchange any state land and any timber thereon for any land and proceeds of equal value, when it can be demonstrated that the trust fiduciary obligations can be better fulfilled after an exchange is completed.

Proceeds may be in the form of cash or services in order to achieve the purposes established in this section. Any cash received as part of an exchange transaction shall be deposited in the forest development account to pay for administrative expenses incurred in carrying out an exchange transaction. These administrative expenses include road maintenance and abandonment expenses. The amount of proceeds received from the exchange partner may not exceed five percent of the total value of the exchange. The receipt of proceeds shall not change the character of the transaction from an exchange to a sale.

(b) During the biennium ending June 30, 2015, for the purposes of maintaining working farm and forest landscapes or acquiring natural resource lands at risk of development, the department, with approval of the board of natural resources, may exchange any state land and any timber thereon for any land and proceeds of equal value, when it can be demonstrated that the trust fiduciary obligations can be better fulfilled after an exchange is completed. Proceeds may be in the form of cash or services in order to achieve the purposes established in this section. Any cash received as part of an exchange transaction shall be deposited in the forest development account to pay for administrative expenses incurred in carrying out an exchange transaction. These administrative expenses include road maintenance and abandonment expenses. The amount of proceeds received from the exchange partner may not exceed five percent of the total value of the exchange. The receipt of proceeds shall not change the character of the transaction from an exchange to a sale.

(3) Prior to executing an exchange under this section, and in addition to the public notice requirements set forth in RCW 79.17.050, the department shall consult with legislative members, other state and federal agencies, local governments, tribes, local stakeholders, conservation groups, and any other interested parties to identify and address cultural resource issues, and the potential of the state lands proposed for exchange to be used for open space, park, school, or critical habitat purposes.

Sec. 7036. 2005 c 8 s 1 (uncodified) is amended to read as follows:

Pursuant to chapter 43.155 RCW, the following project loans recommended by the public works board are authorized to be made with funds appropriated from the public works assistance account:

(1) Bainbridge Island—storm sewer project—construct a storm sewer waste management facility including bins for storage of asphalt, concrete, wood chips, rock, sand and gravel, and miscellaneous woody debris; and test remaining soil and remove contaminated soils from the Head of the Bay site. \$782,000

(2) Bainbridge Island—sanitary sewer project—upgrade wastewater treatment plant by upgrading the following: Headworks, biosolids, oxidation ditch aeration basins, sludge holding basins, secondary clarification, and sludge pumping and effluent outfall. \$3,618,000

(3) Battle Ground—sanitary sewer project—expand the capacity in the shared use facilities by performing the design engineering and construction for a parallel sewer line interceptor, 1 new transmission pump station, an influent pressure main, and treatment plant improvements to increase the capacity from 10.3 million gallons per day to 16 million gallons per day \$10,000,000

(4) Birchbay water and sewer district—sanitary sewer project—extend the existing sanitary sewer system constructing approximately 10,000 feet of gravity sewer mains, including manholes, side sewers to each lot, and other sewer

appurtenances. The project will also include temporary erosion and sedimentation control measures and other public/private improvement restoration following sewer installation \$765,000

(5) Blaine—sanitary sewer project—construct a wastewater pretreatment facility and a 700,000 gallon equalization storage facilities along and underneath Marine Drive to prevent raw sewage overflows into Drayton Harbor, construction of control structures required to operate and maintain facilities, and reconstruction of existing lift station number one \$5,080,000

(6) Brewster—sanitary sewer project—retrofit south lift station and dry well/wet well system will be converted to a submersible pump station, headworks structure will be enclosed, including electrical and ventilation systems, replacement of chlorine gas disinfection system with UV disinfection, construction of a plant water system, adding new effluent flow meter and automatic sampler, replacement of activated sludge pumps, retrofitting primary clarifier, installation of a new dewatering facility, electrical, and control features and appurtenances. \$2,659,600

(7) Carnation—sanitary sewer project—eliminate current septic tank/drainfield systems and replace them with a centralized sewer collection system that will connect directly to the treatment facility being built by King County, including approximately 26,000 feet of vacuum sewer collector pipes, 3,000 feet of force main, approximately 700 side sewers and the associated abandonment of septic tank/drainfield systems, relocation of 10,000 feet of water main, telemetry system for new sewer facilities, and a vacuum/pump station \$4,374,700

(8) Castle Rock—sanitary sewer project—upgrade wastewater treatment plant by constructing a new treatment process, structures and equipment, new oxidation ditch, modernized headworks, disinfecting with ultraviolet, installation of a belt thickener, and press for solids and secondary clarifiers. \$655,000

(9) Chinook water district—domestic water project—construct a new package water filter plant \$1,425,000

(10) College Place—domestic water project—construct a 1.5 million gallon water storage reservoir, install a booster station, approximately 7,100 feet of 16 inch water transmission mains, three pressure reducing valve stations, and a second booster station in the Regency Park package system, telemetry improvements, and associated appurtenances. \$2,975,000

(11) Douglas county—storm sewer project—construction of a detention basin of approximately 35 acre feet, construction of an urban conveyance and water quality project that consists of construction of about 2,000 feet of closed conduit, 1,000 feet of open channel, and construction of a water quality treatment facility, and all appropriate appurtenances \$2,835,600

(12) Dupont—sanitary sewer project—replace approximately 6,600 feet of sanitary sewer line with manholes, 103 side sewers, and overlaying 4,200 feet of street. The city of DuPont will also purchase capacity from Pierce County allowing the transfer of flows for treatment to Pierce County \$1,985,600

(13) East Wenatchee water district—domestic water project—increase capacity and remedy leaking mains by replacing approximately one mile of 12 inch ductile iron transmission main \$490,875

(14) Eatonville—domestic water project—construct a membrane filtration system and use the existing disinfection system, install a booster pump station, additional well sources, basin modifications, and approximately 1,200 feet of transmission main to connect to the existing system \$807,500

(15) Edmonds—sanitary sewer project—lift station elimination and rehabilitation project includes elimination of lift station seven, demolish the facility and construct approximately 1,550 feet of gravity sewer line, and install a new line from current location of lift station seven to lift station eight. Replace lift station eight, including upsizing of the wet well and replacement of all mechanical and electrical equipment and replacement and upsizing of approximately 450 feet of force main. \$1,216,903

(16) Enumclaw—sanitary sewer project—upgrade and expand the existing wastewater treatment plant by constructing a new headworks, install new extended aeration activated sludge basins, anaerobic/anoxic basins, and two additional secondary clarifiers. The city will also include construction of chemical facilities, enlarging laboratory area, sludge dewatering, and stabilization facilities and related appurtenances \$9,750,000

(17) Ephrata—sanitary sewer project—construction of approximately 2,400 feet of sanitary sewer main, 200 feet of side sewer pipe, eight manholes and appurtenances, and the rehabilitation of approximately one mile of access roadway in the port of Ephrata \$289,000

(18) Everett—sanitary sewer project—construct upgrades to the wastewater treatment plant that include: A headworks grit system, construction of two primary clarifiers, a new biofilter, new piping arrangements, modifications to the trickling filter pump station, installation of primary sludge grit removal equipment, sludge dispersion equipment, flow metering, new hypochlorite generation facilities, new scum collection and dewatering equipment, and minor upgrade of the north effluent pump station. \$10,000,000

(19) Freeland water district—domestic water project—solve the source and storage needs by constructing a new reservoir, connection of the new well to the new reservoir, connection of the new reservoir to the system, rehabilitation of the existing well number one, and all appropriate appurtenances \$308,030

(20) Gig Harbor—sanitary sewer project—upgrade to the wastewater treatment plant to improve its efficiency and effectiveness. In addition, an outfall extension into Colvos Passage, including a diffuser will be constructed. Project will result in a higher quality effluent being discharged to Puget Sound \$10,000,000

(21) Goldendale—road project—reconstruct approximately 2,700 feet of East Collins Drive. This will include curb and gutters, storm drainage facilities, sewer line repair and replacement, water line replacement, and a 40 foot curb to curb road section consisting of two eleven foot travel lanes and two nine foot parking areas \$827,316

(22) Highland water district—domestic water project—construct a 0.5 million gallon steel water tank and foundation, appurtenances such as water lines and valves, access road, and other site improvements as needed. \$573,750

(23) Ilwaco—sanitary sewer project—replace approximately 2,000 feet of sanitary sewer lines and 2,250 feet of storm sewer lines, including contributing laterals. In addition, installation of new manholes, catch basins, and other related improvements would be made as part of the project \$774,000

(24) Jefferson County public utility district 1—domestic water project—
extend water system to service the entire Marrowstone Island. Replacing
individual wells with a public water supply. This will include installation of
approximately 150,000 feet of water mains with accoutrements, a new 300,000
gallon storage tank, and expansion of existing treatment facilities. This will
ensure a consistent source of potable water for the residents \$2,000,000

(25) Jefferson County public utility district 1—sanitary sewer project—
replace approximately 80 individual septic systems with a new community
drainfield system, consisting of approximately 12 grinder pump stations, twin
booster pump stations, two dosing tanks, and other components necessary to
enable the system to function properly. Completion of this project will virtually
eliminate the release of any untreated effluent into the wetland and Discovery
Bay \$948,924

(26) Kennewick—domestic water project—upgrade the water treatment
plant with installation of a new membrane filtration at the Columbia River plant
and installation of an ultraviolet disinfection system at the Ranney collector
number five. Other related improvements will be made to the system as part of
the project. This project will bring the city into compliance with the department
of health's ground water under the influence (GWI) requirements. . \$10,000,000

(27) King county water district No. 111—domestic water project—construct
four water treatment facilities. Each facility will include chlorine generation
systems, backwash recycling facilities, SCADA systems at each plant, and any
other related activities necessary to complete the construction. This will enable
the district to be in compliance with iron and manganese MCLs and eliminate
the hazards associated with chlorine. \$1,255,428

(28) King county water district No. 125—domestic water project—upgrade
pressure zone 2 by installing two secondary source connections, including
pressure-reducing valves, valves, piping, and appurtenances and approximately
150 feet of water main. The project will also include replacement of
approximately 12,500 feet of undersized water main, including all valves,
fittings, hydrants, and appurtenances and project area restoration as required
. \$1,088,850

(29) Lake Forest Park—sanitary sewer project—installation of a series of
extensions to the city of Lake Forest Park's sanitary sewer system to provide
service to residential areas currently not serviced. This will include construction
of approximately 3.8 miles of sewer main extension including gravity sewer,
pressure piping, service connections and side sewers, lift stations, grinder pump
assemblies, surface restoration, temporary erosion and sedimentation control,
and related work. \$4,656,000

(30) Leavenworth—domestic water project—reconstruct old reservoir on
existing site, including new structural walls, new roof, and related
appurtenances. Project will also include installation of a SCADA monitoring/
radio telemetry control system \$1,400,000

(31) LOTT wastewater alliance—sanitary sewer project—construct four
secondary clarifier mechanisms, replacement of RAS pumps, secondary scum
pumping improvements, and motorized actuators. Upgrades to equipment and
mechanisms will enable LOTT to meet increasing loads at the Budd Inlet
wastewater treatment plant and improve the effluent quality \$4,278,404

(32) Malaga water district—domestic water project—construct a new 52,000 gallon partially buried concrete reservoir and connecting piping and install security fencing around tank. This project will enable the district to ensure a continuous safe water supply to the homes and businesses in the area

.....\$161,500

(33) Manchester water district—domestic water project—upgrade a wide range of the water system. Project will include installation of a SCADA system with all hardware, software, and backup equipment. Installation of a new flow meter at each wellhead and pump station. Distribution/transmission piping replacements and upgrades to the Mile Hill Road area, Yukon Harbor Drive and Southworth Drive. Installation of two interties in the South Street and Garfield Road area. Construction of two pressure-reducing stations located in the Beach Drive and Harper Hill areas

.....\$970,870

(34) Mason county public utility district 1—domestic water project—source improvements and system rehabilitation to the newly acquired Arcadia Estates system. Project will include pump and controls for well number two, 24,000 gallon storage reservoir with draft fire hydrant, three booster pumps, two pressure tanks, pressure-reducing station, service meters, and three blow off assemblies. This will remove the red operating permit and ensure a safe and reliable source of potable water for the community

.....\$95,950

(35) Mason county public utility district 1—domestic water project—rehabilitate the source of supply at the newly acquired Twanoh Heights water system. This project will include rehabilitation of well number one, installation of two pumps, abandonment of well number two per department of ecology rules, service meters and air release valves. This project will allow the community to have a continuous, safe and reliable water source.

.....\$172,900

(36) Mason county public utility district 1—domestic water project—address system needs for the Madrona Beach water system by constructing a 11,500 gallon reservoir, booster station, site work/plumbing, service meters, and a source meter. This will enable the public utility district to comply with department of health requirements and remove a blue operating permit

.....\$171,000

(37) Mason county public utility district 1—domestic water project—make improvements to the newly acquired Canal Beach water system. The improvements include drilling and testing a new well source, constructing a 20,000 gallon storage tank, piped system intertie, fire service line and hydrant, water services with new meters, and abandonment of existing well sources per department of ecology rules

.....\$171,712

(38) Mason county public utility district 1—domestic water project—make improvements to the Minerva Terrace water system that will include drill and test well, integrate well into system, booster station with all appurtenances, 35,200 gallon reservoir, and a draft fire hydrant. This will enable the system to have the red operating permit to be lifted and comply with department of health rules.

.....\$217,550

(39) Northeast Sammamish sewer/water district—domestic water project—construct a new water treatment plant, new 0.5 million gallon reservoir and pump station, new transmission water main, and new distribution main and associated minor improvements. The district will then be able to meet the

federal arsenic level regulations and ensure a safe source of potable water for the community \$4,154,970

(40) Northshore utility district—sanitary sewer project—install approximately 2,445 feet of gravity sewer main, manholes, connection to the sanitary sewer system, and related restoration and appurtenances. In addition, the district will replace approximately 2,400 feet of asbestos concrete water mains. This will resolve the negative environmental and health impacts of the failing septic systems in the area \$814,634

(41) Northshore utility district—sanitary sewer project—install approximately 300 feet of gravity sewer main, manholes, connection to the sanitary sewer system, and related restoration and appurtenances. In addition, the district will replace approximately 300 feet of asbestos concrete water mains. This will resolve the negative environmental and health impacts of the failing septic systems in the area \$113,334

(42) Oak Harbor—domestic water project—replace existing water transmission mains being destroyed due to a highway project. The project includes construction of approximately 4,000 feet of transmission mains along Highway 20 just south of Deception Pass state park. Project will meet the city's foreseeable water requirements and provide sufficient capacity for the Naval Air Station—Whidbey. \$834,700

(43) Orchard Avenue irrigation district number 6—domestic water project—install approximately 19,100 feet of PVC pipe. Approximately 210 buried meter boxes, reconnect approximately 400 existing services, and all required valves and other fittings. Project will eliminate public health concern over potential lead contamination from lead joint pipe \$1,066,800

(44) Pierce County—road project—widen, reconstruct, and overlay the intersection of Canyon Road E and 176th Street E, which includes additional travel lanes in each direction and left and right turn lanes at the intersection, a new traffic signal system, traffic signal interconnect system, street lights, median, curb and gutter, concrete sidewalks, landscaping, undergrounding of utilities, storm drainage conveyance, storage, and treatment facilities. Project will increase carrying capacity and allow for economic development. \$2,942,000

(45) Pullman—sanitary sewer project—construct a new variable volume digester at the wastewater treatment plant, with an approximate capacity of 350,000 gallons. The work includes site preparation and construction of the digester, necessary piping modifications, and modifications to the existing plant control system. Project will enable the city to meet the environmental protection agency's SRT requirements. \$1,912,000

(46) Pullman—domestic water project—construct a well to replace well number 3. Included in the project will be the drilling of the replacement well, well pump, motor, controls, disinfection equipment, fluoride injection equipment, a swell and chemical storage house, connection of transmission lines, and other related miscellaneous items and site work \$850,000

(47) Ridgefield—sanitary sewer project—construct a new pump station, install approximately 3,000 feet of force main, which will discharge directly into the treatment plant, and construct approximately 3,000 feet of gravity interceptor sewer. This project will enable the city to open up service to an area that is currently not served and allow for economic development \$1,718,000

(48) Ritzville—domestic water project—increase the city's water capacity from 1,200 to 2,000 gallons per minute by drilling a new well. This will also include installing the necessary pump and connections to the storage tank and construct a well house to protect the equipment. \$845,000

(49) Ronald wastewater district—sanitary sewer project—sewer extension to unsewered areas includes installation of approximately 2,700 feet PVC sewer main and approximately 2,000 feet PVC sewers in three separate areas of the district. All associated appurtenances will also be instilled, such as manholes and side sewer stubs. Approximately 1,100 sewer trunk main will be repaired. The streets and other public improvements that are disturbed during construction will be restored to city of Shoreline's standards \$1,021,700

(50) Samish water district—sanitary sewer project—upgrade its system by replacing pumps and controls at six sewage pump stations, replace controls at one sewage pump station, upgrade SCADA, and replace inline valves on existing sewer force main. This will ensure that the system operates within regulations. \$1,083,000

(51) Seattle—storm sewer project—increase capacity of the drainage system by installing approximately 1,760 feet of storm drain along South Trenton Street, 3rd Avenue South, and 4th Avenue South. Install 2,380 feet of storm drain along South Director Street and 7th Avenue South. The last part of the project will construct a new storm drain system on 8th Avenue South. These new drainage pipes will reduce flows to the combined sewer system and reduce the number of overflows. \$3,400,000

(52) Seattle—storm sewer project—upgrade two culverts in the lower reaches of Taylor Creek to remove fish barriers and construct a fish ladder to improve fish passage and control sediment transportation. Other related improvements will be made to the area as part of the project \$450,500

(53) Seattle—storm sewer project—construct two ponds that will include a 4 acre feet sediment collection pond, 2 acre feet decant pond, 750 feet of access road, 750 of decant piping, a gravel pump and its housing and controls, and 4,000 feet of landscaping around the new ponds. Additional related upgrades will be done to complete the project. \$1,832,600

(54) Skyway water/sewer district—domestic water project—replace and upsize the supply meter from the city of Seattle system and replace approximately 6,350 feet of asbestos water supply line. In addition, four new pressure zones interties will be installed to improve flow between pressure zones within the water/sewer district \$1,130,526

(55) Spokane—domestic water project—replace about 3,500 feet of riveted steel water transmission mains with ductile iron pipe. In addition, project will include all valves, connections, blowoffs, air valves, railroad crossing, and pavement restoration and traffic control. \$3,453,975

(56) Spokane—domestic water project—construct a 2 million gallon elevated steel tank with an accompanying booster station. This will include all piping, valves, telemetry, instrumentation, excavation and site preparation including landscaping, paving, and fencing \$2,232,950

(57) Spokane county—road project—~~(construct a total of 8.3 miles of roadway from Havana Street to Forker Road and from Forker Road from Bigelow Gulch Road to Wellesley Road. The construction will provide for expanding the road to four traveled lanes plus eight foot shoulders to improve~~

~~safety and traffic capacity. A center turn lane will be added at locations where vehicles routinely make left turns. Eight foot shoulders will be added to provide for safety of pedestrians and bicycles \$10,000,000))~~

expand and realign the Bigelow Gulch/Forker Road Corridor to a four lane roadway with eight foot shoulders to improve traffic capacity and increase the overall safety of the corridor. This project will include engineering and design environmental and cultural review, acquisition of right-of-way and construction of 1.78 miles of roadway improvement. In addition, design and right-of-way will be prepared and acquired for the next continuous phase of the project
. \$4,500,000

(58) Stanwood—domestic water project—construct a 1 million gallon elevated water tank, water main, appurtenances, and equipment necessary to connect the new water tank to the existing system. Project will also install telemetry and control systems compatible with existing system, construction of a Cedarhome booster pump station for filling the Cedarhome reservoir, and improvements to the sites such as grading, fencing, and landscaping
. \$2,481,620

(59) Stevens County—solid waste project—expand municipal solid waste site by construction of an 11 acre lateral expansion, environmentally protective landfill lining and leachate collection system and construction of ancillary facilities such as perimeter roads. Leachate facilities will consist of piping, collection and conveyance facilities \$2,600,000

(60) Union Gap—sanitary sewer project—construct approximately 3,400 feet of sewer interceptor and 1,800 feet of sewer laterals in conjunction with new roadways in the Valley Mall Boulevard area \$676,429

(61) Washougal—sanitary sewer project—construct a redundant secondary clarifier adjacent to existing secondary clarifier, including piping connections to the existing clarifier distribution structure, scum pump station, and RAS/WAS pump room. Additional work will include RAS/WAS pump room modifications for installation of dedicated return and waste-activated sludge pumps, sidewalks, and site grading and all necessary electrical hardware and SCADA control modifications. Project will enable the city to meet their national pollution discharge elimination system permit requirements. \$794,000

(62) West Richland—sanitary sewer project—increase capacity by constructing a one million gallons per day biolac wastewater treatment facility, approximately 2,700 feet of sanitary sewer pipe, lift station, miscellaneous roadway patching, and site restoration. If additional funds are available, improvements to the facilities outfall structure will be designed along with facilities for sludge handling from the sewer maintenance program. Project will enable the city to meet their national pollution discharge elimination system permit requirements \$4,000,000

(63) Witworth water district 2—domestic water project—The district will solve the area problems by installing approximately 27,090 of water lines together with valves and appurtenances, connection to the existing system, 15 hydrants, pavement repair, and other surface restoration. In addition, installation of a two million gallon steel reservoir and a 1,700 gallons per minute booster pump station and various piping, appurtenances, pumps, controls, security, electrical, and connection to existing system \$2,502,300

(64) Yakima—sanitary sewer project—The project will be done in two phases. Phase I will install approximately 6,640 feet of sewer main trunk line in River Road from North 16th Avenue to North 40th Avenue. Phase II will install 5,500 feet of sewer main trunk line in River Road from North 6th Avenue to North 16th Avenue if public works trust fund loan funds remain and private development proceeds. The project will help prevent further loss of major employers by providing the transportation and utility infrastructure necessary to maintain competitive operations. \$2,307,000

Sec. 7037. 2007 c 4 s 1 (uncodified) is amended to read as follows:

Pursuant to chapter 43.155 RCW, the following project loans recommended by the public works board are authorized to be made with funds appropriated from the public works assistance account:

(1) Airway Heights—sanitary sewer project—collection system improvements and an approximately 1 million gallon per day annual average flow wastewater treatment, reclamation, and groundwater recharge facility \$7,000,000

(2) Annapolis water district—domestic water project—interior and exterior of surface water reservoir will be sandblasted and painted to preserve structural integrity of the tank and eliminate breaches in the paint coating systems. Structural repairs will also be made to the tank and foundation. \$595,000

(3) Blaine—sanitary sewer project—construct a new wastewater treatment plant to serve the projected demand for the next twenty years, using the latest membrane filtering technology to produce reuse-quality water effluent to minimize impacts to local shell fishing \$7,000,000

(4) Bremerton—sanitary sewer project—upgrade a sewage pump station to increase capacity from 1,900 gallons per minute to 3,500 gallons per minute, eliminating combined sewer overflows into the Puget Sound and meet a court order \$675,000

(5) Bremerton—sanitary sewer project—design and construct a treatment plant upgrade to address the vital needs of the plant, create redundancy for essential treatment processes, and replace twenty year old components and meet a court order \$3,000,000

(6) Bremerton—sanitary sewer project—construct approximately 1,300 feet new sewer interceptor and collector pipe to replace old, failing shallow sewer and meet a court order. \$300,000

(7) Chelan county public utility district no. 1—domestic water project—design and construct: Two pump stations to increase capacity from approximately 4,000 gallons per minute to approximately 6,000 gallons per minute; a two million gallon reservoir; and approximately 5,000 feet of twelve and sixteen-inch water transmission mains to provide a reliable water source for approximately 4,500 customers \$5,267,000

(8) Cowlitz county—domestic water project—recoat the interior and exterior of four reservoirs to address areas of failure with the original coatings and protect the structural integrity of the reservoirs \$340,000

(9) Cross Valley water district—domestic water project—relocation and replacement of a failing water supply line that is located in an extremely wet cow pasture. Approximately 3,500 linear feet of asbestos cement line will be replaced with twelve-inch ductile iron pipe, including all valves, hydrants, and appurtenances as well as complete restoration and paving. \$532,525

(10) East Wenatchee water district—domestic water project—construct approximately 6,000 lineal feet of twelve-inch water main that will serve as the supply main to the new approximately 1.5 million gallon reservoir . \$2,772,700

(11) Friday Harbor—sanitary sewer project—construct a new offshore marine pipeline approximately 1,900 feet in length; a new pump station and approximately 3,650 feet of pipeline to the wastewater treatment plant
..... \$4,378,000

(12) Grays Harbor county water district no. 1—domestic water project—provide adequate water supply from primary source to the north end of the system to mitigate low pressure problems and comply with a bilateral compliance agreement; extend distribution system to provide service to residences with failing individual supplies; construct standby power generation facilities for primary source of supply; and construct additional storage and pumping facilities to provide reliable service and fire flow \$6,717,575

(13) Lake Stevens sewer district—sanitary sewer project—construction of a state of the art membrane bioreactor wastewater treatment facility outside the flood plain and an interceptor line and pump station \$7,000,000

(14) Mattawa—sanitary sewer project—complete public bidding and construction of the improvements consisting of an approximately 622,000 cubic foot HDPE lined long-term biosolids digestion basin, associated piping, rehabilitation of the existing biosolids drying beds, and fencing \$465,585

(15) Port Angeles—sanitary sewer project—design and construction of approximately 4,500 feet of thirty-inch sewer main to the headworks of the wastewater treatment plant \$1,875,000

(16) Snohomish—sanitary sewer project—(~~construct a fifteen and ten inch sewer to reach an existing pump station; extend the above sewer using an eight-inch pipe to another pump station; and replace an existing sewer with a ten-inch pipe to provide additional capacity for future service and to meet the conditions of a stipulated court order \$7,000,000~~)

Segment 2: Add approximately 3,400 feet of sewer trunk to connect to the Segment 1, thereby allowing two pump stations to be abandoned. Segment 3: Replace approximately 1,200 feet of existing undersized sewer to provide additional capacity and to accommodate future service north and east of Blackmans Lake \$1,400,000

(17) Toppenish—sanitary sewer project—construct a single activated sludge process to replace the existing wastewater treatment facility, including the installation of ultraviolet disinfection channels to replace chlorine gas. The solids handling system will also be improved \$7,000,000

(18) Walla Walla—sanitary sewer project—the third and final upgrade at the wastewater treatment plant to meet class A water reuse standards and to comply with an agreed order from the department of ecology \$6,856,875

(19) Yakima—sanitary sewer project—replacement of chlorine gas with ultraviolet disinfection at the Yakima regional wastewater treatment plant to complete the first phase of the facility improvements \$2,300,000

Sec. 7038. 2008 c 5 s 1 (uncodified) is amended to read as follows:

Pursuant to chapter 43.155 RCW, the following project loans recommended by the public works board are authorized to be made with funds appropriated from the public works assistance account, and no loan authorized in this act shall bear an interest rate greater than one-half of one percent:

- (1) Arlington—sanitary sewer project—expand and upgrade the wastewater treatment plant and biosolids composting facility to meet new discharge limitations, produce a higher quality effluent, and accommodate future growth
 \$10,000,000
- (2) Auburn—street project—reconstruct approximately 0.3 miles of roadway with four travel lanes to bring up to current arterial and truck route standards and modify intersection to optimize efficiency and level of service
 \$1,800,000
- (3) Blaine—sanitary sewer project—construct a new wastewater treatment plant and section of outfall pipe to increase treatment capacity, produce reuse quality water, and improve Puget Sound water quality for shellfish
 \$10,000,000
- (4) Bonney Lake—domestic water project—replace approximately 71,000 linear feet of leaky water mains to reduce current water loss by ten percent
 \$5,352,000
- (5) Bonney Lake—sanitary sewer project—replace approximately 12,000 linear feet of failing interceptor sewer pipes. \$4,648,000
- (6) Buckley—sanitary sewer project—rebuild the wastewater treatment plant to provide nutrient removal and meet state and federal discharge regulations and the construction of an interceptor \$5,000,000
- (7) Camas—sanitary sewer project—construct improvements to the wastewater treatment facilities to provide class A biosolids at the main sewage pump station \$10,000,000
- (8) Clark county—road project—construct new road segments, widen roadways, improve and redesign intersections, and install and modify traffic signals necessary to improve a major interchange with two freeways
 \$10,000,000
- (9) Clark regional wastewater district—sanitary sewer project—modify existing and construct new wastewater facilities to process approximately 4.65 million gallons more of wastewater per day and ensure treatment processes continue to be in compliance with current regulations. \$8,000,000
- (10) Coal creek utility district—sanitary sewer project—construct sewer lift station, approximately 1,250 lineal feet of gravity sewer main, and 500 feet of force main to provide public sewer to approximately 25 properties on a lake that have private septic systems that have failed or are in prefailure status . \$898,875
- (11) College Place—domestic water project—construct two steel tanks, a booster station, approximately 6,000 feet of transmission line, 3,400 feet of water mains, three pressure reducing valves, and associated telemetry to rectify a deficiency in fire flow and standby water storage protection. \$4,710,051
- (12) Cowlitz county public utility district No. 1—domestic water project—construction of approximately six new groundwater supply wells, 2,100 feet of raw water piping a new water treatment plant producing approximately 20 million gallons per day of potable water, and approximately 4,350 feet of transmission main to connect to the system to replace current water supply that is being impacted by increasing water sediment. \$3,213,000
- (13) Ephrata—domestic water project—replace approximately 68,000 feet of failing water mains, 50,000 feet of failing water service pipes, and the resurfacing of 20 miles of overlaying roadway, including approximately 100 fire

hydrants, 400 catch basins, 15 storm sewer drywells, 22,000 feet of curb and gutter, and 16,000 feet of storm sewer pipe \$6,605,727

(14) Freeland water district—domestic water project—connect a new well and new reservoir to the existing system, rehabilitate the existing well, and install new equipment to increase system reliability, redundancy, and capacity. Install new chlorination equipment to improve water quality \$347,516

(15) Gig Harbor—sanitary sewer project—improvements to the wastewater treatment plant including new equipment and electrical work, add a third clarifier, install ultraviolet disinfection, and extend and upsize the outfall \$10,000,000

(16) Highline water district—domestic water project—construction of 11,350 feet of transmission main and looping of pipes to eliminate low pressures and fire flows and improve water quality, and create a new pressure zone to correct high pressures \$5,390,418

(17) Karcher creek sewer district—sanitary sewer project—install a new sewer system, including a lift station and approximately 3,600 lineal feet of sewer main, in conjunction with a road project to service approximately 17 homes that will lose their septic systems due to the road project . . . \$1,358,130

(18) Kennewick—sanitary sewer project—construct improvements to critical wastewater treatment plant processes to enhance reliability, improve energy efficiency and redundancy, as well as increase the capacity of the sludge pumping station. \$5,500,000

(19) Kent—street project—construct ~~((two))~~ one bridge(s), ~~((one for the roadway over a set of railroad tracks, and one for railroad tracks over a lowered roadway. This will grade separate the tracks from the roadway to provide safe and reliable operations twenty four hours a day. \$10,000,000))~~ and all preliminary activities, such as utility relocation, to prepare for the future bridge to be constructed \$5,000,000

(20) King county—sanitary sewer project—construct 13,100 lineal feet of pipe to convey approximately 9 million gallons per day of reclaimed water to reduce withdrawals of 250-acre feet per year from the Sammamish river \$7,000,000

(21) La Center—sanitary sewer project—upgrade wastewater treatment plant to reduce the levels of nitrogen discharged in the effluent and approximately doubling the operation of the plant and producing class A reuse water \$10,000,000

(22) Lake Forest Park water district—domestic water project—replace approximately 6,915 lineal feet of undersized and corroded water pipes to improve safety and reliability of the system by reducing pipe failures and increasing fire flow \$917,935

(23) Lake Stevens—sanitary sewer project—construct a new wastewater treatment plant, 9,500 feet of interceptor line, a pump station, and an outfall pipe in partnership with Lake Stevens sewer district \$10,000,000

(24) Lake Stevens sewer district—sanitary sewer project—construct a new wastewater treatment plant, 9,500 feet of interceptor line, a pump station, and an outfall pipe in partnership with the city of Lake Stevens \$10,000,000

- (25) Lakewood—sanitary sewer project—construct 3 pump stations, approximately 17,200 linear feet of force mains, 13,500 linear feet of gravity collector pipe line, and 320 side sewer stubs to service two neighborhoods currently served exclusively by septic systems \$1,840,000
- (26) LOTT alliance—sanitary sewer project—construct approximately 7,400 feet of force main and replace existing pump station with new 1,000 gallon per minute pump station \$4,003,807
- (27) Mansfield—sanitary sewer project—expand and rehabilitate wastewater treatment lagoons and effluent spray irrigation system as well as remove the discharge of groundwater from basement sump pumps to the collection system. \$235,600
- (28) Midway sewer district—sanitary sewer project—replace approximately 16,500 lineal feet of sewer mains and 50 manholes to reduce infiltration and inflow \$3,782,500
- (29) Mount Vernon—sanitary sewer project—upgrade existing wastewater treatment plant, including a new pretreatment facility, 4 additional clarifiers, upgrade aeration basins, installation of an ultraviolet disinfection system, and odor control system. \$10,000,000
- (30) Newcastle—road project—reconstruct, widen, and signalize approximately 5,200 linear feet of road to 2 lanes in each direction, add left turn lanes, sidewalks, bicycle lanes, install lighting systems, replace two-lane bridge with a four-lane bridge, and install new traffic signals. \$5,000,000
- (31) Olympia—sanitary sewer project—install approximately 6,500 linear feet of sewer mains and construct a lift station to serve 63 homes with failing on-site sewage systems \$1,808,375
- (32) Olympus Terrace sewer district—sanitary sewer project—rehabilitate approximately 9,350 linear feet of sewer trunkline, construct approximately 9,800 linear feet of high-flow storm water bypass piping for excess flow, construct approximately 4,150 linear feet of road access, and restore creek habitat \$8,000,000
- (33) Omak—sanitary sewer project—add 2 compost containers, convert storage tank to sludge holding tank, and install a second headworks screen to increase the wastewater treatment plant capacity by 35 percent \$450,000
- (34) Port Angeles—sanitary sewer project—construct approximately 11,500 feet of sewer main, modify a storage tank, and modify the wastewater treatment plant \$10,000,000
- (35) Regional board of mayors—solid waste project—close landfill site by capping and sealing with a soil cap \$859,500
- (36) Regional board of mayors—solid waste project—construct a new solid waste transfer station, including structures and equipment \$1,541,000
- (37) Ronald wastewater district—sanitary sewer project—rehabilitate 2 lift stations by replacing pumps, valves, fittings, piping, odor control systems, and electrical equipment \$955,400
- (38) Seattle—domestic water project—replace floating pumps with land-based pump station with a maximum capacity of approximately 250 million gallons per day, including 8 pumps, concrete structure, a tunnel, approximately 4,000 feet of pipeline, and a standby generator. \$10,000,000
- (39) Sedro-Woolley—sanitary sewer project—rehabilitate or replace 4 interceptor segments totaling approximately 29,700 linear feet(;) and install 2

pump stations(~~(, and upgrade the secondary clarifier)~~) in order to lift a building moratorium(~~(\$6,023,494)~~)
\$3,803,289

(40) Shelton—sanitary sewer project—construct a satellite reclamation plant with a capacity of approximately 0.4 million gallons per day to produce class A reclaimed water, approximately 22,000 linear feet of sewer pipelines, and approximately 25,000 linear feet of reclaimed water force main \$2,079,360

(41) Shelton—sanitary sewer project—replace approximately 38,480 linear feet of mainline sewers to reduce inflow and infiltration \$5,737,500

(42) Skagit county sewer district No. 2—sanitary sewer project—upgrade wastewater treatment plant to a water reclamation facility to provide class A reclaimed water with a capacity of approximately 0.35 million gallons per day \$10,000,000

(43) Snohomish—sanitary sewer project—construct approximately 1,900 feet of sewer pipe, a new pump station with a capacity of approximately 8,000 gallons per minute, and approximately 4,300 feet of force main to reduce overflows. \$2,000,000

(44) Snohomish—sanitary sewer project—upgrade existing wastewater treatment plant including a new influent flow structure, screens, aerators, effluent filtration, ultraviolet disinfection, effluent pump station, improvements to the existing lagoons, and electrical improvements \$4,500,000

(45) Snohomish county—road project—construct a new, approximately two-mile, two-lane truck route around the city of Granite Falls, including 3 roundabouts to improve safety and air quality in the downtown area \$10,000,000

(46) Southwest Suburban sewer district—sanitary sewer project—replace and/or slipline approximately 5,470 feet of trunk/interceptor sewer main and construct a new lift station to reduce overflows \$3,268,250

(47) Tacoma—domestic water project—replace 3 open-topped concrete reservoirs with 2 enclosed concrete reservoirs of approximately 33 million gallons each and related piping to comply with the safe drinking water act and a bilateral compliance agreement \$10,000,000

(48) Tekoa—sanitary sewer system—reconstruct approximately 1,000 feet of failing sewer line and manholes to reduce significant groundwater infiltration \$135,115

(49) Three rivers regional wastewater authority—sanitary sewer project—construct 2 clarifiers and associated piping to replace 2 failed clarifiers at the wastewater plant \$6,630,750

(50) Washougal—sanitary sewer project—construct a new wastewater treatment plant headworks, including a fine screen, grit removal, and replace approximately 150 linear feet of gravity sewer, and make improvements to the lagoons, including 450 linear feet of piping, modify overflow structures, and a new pump \$3,100,000

(51) Yakima—domestic water project—develop a new, approximately 3,000 gallon per minute, domestic water well, including drilling, placement of casing, a new pump house, and connection to the existing water distribution system in order to augment the water supply during drought conditions \$2,257,200

(52) Yakima—street project—construct 2 underpasses and reconstruct 3 lanes on each roadway under a railroad mainline to accommodate additional rail and reduce traffic and emergency response delays and air pollution . \$3,000,000

NEW SECTION. Sec. 7039. (1) The legislature finds that use of life cycle cost analysis will aid public entities, architects, engineers, and contractors in making design and construction decisions that positively impact both the initial construction cost and the ongoing operating and maintenance cost of a project. To ensure that the total cost of a project is accounted for and the most reasonable and cost efficient design is used, agencies shall develop life cycle costs for any construction project over \$5,000,000. The life cycle costs shall represent the present value sum of capital costs, installation costs, operating costs, and maintenance costs over the life expectancy of the project. The legislature further finds the most effective approach to the life cycle cost analysis is to integrate it into the early part of the design process. The office of financial management shall select six major construction projects that are estimated to be over five million dollars and have not procured the architectural firm for design, to have a life cycle cost analysis to be conducted early in the design process.

(2) Agencies shall develop a minimum of three project alternatives for use in the life cycle cost analysis. These alternatives must be both distinctly different and viable solutions to the issue being addressed. The chosen alternative must be the most reasonable and cost-effective solution. A brief description of each project alternative and why it was chosen must be included in the life cycle cost analysis section of the pre-design.

(3) The Office of financial management shall: (a) Make available a life cycle cost model to be used for analysis; (b) in consultation with the department of enterprise services, provide assistance in using the life cycle cost model; and (d) update the life cycle cost model annually including assumptions for inflation rates, discount rates and energy rates.

(4) Agencies shall consider architectural and engineering firms' and general contractors' experience using life cycle costs, operating costs, and energy efficiency measures when selecting an architectural and engineering firm, or when selecting contractors using alternative contracting methods.

Sec. 7040. RCW 46.68.350 and 2010 c 161 s 823 are each amended to read as follows:

(1) The snowmobile account is created within the state treasury. Snowmobile registration fees, monetary civil penalties from snowmobile dealers, and snowmobile fuel tax moneys collected under this chapter and chapter 46.17 RCW and in excess of the amounts fixed for the administration of the registration and fuel tax provisions of this chapter must be deposited into the account and must be appropriated only to the state parks and recreation commission for the administration and coordination of this chapter.

(2) The moneys collected by the department as snowmobile registration fees, monetary civil penalties from snowmobile dealers, and fuel tax moneys placed into the account must be distributed in the following manner:

(a) Actual expenses not to exceed three percent for each year must be retained by the department to cover expenses incurred in the administration of the registration and fuel tax provisions of this chapter; and

(b) The remainder of funds each year must be remitted to the state treasurer to be deposited into the snowmobile account of the general fund and must be appropriated only to the commission to be expended for snowmobile purposes. Purposes may include, but not necessarily be limited to, the administration, acquisition, development, operation, and maintenance of snowmobile facilities and development and implementation of snowmobile safety, enforcement, and education programs. During the 2013-2015 biennium the legislature may appropriate funds from the account to the department of natural resources for purpose of planning and supporting snowmobile activities on lands purchased by the department in the Yakima river basin.

(3) This section is not intended to discourage any public agency in this state from developing and implementing snowmobile programs. The commission may award grants to public agencies and contract with any public or private agency or person for the purpose of developing and implementing snowmobile programs, as long as the programs are not inconsistent with the rules adopted by the commission.

Sec. 7041. RCW 79.17.210 and 2011 c 216 s 13 are each amended to read as follows:

(1) The legislature finds that the department has a need to maintain the real property asset base it manages and needs an accounting mechanism to complete transactions without reducing the real property asset base.

(2) The natural resources real property replacement account is created in the state treasury. This account shall consist of funds transferred or paid for the disposal or transfer of real property by the department under RCW 79.17.200 and the transfer of state lands or state forest lands into community forest trust lands under RCW 79.155.040. The funds in this account shall be used solely for the acquisition of replacement real property and may be spent only when, and as, authorized by legislative appropriation. During the 2013-2015 fiscal biennium, funds in the account may also be appropriated for the land purchase in section [3245] of this act under the provisions of section [3245 of this act] and Second Substitute Senate Bill No. 5367.

Sec. 7042. RCW 70.105D.— and 2013 2nd sp.s. c 1 s 10 are each amended to read as follows:

(1) The environmental legacy stewardship account is created in the state treasury. Beginning July 1, 2013, and every fiscal year thereafter, the annual amount received from the tax imposed by RCW 82.21.030 that exceeds one hundred forty million dollars must be deposited into the environmental legacy stewardship account. The state treasurer may make periodic deposits into the environmental legacy stewardship account based on forecasted revenue. Moneys in the account may only be spent after appropriation.

(2) Moneys in the environmental legacy stewardship account may be spent on performance and outcome based projects, model remedies, demonstrated technologies, procedures, contracts, and project management and oversight that result in significant reductions in the time to complete compared to baseline averages for:

(a) Purposes authorized under RCW 70.105D.070 (3) and (4);

(b) Storm water low-impact retrofit projects and other projects with significant environmental benefits that reduce storm water pollution from existing infrastructure and development;

(c) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment; and

(d) Appropriations to the state and local toxics control accounts created in RCW 70.105D.070 if the legislature determines that priorities for spending exceed available funds in those accounts.

(3) Except as provided under RCW 70.105D.070(3) (k) and (q), nothing in this act expands the ability of a potentially liable person to receive public funding.

(4) For the 2013-2015 fiscal biennium, moneys in the environmental legacy stewardship account may be transferred to the local toxics control account.

NEW SECTION. Sec. 7043. FOR THE STATE TREASURER—TRANSFERS

State Toxic Control Account: For transfer to	
the Local Toxic Control Account	\$4,000,000
Environmental Legacy Stewardship Account: For transfer to	
the Local Toxic Control Account	\$12,000,000

NEW SECTION. Sec. 7044. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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Passed by the Senate June 29, 2013.

Passed by the House June 29, 2013.

Approved by the Governor July 1, 2013, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State July 2, 2013.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 5020(3), Engrossed Substitute Senate Bill 5035 entitled:

"AN ACT Relating to the capital budget."

Section 5020(3), pages 166-168, Superintendent of Public Instruction, 2013-15 School Construction Assistance Program — Maintenance

This proviso directs the Superintendent of Public Instruction to create an interagency agreement with The Evergreen State College for a study by the Washington State Institute of Public Policy. The purpose of the study is to analyze the relationship between school design and student performance and to develop recommendations for the school construction assistance program. The institute is further directed to create an advisory group to assist in the development of these recommendations. I believe this study is overly broad and an unnecessary expense. The current system of evaluating school construction projects adequately addresses school capital needs. Moreover, the 2013-2015 capital budget fully funds the state's school construction assistance program.

For this reason, I have vetoed Section 5020(3) of Engrossed Substitute Senate Bill 5035.

With the exception of Section 5020(3), Engrossed Substitute Senate Bill 5035 is approved."

CHAPTER 20

[Engrossed Substitute Senate Bill 5036]

GENERAL OBLIGATION BONDS

AN ACT Relating to state general obligation bonds and related accounts; amending RCW 43.99G.162; adding a new chapter to Title 43 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. For the purpose of providing funds to finance the projects described and authorized by the legislature in the capital and operating appropriations acts for the 2011-2013 and 2013-2015 fiscal biennia, and all costs incidental thereto, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of two billion thirty-six

million dollars, or as much thereof as may be required, to finance these projects and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

NEW SECTION. Sec. 2. (1) The proceeds from the sale of bonds authorized in section 1 of this act shall be deposited in the state building construction account created by RCW 43.83.020. The proceeds shall be transferred as follows:

(a) One billion six hundred seventy million six hundred eighty-five thousand dollars to remain in the state building construction account created by RCW 43.83.020;

(b) Twenty-five million five hundred thousand dollars to the outdoor recreation account created by RCW 79A.25.060;

(c) Twenty-five million five hundred thousand dollars to the habitat conservation account created by RCW 79A.15.020;

(d) Eight million five hundred thousand dollars to the riparian protection account created by RCW 79A.15.120;

(e) Five million five hundred thousand dollars to the farmlands preservation account created by RCW 79A.15.130;

(f) Two hundred seventy-nine million five hundred thousand dollars to the state taxable building construction account. All receipts from taxable bond issues are to be deposited into the account. If the state finance committee deems it necessary or advantageous to issue more than the amount specified in this subsection (1)(f) as taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds or in order to reduce the total financing costs for bonds issued, the proceeds of such additional taxable bonds shall be transferred to the state taxable building construction account in lieu of any transfer otherwise provided by this section. If the state finance committee determines that a portion of the amount specified in this subsection (1)(f) as taxable bonds may be issued as nontaxable bonds in compliance with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds, then such bond proceeds shall be transferred to the state building construction account in lieu of the transfer to the state taxable building construction account otherwise provided by this subsection (1)(f). The state treasurer shall submit written notice to the director of financial management if it is determined that any such additional transfer to the state taxable building construction account is necessary. Moneys in the account may be spent only after appropriation.

(2) These proceeds shall be used exclusively for the purposes specified in this section and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this section, and shall be administered by the office of financial management subject to legislative appropriation.

NEW SECTION. Sec. 3. (1) The debt-limit general fund bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in section 2(1) (a) through (f) of this act.

(2) The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to

meet the bond retirement and interest requirements on the bonds authorized in section 2(1) (a) through (f) of this act.

(3) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of section 2(1) (a) through (f) of this act the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the debt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date.

NEW SECTION. Sec. 4. (1) Bonds issued under sections 1 through 3 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due.

(2) The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section.

NEW SECTION. Sec. 5. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 1 of this act, and sections 2 and 3 of this act shall not be deemed to provide an exclusive method for the payment.

Sec. 6. RCW 43.99G.162 and 2006 c 167 s 203 are each amended to read as follows:

The proceeds from the sale of the bonds authorized in RCW 43.99G.160 shall be deposited in the Columbia river basin water supply development account created in chapter 6, Laws of 2006. If the state finance committee deems it necessary to issue the bonds authorized in RCW 43.99G.160 as taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds, the proceeds of such taxable bonds shall be transferred to the (~~state taxable building construction~~) Columbia river basin taxable bond water supply development account in lieu of any deposit otherwise provided by this section. The state treasurer shall submit written notice to the director of financial management if it is determined that any such transfer to the (~~state taxable building construction~~) Columbia river basin taxable bond water supply development account is necessary. Moneys in the account may be spent only after appropriation. The proceeds shall be used exclusively for the purposes specified in RCW 43.99G.160 and for the payment of expenses incurred in the issuance and sale of the bonds. These proceeds shall be administered by the office of financial management, subject to legislative appropriation.

NEW SECTION. Sec. 7. Sections 1 through 5 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 8. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 9. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate June 29, 2013.
Passed by the House June 29, 2013.
Approved by the Governor July 1, 2013.
Filed in Office of Secretary of State July 2, 2013.

CHAPTER 21

[Engrossed Second Substitute House Bill 1306]

LOCAL INFRASTRUCTURE FINANCING TOOL PROGRAM

AN ACT Relating to extending the expiration dates of the local infrastructure financing tool program; amending RCW 82.14.475, 39.102.150, and 39.102.020; reenacting and amending RCW 39.102.140; adding a new section to chapter 39.102 RCW; repealing RCW 39.102.904; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 39.102 RCW to read as follows:

This chapter expires June 30, 2044.

NEW SECTION. Sec. 2. RCW 39.102.904 (Expiration date—2006 c 181) and 2006 c 181 s 707 are each repealed.

Sec. 3. RCW 82.14.475 and 2010 c 164 s 12 are each amended to read as follows:

(1) A sponsoring local government, and any cosponsoring local government, that has been approved by the board to use local infrastructure financing may impose a sales and use tax in accordance with the terms of this chapter and subject to the criteria set forth in this section. Except as provided in this section, the tax is in addition to other taxes authorized by law and is collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the taxing jurisdiction of the sponsoring local government or cosponsoring local government.

(2) The tax authorized under subsection (1) of this section is credited against the state taxes imposed under RCW 82.08.020(1) and 82.12.020 at the rate provided in RCW 82.08.020(1). The department must perform the collection of such taxes on behalf of the sponsoring local government or cosponsoring local government at no cost to the sponsoring local government or cosponsoring local government and must remit the taxes as provided in RCW 82.14.060.

(3) The aggregate rate of tax imposed by the sponsoring local government, and any cosponsoring local government, must not exceed the lesser of:

(a) The rate provided in RCW 82.08.020(1) less:

(i) The aggregate rates of all other local sales and use taxes imposed by any taxing authority on the same taxable events;

(ii) The aggregate rates of all taxes under RCW 82.14.465 and this section that are authorized to be imposed on the same taxable events but have not yet been imposed by a sponsoring local government or cosponsoring local government that has been approved by the department or the community economic revitalization board to receive a state contribution under chapter 39.100 or 39.102 RCW; and

(iii) The percentage amount of distributions required under RCW 82.08.020(5) multiplied by the rate of state taxes imposed under RCW 82.08.020(1); and

(b) The rate, as determined by the sponsoring local government, and any cosponsoring local government, in consultation with the department, reasonably necessary to receive the state contribution over ten months.

(4) Sponsoring local governments that have been approved before October 1, 2008, by the community economic revitalization board for a state contribution must select the rate of tax under this section no later than September 1, 2009.

(5) The department, upon request, must assist a sponsoring local government and cosponsoring local government in establishing their tax rate in accordance with subsection (3) of this section. Once the rate of tax is selected, it may not be increased.

(6)(a) No tax may be imposed under the authority of this section:

(i) Before July 1st of the second calendar year following the year approval by the board under RCW 39.102.040 was made; and

(ii) Until a sponsoring local government reports to the board and the department as required by RCW 39.102.140 that the state has benefited through the receipt of state excise tax allocation revenues or state property tax allocation revenues, or both.

(b) The tax imposed under this section expires when all indebtedness issued under the authority of RCW 39.102.150 is retired and all other contractual obligations relating to the financing of public improvements under chapter 39.102 RCW are satisfied, but not more than twenty-five years after the tax is first imposed.

(7) An ordinance adopted by the legislative authority of a sponsoring local government or cosponsoring local government imposing a tax under this section must provide that:

(a) The tax is first imposed on the first day of a fiscal year;

(b) The cumulative amount of tax received by the sponsoring local government, and any cosponsoring local government, in any fiscal year may not exceed the amount of the state contribution;

(c) The tax will cease to be distributed for the remainder of any fiscal year in which either:

(i) The amount of tax received by the sponsoring local government, and any cosponsoring local government, equals the amount of the state contribution;

(ii) The amount of revenue from taxes imposed under this section by all sponsoring and cosponsoring local governments equals the annual state contribution limit; or

(iii) The amount of tax received by the sponsoring local government equals the amount of project award granted in the approval notice described in RCW 39.102.040;

(d) Neither the local excise tax allocation revenues nor the local property tax allocation revenues may constitute more than eighty percent of the total local funds as described in RCW 39.102.020(~~((28))~~) (29)(b). This requirement applies beginning January 1st of the fifth calendar year after the calendar year in which the sponsoring local government begins allocating local excise tax allocation revenues under RCW 39.102.110;

(e) The tax must be distributed again, should it cease to be distributed for any of the reasons provided in (c) of this subsection, at the beginning of the next fiscal year, subject to the restrictions in this section; and

(f) Any revenue generated by the tax in excess of the amounts specified in (c) of this subsection belongs to the state of Washington.

(8) If a county and city cosponsor a revenue development area, the combined amount of distributions received by both the city and county may not exceed the state contribution.

(9) The department must determine the amount of tax receipts distributed to each sponsoring local government, and any cosponsoring local government, imposing sales and use tax under this section and shall advise a sponsoring or cosponsoring local government when tax distributions for the fiscal year equal the amount of state contribution for that fiscal year as provided in subsection (11) of this section. Determinations by the department of the amount of tax distributions attributable to each sponsoring or cosponsoring local government are final and may not be used to challenge the validity of any tax imposed under this section. The department must remit any tax receipts in excess of the amounts specified in subsection (7)(c) of this section to the state treasurer who must deposit the money in the general fund.

(10) If a sponsoring or cosponsoring local government fails to comply with RCW 39.102.140, no tax may be distributed in the subsequent fiscal year until such time as the sponsoring or cosponsoring local government complies and the department calculates the state contribution amount for such fiscal year.

(11) Each year, the amount of taxes approved by the department for distribution to a sponsoring or cosponsoring local government in the next fiscal year must be equal to the state contribution and may be no more than the total local funds as described in RCW 39.102.020(~~((28))~~) (29)(b). The department must consider information from reports described in RCW 39.102.140 when determining the amount of state contributions for each fiscal year. The department's determination of the amount of the state contribution is final and conclusive, and may not be changed once such determination is made and such contribution is distributed to the sponsoring or cosponsoring local government, unless the department subsequently determines that local revenue information contained in a report described in RCW 39.102.140 differs from the actual dedicated local revenue. If a discrepancy is found, the department must adjust its determination accordingly. A sponsoring or cosponsoring local government may not receive, in any fiscal year, more revenues from taxes imposed under the authority of this section than the amount approved annually by the department. The department may not approve the receipt of more distributions of sales and use tax under this section to a sponsoring or cosponsoring local government than is authorized under subsection (7) of this section.

(12) The amount of tax distributions received from taxes imposed under the authority of this section by all sponsoring and cosponsoring local governments is limited annually to not more than seven million five hundred thousand dollars.

(13) The definitions in RCW 39.102.020 apply to this section unless the context clearly requires otherwise.

(14) If a sponsoring local government is a federally recognized Indian tribe, the distribution of the sales and use tax authorized under this section must be authorized through an interlocal agreement pursuant to chapter 39.34 RCW.

(15) Subject to RCW 39.102.195, the tax imposed under the authority of this section may be applied either to provide for the payment of debt service on bonds issued under RCW 39.102.150 by the sponsoring local government or to pay public improvement costs on a pay-as-you-go basis, or both.

(16) The tax imposed under the authority of this section must cease to be imposed if the sponsoring local government or cosponsoring local government (~~fails to issue indebtedness under the authority of RCW 39.102.150, and~~) fails to commence construction on public improvements(;) by June (~~(30th of the fifth fiscal year in which the local tax authorized under this section is imposed)~~) 30, 2017.

(17) For purposes of this section, the following definitions apply:

(a) "Local sales and use taxes" means sales and use taxes imposed by cities, counties, public facilities districts, and other local governments under the authority of this chapter, chapter 67.28 or 67.40 RCW, or any other chapter, and that are credited against the state sales and use taxes.

(b) "State sales and use taxes" means the tax imposed in RCW 82.08.020(1) and the tax imposed in RCW 82.12.020 at the rate provided in RCW 82.08.020(1).

(18) This section expires June 30, 2044.

Sec. 4. RCW 39.102.150 and 2009 c 267 s 6 are each amended to read as follows:

(1) A sponsoring local government that has designated a revenue development area and instead of paying public improvement costs on a pay-as-you-go basis has been authorized the use of local infrastructure financing may incur general indebtedness, including issuing general obligation bonds, to finance the public improvements and retire the indebtedness in whole or in part from local excise tax allocation revenues, local property tax allocation revenues, and sales and use taxes imposed under the authority of RCW 82.14.475 that it receives, subject to the following requirements:

(a)(i) The ordinance adopted by the sponsoring local government and authorizing the use of local infrastructure financing indicates an intent to incur this indebtedness and the maximum amount of this indebtedness that is contemplated; and

(ii) The sponsoring local government includes this statement of the intent in all notices required by RCW 39.102.100; or

(b) The sponsoring local government adopts a resolution, after opportunity for public comment, that indicates an intent to incur this indebtedness and the maximum amount of this indebtedness that is contemplated.

(2)(a) Except as provided in (b) of this subsection, the general indebtedness incurred under subsection (1) of this section may be payable from other tax revenues, the full faith and credit of the local government, and nontax income, revenues, fees, and rents from the public improvements, as well as contributions, grants, and nontax money available to the local government for payment of costs of the public improvements or associated debt service on the general indebtedness.

(b) A sponsoring local government that issues bonds under this section (~~shall~~) may not pledge any money received from the state of Washington for the payment of such bonds, other than the local sales and use taxes imposed under the authority of RCW 82.14.475 and collected by the department.

(3) In addition to the requirements in subsection (1) of this section, a sponsoring local government designating a revenue development area and authorizing the use of local infrastructure financing may require the nonpublic participant to provide adequate security to protect the public investment in the public improvement within the revenue development area.

(4) Bonds issued under this section (~~(shall)~~) must be authorized by ordinance of the governing body of the sponsoring local government and may be issued in one or more series and (~~(shall)~~) must bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered as provided in RCW 39.46.030, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption with or without premium, be secured in such manner, and have such other characteristics, as may be provided by such ordinance or trust indenture or mortgage issued pursuant thereto.

(5) The sponsoring local government may annually pay into a fund to be established for the benefit of bonds issued under this section a fixed proportion or a fixed amount of any local excise tax allocation revenues and local property tax allocation revenues derived from property or business activity within the revenue development area containing the public improvements funded by the bonds, such payment to continue until all bonds payable from the fund are paid in full. The local government may also annually pay into the fund established in this section a fixed proportion or a fixed amount of any revenues derived from taxes imposed under RCW 82.14.475, such payment to continue until all bonds payable from the fund are paid in full. Revenues derived from taxes imposed under RCW 82.14.475 are subject to the use restriction in RCW 39.102.130.

(6) In case any of the public officials of the sponsoring local government whose signatures appear on any bonds or any coupons issued under this chapter (~~(shall)~~) cease to be such officials before the delivery of such bonds, such signatures (~~(shall)~~), nevertheless, (~~(be)~~) are valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued under this chapter are fully negotiable.

(7) Notwithstanding subsections (4) through (6) of this section, bonds issued under this section may be issued and sold in accordance with chapter 39.46 RCW.

Sec. 5. RCW 39.102.140 and 2009 c 518 s 12 and 2009 c 267 s 5 are each reenacted and amended to read as follows:

(1) A sponsoring local government shall provide a report to the board and the department by March 1st of each year. The report shall contain the following information:

(a) The amount of local excise tax allocation revenues, local property tax allocation revenues, other revenues from local public sources, and taxes under RCW 82.14.475 received by the sponsoring local government, cosponsoring local government, or any participating local government during the preceding calendar year that were dedicated to pay the public improvements financed in whole or in part with local infrastructure financing, and a summary of how these revenues were expended;

(b) The names of any businesses locating within the revenue development area as a result of the public improvements undertaken by the sponsoring local government and financed in whole or in part with local infrastructure financing;

(c) The total number of permanent jobs created in the revenue development area as a result of the public improvements undertaken by the sponsoring local government and financed in whole or in part with local infrastructure financing;

(d) The average wages and benefits received by all employees of businesses locating within the revenue development area as a result of the public improvements undertaken by the sponsoring local government and financed in whole or in part with local infrastructure financing;

(e) That the sponsoring local government is in compliance with RCW 39.102.070; and

(f) Beginning with the reports due March 1, 2010, the following must also be included:

(i) A list of public improvements financed on a pay-as-you-go basis in previous calendar years and by indebtedness issued under this chapter;

(ii) The date when any indebtedness issued under this chapter is expected to be retired;

(iii) At least once every three years, updated estimates of state excise tax allocation revenues, state property tax allocation revenues, and local excise tax increments, as determined by the sponsoring local government, that are estimated to have been received by the state, any participating local government, sponsoring local government, and cosponsoring local government, since the approval of the project award under RCW 39.102.040 by the board; and

(iv) Any other information required by the department or the board to enable the department or the board to fulfill its duties under this chapter and RCW 82.14.475.

(2) The board shall make a report available to the public and the legislature by June 1st of each even-numbered year. The report shall include a list of public improvements undertaken by sponsoring local governments and financed in whole or in part with local infrastructure financing and it shall also include a summary of the information provided to the department by sponsoring local governments under subsection (1) of this section.

(3) The department, upon request, must assist a sponsoring local government in estimating the amount of state excise tax allocation revenues and local excise tax increments required in subsection (1)(f)(iii) of this section.

Sec. 6. RCW 39.102.020 and 2010 c 164 s 11 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Annual state contribution limit" means seven million five hundred thousand dollars statewide per fiscal year.

(2) "Assessed value" means the valuation of taxable real property as placed on the last completed assessment roll.

(3) "Board" means the community economic revitalization board under chapter 43.160 RCW.

(4) "Dedicated" means pledged, set aside, allocated, received, budgeted, or otherwise identified.

(5) "Demonstration project" means one of the following projects:

- (a) Bellingham waterfront redevelopment project;
- (b) Spokane river district project at Liberty Lake; and
- (c) Vancouver riverwest project.

~~((5))~~ (6) "Department" means the department of revenue.

~~((6))~~ (7) "Fiscal year" means the twelve-month period beginning July 1st and ending the following June 30th.

~~((7))~~ (8) "Local excise tax allocation revenue" means an amount of local excise taxes equal to some or all of the sponsoring local government's local excise tax increment, amounts of local excise taxes equal to some or all of any participating local government's excise tax increment as agreed upon in the written agreement under RCW 39.102.080(1), or both, and dedicated to local infrastructure financing.

~~((8))~~ (9) "Local excise tax increment" means an amount equal to the estimated annual increase in local excise taxes in each calendar year following the approval of the revenue development area by the board from taxable activity within the revenue development area, as set forth in the application provided to the board under RCW 39.102.040, and updated in accordance with RCW 39.102.140(1)(f).

~~((9))~~ (10) "Local excise taxes" means local revenues derived from the imposition of sales and use taxes authorized in RCW 82.14.030.

~~((10))~~ (11) "Local government" means any city, town, county, port district, and any federally recognized Indian tribe.

~~((11))~~ (12) "Local infrastructure financing" means the use of revenues received from local excise tax allocation revenues, local property tax allocation revenues, other revenues from local public sources, and revenues received from the local option sales and use tax authorized in RCW 82.14.475, dedicated to pay either the principal and interest on bonds authorized under RCW 39.102.150 or to pay public improvement costs on a pay-as-you-go basis subject to RCW 39.102.195, or both.

~~((12))~~ (13) "Local property tax allocation revenue" means those tax revenues derived from the receipt of regular property taxes levied on the property tax allocation revenue value and used for local infrastructure financing.

~~((13))~~ (14) "Low-income housing" means residential housing for low-income persons or families who lack the means which is necessary to enable them, without financial assistance, to live in decent, safe, and sanitary dwellings, without overcrowding. For the purposes of this subsection, "low income" means income that does not exceed eighty percent of the median family income for the standard metropolitan statistical area in which the revenue development area is located.

~~((14))~~ (15) "Ordinance" means any appropriate method of taking legislative action by a local government.

~~((15))~~ (16) "Participating local government" means a local government having a revenue development area within its geographic boundaries that has entered into a written agreement with a sponsoring local government as provided in RCW 39.102.080 to allow the use of all or some of its local excise tax allocation revenues or other revenues from local public sources dedicated for local infrastructure financing.

~~((16))~~ (17) "Participating taxing district" means a local government having a revenue development area within its geographic boundaries that has entered

into a written agreement with a sponsoring local government as provided in RCW 39.102.080 to allow the use of some or all of its local property tax allocation revenues or other revenues from local public sources dedicated for local infrastructure financing.

~~((17))~~ (18) "Property tax allocation revenue base value" means the assessed value of real property located within a revenue development area less the property tax allocation revenue value.

~~((18))~~ (19)(a)(i) "Property tax allocation revenue value" means seventy-five percent of any increase in the assessed value of real property in a revenue development area resulting from:

(A) The placement of new construction, improvements to property, or both, on the assessment roll, where the new construction and improvements are initiated after the revenue development area is approved by the board;

(B) The cost of new housing construction, conversion, and rehabilitation improvements, when such cost is treated as new construction for purposes of chapter 84.55 RCW as provided in RCW 84.14.020, and the new housing construction, conversion, and rehabilitation improvements are initiated after the revenue development area is approved by the board;

(C) The cost of rehabilitation of historic property, when such cost is treated as new construction for purposes of chapter 84.55 RCW as provided in RCW 84.26.070, and the rehabilitation is initiated after the revenue development area is approved by the board.

(ii) Increases in the assessed value of real property in a revenue development area resulting from (a)(i)(A) through (C) of this subsection are included in the property tax allocation revenue value in the initial year. These same amounts are also included in the property tax allocation revenue value in subsequent years unless the property becomes exempt from property taxation.

(b) "Property tax allocation revenue value" includes seventy-five percent of any increase in the assessed value of new construction consisting of an entire building in the years following the initial year, unless the building becomes exempt from property taxation.

(c) Except as provided in (b) of this subsection, "property tax allocation revenue value" does not include any increase in the assessed value of real property after the initial year.

(d) There is no property tax allocation revenue value if the assessed value of real property in a revenue development area has not increased as a result of any of the reasons specified in (a)(i)(A) through (C) of this subsection.

(e) For purposes of this subsection, "initial year" means:

(i) For new construction and improvements to property added to the assessment roll, the year during which the new construction and improvements are initially placed on the assessment roll;

(ii) For the cost of new housing construction, conversion, and rehabilitation improvements, when such cost is treated as new construction for purposes of chapter 84.55 RCW, the year when such cost is treated as new construction for purposes of levying taxes for collection in the following year; and

(iii) For the cost of rehabilitation of historic property, when such cost is treated as new construction for purposes of chapter 84.55 RCW, the year when such cost is treated as new construction for purposes of levying taxes for collection in the following year.

~~((49))~~ (20) "Public improvement costs" means the cost of: (a) Design, planning, acquisition including land acquisition, site preparation including land clearing, construction, reconstruction, rehabilitation, improvement, and installation of public improvements; (b) demolishing, relocating, maintaining, and operating property pending construction of public improvements; (c) the local government's portion of relocating utilities as a result of public improvements; (d) financing public improvements, including interest during construction, legal and other professional services, taxes, insurance, principal and interest costs on general indebtedness issued to finance public improvements, and any necessary reserves for general indebtedness; (e) assessments incurred in revaluing real property for the purpose of determining the property tax allocation revenue base value that are in excess of costs incurred by the assessor in accordance with the revaluation plan under chapter 84.41 RCW, and the costs of apportioning the taxes and complying with this chapter and other applicable law; (f) administrative expenses and feasibility studies reasonably necessary and related to these costs; and (g) any of the above-described costs that may have been incurred before adoption of the ordinance authorizing the public improvements and the use of local infrastructure financing to fund the costs of the public improvements.

~~((20))~~ (21) "Public improvements" means:

(a) Infrastructure improvements within the revenue development area that include:

(i) Street, bridge, and road construction and maintenance, including highway interchange construction;

(ii) Water and sewer system construction and improvements, including wastewater reuse facilities;

(iii) Sidewalks, traffic controls, and streetlights;

(iv) Parking, terminal, and dock facilities;

(v) Park and ride facilities of a transit authority;

(vi) Park facilities and recreational areas, including trails; and

(vii) Storm water and drainage management systems;

(b) Expenditures for facilities and improvements that support affordable housing as defined in RCW 43.63A.510.

~~((21))~~ (22) "Real property" has the same meaning as in RCW 84.04.090 and also includes any privately owned improvements located on publicly owned land that are subject to property taxation.

~~((22))~~ (23) "Regular property taxes" means regular property taxes as defined in RCW 84.04.140, except: (a) Regular property taxes levied by public utility districts specifically for the purpose of making required payments of principal and interest on general indebtedness; (b) regular property taxes levied by the state for the support of the common schools under RCW 84.52.065; and (c) regular property taxes authorized by RCW 84.55.050 that are limited to a specific purpose. "Regular property taxes" do not include excess property tax levies that are exempt from the aggregate limits for junior and senior taxing districts as provided in RCW 84.52.043.

~~((23))~~ (24) "Relocating a business" means the closing of a business and the reopening of that business, or the opening of a new business that engages in the same activities as the previous business, in a different location within a one-year period, when an individual or entity has an ownership interest in the business at

the time of closure and at the time of opening or reopening. "Relocating a business" does not include the closing and reopening of a business in a new location where the business has been acquired and is under entirely new ownership at the new location, or the closing and reopening of a business in a new location as a result of the exercise of the power of eminent domain.

~~((24))~~ (25) "Revenue development area" means the geographic area adopted by a sponsoring local government and approved by the board, from which local excise and property tax allocation revenues are derived for local infrastructure financing.

~~((25))~~ (26)(a) "Revenues from local public sources" means:

(i) Amounts of local excise tax allocation revenues and local property tax allocation revenues, dedicated by sponsoring local governments, participating local governments, and participating taxing districts, for local infrastructure financing; and

(ii) Any other local revenues, except as provided in (b) of this subsection, including revenues derived from federal and private sources.

(b) Revenues from local public sources do not include any local funds derived from state grants, state loans, or any other state moneys including any local sales and use taxes credited against the state sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

~~((26))~~ (27) "Small business" has the same meaning as provided in RCW 19.85.020.

~~((27))~~ (28) "Sponsoring local government" means a city, town, or county, and for the purpose of this chapter a federally recognized Indian tribe or any combination thereof, that adopts a revenue development area and applies to the board to use local infrastructure financing.

~~((28))~~ (29) "State contribution" means the lesser of:

(a) One million dollars;

(b) The total amount of local excise tax allocation revenues, local property tax allocation revenues, and other revenues from local public sources, that are dedicated by a sponsoring local government, any participating local governments, and participating taxing districts, in the preceding calendar year to the payment of principal and interest on bonds issued under RCW 39.102.150 or to pay public improvement costs on a pay-as-you-go basis subject to RCW 39.102.195, or both;

(c) The amount of project award granted by the board in the notice of approval to use local infrastructure financing under RCW 39.102.040; or

(d) The highest amount of state excise tax allocation revenues and state property tax allocation revenues for any one calendar year as determined by the sponsoring local government and reported to the board and the department as required by RCW 39.102.140.

~~((29))~~ (30) "State excise tax allocation revenue" means an amount equal to the annual increase in state excise taxes estimated to be received by the state in each calendar year following the approval of the revenue development area by the board, from taxable activity within the revenue development area as set forth in the application provided to the board under RCW 39.102.040 and periodically updated and reported as required in RCW 39.102.140(1)(f).

~~((30))~~ (31) "State excise taxes" means revenues derived from state retail sales and use taxes under RCW 82.08.020(1) and 82.12.020 at the rate provided

in RCW 82.08.020(1), less the amount of tax distributions from all local retail sales and use taxes, other than the local sales and use taxes authorized by RCW 82.14.475 for the applicable revenue development area, imposed on the same taxable events that are credited against the state retail sales and use taxes under chapters 82.08 and 82.12 RCW.

~~((31))~~ (32) "State property tax allocation revenue" means an amount equal to the estimated tax revenues derived from the imposition of property taxes levied by the state for the support of common schools under RCW 84.52.065 on the property tax allocation revenue value, as set forth in the application submitted to the board under RCW 39.102.040 and updated annually in the report required under RCW 39.102.140(1)(f).

~~((32))~~ (33) "Taxing district" means a government entity that levies or has levied for it regular property taxes upon real property located within a proposed or approved revenue development area.

Passed by the House June 26, 2013.

Passed by the Senate June 27, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 22

[Engrossed House Bill 1450]

K-12 EDUCATION—ASSESSMENTS

AN ACT Relating to assessments in public schools; amending RCW 28A.655.061, 28A.655.066, 28A.655.068, 28A.655.070, 28A.305.130, 28A.655.185, 28B.105.010, 28B.105.030, and 28B.105.060; adding a new section to chapter 28A.320 RCW; creating new sections; repealing RCW 28A.655.066; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that the superintendent of public instruction was authorized to align the state essential academic learning requirements for mathematics, reading, writing, and communication with the common set of standards for students in grades kindergarten through twelve, known as the common core state standards, which were initiated by the governors and chief school officers of forty-five states, including Washington. The legislature further finds that Washington has joined one of two multistate consortia using a federal grant to develop new English language arts and mathematics assessments in grades three through eight and grade eleven that are, among other factors, aligned with the common core state standards and intended to demonstrate a student's career and college readiness. The legislature further finds that the assessments are required to be ready for use by the 2014-15 school year.

The legislature intends to reduce the overall costs of the state assessment system by implementing the eleventh grade English language arts and mathematics assessments being developed by a multistate consortium in which Washington is participating, maximize use of the consortium assessments by developing a tenth grade high school English language arts assessment and modifying the algebra I and geometry end-of-course assessment to be used only during the transition to the consortium-developed assessments, and reduce to

three the number of assessments that will be required for students to graduate beginning with the class of 2019.

The legislature further intends that the eleventh grade consortium-developed assessments have two different student performance standards: One for the purposes of high school graduation that will be established by the state board of education and one that is intended to demonstrate a student's career and college readiness.

Sec. 2. RCW 28A.655.061 and 2011 1st sp.s. c 22 s 2 are each amended to read as follows:

(1) The high school assessment system shall include but need not be limited to the statewide student assessment, opportunities for a student to retake the content areas of the assessment in which the student was not successful, and, if approved by the legislature pursuant to subsection (10) of this section, one or more objective alternative assessments for a student to demonstrate achievement of state academic standards. The objective alternative assessments for each content area shall be comparable in rigor to the skills and knowledge that the student must demonstrate on the statewide student assessment for each content area.

(2) Subject to the conditions in this section, a certificate of academic achievement shall be obtained (~~(by most students at about the age of sixteen,)~~) and is evidence that the students have successfully met the state standard in the content areas included in the certificate. With the exception of students satisfying the provisions of RCW 28A.155.045 or 28A.655.0611, acquisition of the certificate is required for graduation from a public high school but is not the only requirement for graduation.

(3)~~(a)~~ Beginning with the graduating class of 2008 through the graduating class of 2015, with the exception of students satisfying the provisions of RCW 28A.155.045, a student who meets the state standards on the reading, writing, and mathematics (~~content areas of the~~) high school statewide student assessment shall earn a certificate of academic achievement. The mathematics assessment shall be the end-of-course assessment for the first year of high school mathematics that assesses the standards common to algebra I and integrated mathematics I or the end-of-course assessment for the second year of high school mathematics that assesses standards common to geometry and integrated mathematics II.

(b) As the state transitions from reading and writing assessments to an English language arts assessment and from end-of-course assessments to a comprehensive assessment for high school mathematics, a student in a graduating class of 2016 through 2018 shall earn a certificate of academic achievement if the student meets the state standard as follows:

(i) Students in the graduating class of 2016 may use the results from:

(A) The reading and writing assessment or the English language arts assessment developed with the multistate consortium; and

(B) The end-of-course assessment for the first year of high school mathematics, the end-of-course assessment for the second year of high school mathematics, or the comprehensive mathematics assessment developed with the multistate consortium.

(ii) Students in the graduating classes of 2017 and 2018 may use the results from:

(A) The tenth grade English language arts assessment developed by the superintendent of public instruction using resources from the multistate consortium or the English language arts assessment developed with the multistate consortium; and

(B) The end-of-course assessment for the first year of high school mathematics, the end-of-course assessment for the second year of high school mathematics, or the comprehensive mathematics assessment developed with the multistate consortium.

(c) Beginning with the graduating class of 2019, a student who meets the state standards on the high school English language arts assessment developed with the multistate consortium and the comprehensive mathematics assessment developed with the multistate consortium shall earn a certificate of academic achievement.

(d) If a student does not successfully meet the state standards in one or more content areas required for the certificate of academic achievement, then the student may retake the assessment in the content area (~~(up to four times)~~) at least twice a year at no cost to the student. If the student successfully meets the state standards on a retake of the assessment then the student shall earn a certificate of academic achievement. Once objective alternative assessments are authorized pursuant to subsection (10) of this section, a student may use the objective alternative assessments to demonstrate that the student successfully meets the state standards for that content area if the student has taken the statewide student assessment at least once. If the student successfully meets the state standards on the objective alternative assessments then the student shall earn a certificate of academic achievement.

(4) Beginning with the graduating class of 2015, a student must meet the state standards in science in addition to the other content areas required under subsection (3) of this section on the statewide student assessment, a retake, or the objective alternative assessments in order to earn a certificate of academic achievement.

(5) The state board of education may not require the acquisition of the certificate of academic achievement for students in home-based instruction under chapter 28A.200 RCW, for students enrolled in private schools under chapter 28A.195 RCW, or for students satisfying the provisions of RCW 28A.155.045.

(6) A student may retain and use the highest result from each successfully completed content area of the high school assessment.

(7) School districts must make available to students the following options:

(a) To retake the statewide student assessment (~~(up to four times)~~) at least twice a year in the content areas in which the student did not meet the state standards if the student is enrolled in a public school; or

(b) To retake the statewide student assessment (~~(up to four times)~~) at least twice a year in the content areas in which the student did not meet the state standards if the student is enrolled in a high school completion program at a community or technical college. The superintendent of public instruction and the state board for community and technical colleges shall jointly identify means by which students in these programs can be assessed.

(8) Students who achieve the standard in a content area of the high school assessment but who wish to improve their results shall pay for retaking the

assessment, using a uniform cost determined by the superintendent of public instruction.

(9) Opportunities to retake the assessment at least twice a year shall be available to each school district.

(10)(a) The office of the superintendent of public instruction shall develop options for implementing objective alternative assessments, which may include an appeals process for students' scores, for students to demonstrate achievement of the state academic standards. The objective alternative assessments shall be comparable in rigor to the skills and knowledge that the student must demonstrate on the statewide student assessment and be objective in its determination of student achievement of the state standards. Before any objective alternative assessments in addition to those authorized in RCW 28A.655.065 or (b) of this subsection are used by a student to demonstrate that the student has met the state standards in a content area required to obtain a certificate, the legislature shall formally approve the use of any objective alternative assessments through the omnibus appropriations act or by statute or concurrent resolution.

(b)(i) A student's score on the mathematics, reading or English, or writing portion of the SAT or the ACT may be used as an objective alternative assessment under this section for demonstrating that a student has met or exceeded the state standards for the certificate of academic achievement. The state board of education shall identify the scores students must achieve on the relevant portion of the SAT or ACT to meet or exceed the state standard in the relevant content area on the statewide student assessment. A student's score on the science portion of the ACT or the science subject area tests of the SAT may be used as an objective alternative assessment under this section as soon as the state board of education determines that sufficient data is available to identify reliable equivalent scores for the science content area of the statewide student assessment. After the first scores are established, the state board may increase but not decrease the scores required for students to meet or exceed the state standards.

(ii) A student who scores at least a three on the grading scale of one to five for selected AP examinations may use the score as an objective alternative assessment under this section for demonstrating that a student has met or exceeded state standards for the certificate of academic achievement. A score of three on the AP examinations in calculus or statistics may be used as an alternative assessment for the mathematics portion of the statewide student assessment. A score of three on the AP examinations in English language and composition may be used as an alternative assessment for the writing portion of the statewide student assessment; and for the English language arts portion of the assessment developed with the multistate consortium, once established in the 2014-15 school year. A score of three on the AP examinations in English literature and composition, macroeconomics, microeconomics, psychology, United States history, world history, United States government and politics, or comparative government and politics may be used as an alternative assessment for the reading portion of the statewide student assessment; and for the English language arts portion of the assessment developed with the multistate consortium, once established in the 2014-15 school year. A score of three on the AP examination in biology, physics, chemistry, or environmental science may be

used as an alternative assessment for the science portion of the statewide student assessment.

(iii) A student who scores at least a four on selected externally administered international baccalaureate (IB) examinations may use the score as an objective alternative assessment under this section for demonstrating that the student has met or exceeded state standards for the certificate of academic achievement. A score of four on the higher level IB examinations for any of the IB English language and literature courses or for any of the IB individuals and societies courses may be used as an alternative assessment for the reading, writing, or English language arts portions of the statewide student assessment. A score of four on the higher level IB examinations for any of the IB mathematics courses may be used as an alternative assessment for the mathematics portion of the statewide student assessment. A score of four on the higher level IB examinations for IB biology, chemistry, or physics may be used as an alternative assessment for the science portion of the statewide student assessment.

~~(11) ((By December 15, 2004, the house of representatives and senate education committees shall obtain information and conclusions from recognized, independent, national assessment experts regarding the validity and reliability of the high school Washington assessment of student learning for making individual student high school graduation determinations.~~

~~(12))~~ To help assure continued progress in academic achievement as a foundation for high school graduation and to assure that students are on track for high school graduation, each school district shall prepare plans for and notify students and their parents or legal guardians as provided in this subsection. Student learning plans are required for eighth grade students who were not successful on any or all of the content areas of the state assessment during the previous school year or who may not be on track to graduate due to credit deficiencies or absences. The parent or legal guardian shall be notified about the information in the student learning plan, preferably through a parent conference and at least annually. To the extent feasible, schools serving English language learner students and their parents shall translate the plan into the primary language of the family. The plan shall include the following information as applicable:

- (a) The student's results on the state assessment;
- (b) If the student is in the transitional bilingual program, the score on his or her Washington language proficiency test II;
- (c) Any credit deficiencies;
- (d) The student's attendance rates over the previous two years;
- (e) The student's progress toward meeting state and local graduation requirements;
- (f) The courses, competencies, and other steps needed to be taken by the student to meet state academic standards and stay on track for graduation;
- (g) Remediation strategies and alternative education options available to students, including informing students of the option to continue to receive instructional services after grade twelve or until the age of twenty-one;
- (h) The alternative assessment options available to students under this section and RCW 28A.655.065;
- (i) School district programs, high school courses, and career and technical education options available for students to meet graduation requirements; and

(j) Available programs offered through skill centers or community and technical colleges, including the college high school diploma options under RCW 28B.50.535.

Sec. 3. RCW 28A.655.066 and 2011 c 25 s 2 are each amended to read as follows:

(1)(a) In consultation with the state board of education, the superintendent of public instruction shall develop statewide end-of-course assessments for high school mathematics that measure student achievement of the state mathematics standards. The superintendent shall take steps to ensure that the language of the assessments is responsive to a diverse student population. The assessments shall be implemented statewide in the 2010-11 school year.

(b) The superintendent shall develop end-of-course assessments for the first year of high school mathematics that include the standards common to algebra I and integrated mathematics I and for the second year of high school mathematics that include the standards common to geometry and integrated mathematics II. The assessments under this subsection (1)(b) shall be used to demonstrate that a student meets the state standard on the mathematics content area of the high school (~~Washington~~) statewide student assessment (~~of student learning~~) for purposes of RCW 28A.655.061.

(c) The superintendent of public instruction shall also develop subtests for the end-of-course assessments that measure standards for the first two years of high school mathematics that are unique to algebra I, integrated mathematics I, geometry, and integrated mathematics II. The results of the subtests shall be reported at the student, teacher, school, and district level.

~~(2) ((For the graduating classes of 2013 and 2014 and for purposes of the certificate of academic achievement under RCW 28A.655.061, a student may use: (a) Results from the end-of-course assessment for the first year of high school mathematics or the results from the end-of-course assessment for the second year of high school mathematics; or (b) results from a high school mathematics retake assessment.~~

~~(3) Beginning with the graduating class of 2015 and for purposes of the certificate of academic achievement under RCW 28A.655.061, the mathematics content area of the Washington assessment of student learning shall be assessed using the end-of-course assessment for the first year of high school mathematics plus the end-of-course assessment for the second year of high school mathematics, or results from a high school mathematics retake assessment for the end-of-course assessments in which the student did not meet the standard.~~

~~(4)) All of the objective alternative assessments available to students under RCW 28A.655.061 and 28A.655.065 shall be available to any student who has taken ((the sequence of)) an end-of-course assessment((s)) once but does not meet the state mathematics standard on ((the sequence of)) an end-of-course assessment((s)).~~

~~((5)) (3) The superintendent of public instruction shall report at least annually or more often if necessary to keep the education committees of the legislature informed on each step of the development and implementation process under this section.~~

Sec. 4. RCW 28A.655.068 and 2011 1st sp.s. c 22 s 3 are each amended to read as follows:

(1) Beginning in the 2011-12 school year, the statewide high school assessment in science shall be an end-of-course assessment for biology that measures the state standards for life sciences, in addition to systems, inquiry, and application as they pertain to life sciences.

(2)(a) The superintendent of public instruction may develop or adopt science end-of-course assessments ((#)) or a comprehensive science assessment that includes subjects in addition to biology for purposes of RCW 28A.655.061, when so directed by the legislature. The legislature intends to transition from a biology end-of-course assessment to a more comprehensive science assessment in a manner consistent with the way in which the state transitioned to an English language arts assessment and a comprehensive mathematics assessment. The legislature further intends that the transition will include at least two years of using the student assessment results from either the biology end-of-course assessment or the more comprehensive assessment in order to provide students with reasonable opportunities to demonstrate high school competencies while being mindful of the increasing rigor of the new assessment.

(b) The superintendent of public instruction shall develop or adopt a science assessment in accordance with RCW 28A.655.070(10) that is not biased toward persons with different learning styles, racial or ethnic backgrounds, or on the basis of gender.

(c) Before the next subsequent school year after the legislature directs the superintendent to develop or adopt a new science assessment, the superintendent of public instruction shall review the objective alternative assessments for the science assessment and make recommendations to the legislature regarding additional objective alternatives, if any.

(3) The superintendent of public instruction may participate with consortia of multiple states as common student learning standards and assessments in science are developed. The superintendent of public instruction, in consultation with the state board of education, may modify the essential academic learning requirements and statewide student assessments in science, including the high school assessment, according to the multistate common student learning standards and assessments as long as the education committees of the legislature have opportunities for review before the modifications are adopted, as provided under RCW 28A.655.070.

(4) The statewide high school assessment under this section shall be used to demonstrate that a student meets the state standards in the science content area of the statewide student assessment for purposes of RCW 28A.655.061.

Sec. 5. RCW 28A.655.070 and 2008 c 163 s 2 are each amended to read as follows:

(1) The superintendent of public instruction shall develop essential academic learning requirements that identify the knowledge and skills all public school students need to know and be able to do based on the student learning goals in RCW 28A.150.210, develop student assessments, and implement the accountability recommendations and requests regarding assistance, rewards, and recognition of the state board of education.

(2) The superintendent of public instruction shall:

(a) Periodically revise the essential academic learning requirements, as needed, based on the student learning goals in RCW 28A.150.210. Goals one and two shall be considered primary. To the maximum extent possible, the

superintendent shall integrate goal four and the knowledge and skill areas in the other goals in the essential academic learning requirements; and

(b) Review and prioritize the essential academic learning requirements and identify, with clear and concise descriptions, the grade level content expectations to be assessed on the (~~Washington~~) statewide student assessment (~~(of student learning)~~) and used for state or federal accountability purposes. The review, prioritization, and identification shall result in more focus and targeting with an emphasis on depth over breadth in the number of grade level content expectations assessed at each grade level. Grade level content expectations shall be articulated over the grades as a sequence of expectations and performances that are logical, build with increasing depth after foundational knowledge and skills are acquired, and reflect, where appropriate, the sequential nature of the discipline. The office of the superintendent of public instruction, within seven working days, shall post on its web site any grade level content expectations provided to an assessment vendor for use in constructing the (~~Washington~~) statewide student assessment (~~(of student learning)~~).

(3)(a) In consultation with the state board of education, the superintendent of public instruction shall maintain and continue to develop and revise a statewide academic assessment system in the content areas of reading, writing, mathematics, and science for use in the elementary, middle, and high school years designed to determine if each student has mastered the essential academic learning requirements identified in subsection (1) of this section. School districts shall administer the assessments under guidelines adopted by the superintendent of public instruction. The academic assessment system may include a variety of assessment methods, including criterion-referenced and performance-based measures.

(b) Effective with the 2009 administration of the Washington assessment of student learning and continuing with the statewide student assessment, the superintendent shall redesign the assessment in the content areas of reading, mathematics, and science in all grades except high school by shortening test administration and reducing the number of short answer and extended response questions.

(c) By the 2014-15 school year, the superintendent of public instruction, in consultation with the state board of education, shall modify the statewide student assessment system to transition to assessments developed with a multistate consortium, as provided in this subsection:

(i) The assessments developed with a multistate consortium to assess student proficiency in English language arts and mathematics shall be administered beginning in the 2014-15 school year. The reading and writing assessments shall not be administered by the superintendent of public instruction or schools after the 2013-14 school year.

(ii) The high school assessments in English language arts and mathematics in (c)(i) of this subsection shall be used for the purposes of earning a certificate of academic achievement for high school graduation under the timeline established in RCW 28A.655.061 and for assessing student career and college readiness.

(iii) During the transition period specified in RCW 28A.655.061, the superintendent of public instruction shall use test items and other resources from the consortium assessment to develop and administer a tenth grade high school

English language arts assessment, an end-of-course mathematics assessment to assess the standards common to algebra I and integrated mathematics I, and an end-of-course mathematics assessment to assess the standards common to geometry and integrated mathematics II.

(4) If the superintendent proposes any modification to the essential academic learning requirements or the statewide assessments, then the superintendent shall, upon request, provide opportunities for the education committees of the house of representatives and the senate to review the assessments and proposed modifications to the essential academic learning requirements before the modifications are adopted.

(5) The assessment system shall be designed so that the results under the assessment system are used by educators as tools to evaluate instructional practices, and to initiate appropriate educational support for students who have not mastered the essential academic learning requirements at the appropriate periods in the student's educational development.

(6) By September 2007, the results for reading and mathematics shall be reported in a format that will allow parents and teachers to determine the academic gain a student has acquired in those content areas from one school year to the next.

(7) To assist parents and teachers in their efforts to provide educational support to individual students, the superintendent of public instruction shall provide as much individual student performance information as possible within the constraints of the assessment system's item bank. The superintendent shall also provide to school districts:

(a) Information on classroom-based and other assessments that may provide additional achievement information for individual students; and

(b) A collection of diagnostic tools that educators may use to evaluate the academic status of individual students. The tools shall be designed to be inexpensive, easily administered, and quickly and easily scored, with results provided in a format that may be easily shared with parents and students.

(8) To the maximum extent possible, the superintendent shall integrate knowledge and skill areas in development of the assessments.

(9) Assessments for goals three and four of RCW 28A.150.210 shall be integrated in the essential academic learning requirements and assessments for goals one and two.

(10) The superintendent shall develop assessments that are directly related to the essential academic learning requirements, and are not biased toward persons with different learning styles, racial or ethnic backgrounds, or on the basis of gender.

(11) The superintendent shall consider methods to address the unique needs of special education students when developing the assessments under this section.

(12) The superintendent shall consider methods to address the unique needs of highly capable students when developing the assessments under this section.

(13) The superintendent shall post on the superintendent's web site lists of resources and model assessments in social studies, the arts, and health and fitness.

NEW SECTION. Sec. 6. By December 1, 2013, the superintendent of public instruction shall report to the education committees of the house of

representatives and the senate on the process that was used by the superintendent, the multistate consortium in which Washington is participating, and by other states, to prevent bias in the state assessments and assure fairness to students who take the assessments.

Sec. 7. RCW 28A.305.130 and 2011 1st sp.s. c 6 s 1 are each amended to read as follows:

The purpose of the state board of education is to provide advocacy and strategic oversight of public education; implement a standards-based accountability framework that creates a unified system of increasing levels of support for schools in order to improve student academic achievement; provide leadership in the creation of a system that personalizes education for each student and respects diverse cultures, abilities, and learning styles; and promote achievement of the goals of RCW 28A.150.210. In addition to any other powers and duties as provided by law, the state board of education shall:

(1) Hold regularly scheduled meetings at such time and place within the state as the board shall determine and may hold such special meetings as may be deemed necessary for the transaction of public business;

(2) Form committees as necessary to effectively and efficiently conduct the work of the board;

(3) Seek advice from the public and interested parties regarding the work of the board;

(4) For purposes of statewide accountability:

(a) Adopt and revise performance improvement goals in reading, writing, science, and mathematics, by subject and grade level, once assessments in these subjects are required statewide; academic and technical skills, as appropriate, in secondary career and technical education programs; and student attendance, as the board deems appropriate to improve student learning. The goals shall be consistent with student privacy protection provisions of RCW 28A.655.090(7) and shall not conflict with requirements contained in Title I of the federal elementary and secondary education act of 1965, or the requirements of the Carl D. Perkins vocational education act of 1998, each as amended. The goals may be established for all students, economically disadvantaged students, limited English proficient students, students with disabilities, and students from disproportionately academically underachieving racial and ethnic backgrounds. The board may establish school and school district goals addressing high school graduation rates and dropout reduction goals for students in grades seven through twelve. The board shall adopt the goals by rule. However, before each goal is implemented, the board shall present the goal to the education committees of the house of representatives and the senate for the committees' review and comment in a time frame that will permit the legislature to take statutory action on the goal if such action is deemed warranted by the legislature;

(b)(i) Identify the scores students must achieve in order to meet the standard on the statewide student assessment and, for high school students, to obtain a certificate of academic achievement. The board shall also determine student scores that identify levels of student performance below and beyond the standard. The board shall consider the incorporation of the standard error of measurement into the decision regarding the award of the certificates. The board shall set such performance standards and levels in consultation with the superintendent of public instruction and after consideration of any

recommendations that may be developed by any advisory committees that may be established for this purpose.

(ii) By the end of the 2014-15 school year, establish the scores students must achieve to meet the standard and earn a certificate of academic achievement on the tenth grade English language arts assessment and the end-of-course mathematics assessments developed in accordance with RCW 28A.655.070 to be used as the state transitions to high school assessments developed with a multistate consortium.

(iii) By the end of the 2014-15 school year, establish the scores students must achieve to meet the standard and earn a certificate of academic achievement on the high school English language arts assessment and the comprehensive mathematics assessment developed with a multistate consortium in accordance with RCW 28A.655.070. To determine the appropriate score, the state board shall review the transition experience of Washington students to the consortium-developed assessments, examine the student scores used in other states that are administering the consortium-developed assessments, and review the scores in other states that require passage of an eleventh grade assessment as a high school graduation requirement. The scores established by the state board of education for the purposes of earning a certificate of academic achievement and graduation from high school may be different from the scores used for the purpose of determining a student's career and college readiness.

(iv) The legislature shall be advised of the initial performance standards for the high school statewide student assessment. Any changes recommended by the board in the performance standards for the high school assessment shall be presented to the education committees of the house of representatives and the senate by November 30th of the school year in which the changes will take place to permit the legislature to take statutory action before the changes are implemented if such action is deemed warranted by the legislature. The legislature shall be advised of the initial performance standards and any changes made to the elementary level performance standards and the middle school level performance standards. The board must provide an explanation of and rationale for all initial performance standards and any changes, for all grade levels of the statewide student assessment. If the board changes the performance standards for any grade level or subject, the superintendent of public instruction must recalculate the results from the previous ten years of administering that assessment regarding students below, meeting, and beyond the state standard, to the extent that this data is available, and post a comparison of the original and recalculated results on the superintendent's web site;

(c) Annually review the assessment reporting system to ensure fairness, accuracy, timeliness, and equity of opportunity, especially with regard to schools with special circumstances and unique populations of students, and a recommendation to the superintendent of public instruction of any improvements needed to the system; and

(d) Include in the biennial report required under RCW 28A.305.035, information on the progress that has been made in achieving goals adopted by the board;

(5) Accredite, subject to such accreditation standards and procedures as may be established by the state board of education, all private schools that apply for accreditation, and approve, subject to the provisions of RCW 28A.195.010,

private schools carrying out a program for any or all of the grades kindergarten through twelve. However, no private school may be approved that operates a kindergarten program only and no private school shall be placed upon the list of accredited schools so long as secret societies are knowingly allowed to exist among its students by school officials;

(6) Articulate with the institutions of higher education, workforce representatives, and early learning policymakers and providers to coordinate and unify the work of the public school system;

(7) Hire an executive director and an administrative assistant to reside in the office of the superintendent of public instruction for administrative purposes. Any other personnel of the board shall be appointed as provided by RCW 28A.300.020. The board may delegate to the executive director by resolution such duties as deemed necessary to efficiently carry on the business of the board including, but not limited to, the authority to employ necessary personnel and the authority to enter into, amend, and terminate contracts on behalf of the board. The executive director, administrative assistant, and all but one of the other personnel of the board are exempt from civil service, together with other staff as now or hereafter designated as exempt in accordance with chapter 41.06 RCW; and

(8) Adopt a seal that shall be kept in the office of the superintendent of public instruction.

NEW SECTION. Sec. 8. A new section is added to chapter 28A.320 RCW to read as follows:

(1) At the beginning of each school year, school districts must notify parents and guardians of enrolled students from eighth through twelfth grade about each student assessment required by the state, the minimum state-level graduation requirements, and any additional school district graduation requirements. The information may be provided when the student is enrolled, contained in the student or parent handbook, or posted on the school district's web site. The notification must include the following:

(a) When each assessment will be administered;

(b) Which assessments will be required for graduation and what options students have to meet graduation requirements if they do not pass a given assessment;

(c) Whether the results of the assessment will be used for program placement or grade-level advancement;

(d) When the assessment results will be released to parents or guardians and whether there will be an opportunity for parents and teachers to discuss strategic adjustments; and

(e) Whether the assessment is required by the school district, state, federal government, or more than one of these entities.

(2) The office of the superintendent of public instruction shall provide information to the school districts to enable the districts to provide the information to the parents and guardians in accordance with subsection (1) of this section.

Sec. 9. RCW 28A.655.185 and 2005 c 495 s 1 are each amended to read as follows:

(1) It is the intent of the legislature, through the creation of the apple award, to honor and reward students in Washington's public elementary schools who have shown significant improvement in their school's results on the ~~((Washington))~~ statewide student assessment ~~((of student learning))~~.

(2) The apple award program is created to honor and reward public elementary schools that have the greatest combined average increase in the percentage of students meeting the fourth grade reading, mathematics, and writing standards on the ~~((Washington))~~ statewide student assessment ~~((of student learning))~~ each school year. Beginning in the 2014-15 school year, the award shall be based on the percentage of students meeting the fourth grade English language arts and mathematics standards. The program shall be administered by the ~~((state board of education))~~ superintendent of public instruction.

(3) Within the amounts appropriated for this purpose, each school that receives an apple award shall be provided with a twenty-five thousand dollar grant to be used for capital construction purposes that have been selected by students in the school and approved by the district's school directors. The funds may be used exclusively for capital construction projects on school property or on other public property in the community, city, or county in which the school is located.

Sec. 10. RCW 28B.105.010 and 2007 c 214 s 1 are each amended to read as follows:

(1) The GET ready for math and science scholarship program is established. The purpose of the program is to provide scholarships to students who achieve level four on the mathematics or science portions of the ~~((tenth-grade Washington))~~ high school statewide student assessment ~~((of student learning))~~ or achieve a score in the math section of the SAT or the math section of the ACT that is above the ninety-fifth percentile, major in a mathematics, science, or related field in college, and commit to working in mathematics, science, or a related field for at least three years in Washington following completion of their bachelor's degree. The program shall be administered by the nonprofit organization selected as the private partner in the public-private partnership.

(2) The total annual amount of each GET ready for math and science scholarship may vary, but shall not exceed the annual cost of resident undergraduate tuition fees and mandatory fees at the University of Washington. An eligible recipient may receive a GET ready for math and science scholarship for up to one hundred eighty quarter credits, or the semester equivalent, or for up to five years, whichever comes first.

(3) Scholarships shall be awarded only to the extent that state funds and private matching funds are available for that purpose in the GET ready for math and science ~~((scholarship))~~ scholarship account established in RCW 28B.105.110.

Sec. 11. RCW 28B.105.030 and 2007 c 214 s 3 are each amended to read as follows:

(1) An eligible student is a student who:

(a) Is eligible for resident tuition and fee rates as defined in RCW 28B.15.012;

(b) Achieved level four on the mathematics or science portion of the ~~((tenth grade Washington))~~ high school statewide student assessment ~~((of student learning))~~ or achieved a score in the math section of the SAT or the math section of the ACT that is above the ninety-fifth percentile;

(c) Has a family income at or below one hundred twenty-five percent of the state median family income at the time the student applies for a GET ready for math and science scholarship and for up to the two previous years;

(d) Has declared an intention to complete a qualified program or qualified major or has entered a qualified program or declared a qualified major at an institution of higher education;

(e) Has declared an intention to work in a mathematics, science, or related field in Washington for at least three years immediately following completion of a bachelor's degree or higher degree.

(2) An eligible recipient is an eligible student who:

(a) Has been awarded a scholarship in accordance with the selection criteria and process established by the ~~((board))~~ student achievement council and the program administrator;

(b) Enrolls at an institution of higher education within one year of graduating from high school;

(c) Maintains satisfactory academic progress, as defined by the institution of higher education where the student is enrolled;

(d) Takes at least one college-level mathematics or science course each term since enrolling in an institution of higher education; and

(e) Enters a qualified program or qualified major no later than the end of the first term in which the student has junior level standing.

Sec. 12. RCW 28B.105.060 and 2007 c 214 s 6 are each amended to read as follows:

The office of the superintendent of public instruction shall:

(1) Notify elementary, middle, junior high, high school, and school district staff and administrators, and the children's administration of the department of social and health services about the GET ready for math and science scholarship program using methods in place for communicating with schools and school districts; and

(2) Provide data showing the race, ethnicity, income, and other available demographic information of students who achieve level four ~~((of))~~ on the math and science ~~((Washington))~~ high school statewide student assessment ~~((of student learning in the tenth grade))~~; compare those data with comparable information on the ~~((tenth grade))~~ student population as a whole ~~((-))~~; and submit a report with the analysis to the committees responsible for education and higher education in the legislature on December 1st of even-numbered years.

NEW SECTION. Sec. 13. RCW 28A.655.066 (Statewide end-of-course assessments for high school mathematics—Use for Washington assessment of student learning), as now existing or hereafter amended, and 2013 2nd sp. s. c . . . s 3 (section 3 of this act), 2011 c 25 s 2, 2009 c 310 s 3, & 2008 c 163 s 3 are each repealed, effective September 1, 2019.

Passed by the House June 27, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 23

[Engrossed Substitute House Bill 1632]

OFF-ROAD VEHICLES

AN ACT Relating to regulating the use of off-road vehicles in certain areas; amending RCW 46.09.310, 46.09.310, 46.09.360, 46.09.400, 46.09.410, 46.09.420, 46.09.450, 46.09.460, 46.09.530, 46.17.350, 46.30.020, 46.63.020, 79A.80.010, 46.63.030, 43.84.092, and 43.84.092; reenacting and amending RCW 46.09.470; adding new sections to chapter 46.09 RCW; creating a new section; prescribing penalties; providing effective dates; providing a contingent effective date; providing an expiration date; providing a contingent expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds that off-road vehicle users have been overwhelmed with varied confusing rules, regulations, and ordinances from federal, state, county, and city land managers throughout the state to the extent standardization statewide is needed to maintain public safety and good order.

(2) It is the intent of the legislature to: (a) Increase opportunities for safe, legal, and environmentally acceptable motorized recreation; (b) decrease the amount of unlawful or environmentally harmful motorized recreation; (c) generate funds for use in maintenance, signage, education, and enforcement of motorized recreation opportunities; (d) advance a culture of self-policing and abuse intolerance among motorized recreationists; (e) cause no change in the policies of any governmental agency with respect to public land; (f) not change any current ORV usage routes as authorized in chapter 213, Laws of 2005; (g) stimulate rural economies by opening certain roadways to use by motorized recreationists which will in turn stimulate economic activity through expenditures on gasoline, lodging, food and drink, and other entertainment purposes; and (h) require all wheeled all-terrain vehicles to obtain a metal tag.

Sec. 2. RCW 46.09.310 and 2010 c 161 s 213 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Advisory committee" means the nonhighway and off-road vehicle activities advisory committee established in RCW 46.09.340.

(2) "Board" means the recreation and conservation funding board established in RCW 79A.25.110.

(3) "Dealer" means a person, partnership, association, or corporation engaged in the business of selling off-road vehicles at wholesale or retail in this state.

(4) "Highway," for the purpose of this chapter only, means the entire width between the boundary lines of every roadway publicly maintained by the state department of transportation or any county or city with funding from the motor vehicle fund. A highway is generally capable of travel by a conventional two-wheel drive passenger automobile during most of the year and in use by such vehicles.

(5) "Nonhighway road" means any road owned or managed by a public agency, a primitive road, or any private road for which the owner has granted an easement for public use for which appropriations from the motor vehicle fund were not used for (a) original construction or reconstruction in the last twenty-five years; or (b) maintenance in the last four years.

(6) "Nonhighway road recreation facilities" means recreational facilities that are adjacent to, or accessed by, a nonhighway road and intended primarily for nonhighway road recreational users.

(7) "Nonhighway road recreational user" means a person whose purpose for consuming fuel on a nonhighway road or off-road is primarily for nonhighway road recreational purposes, including, but not limited to, hunting, fishing, camping, sightseeing, wildlife viewing, picnicking, driving for pleasure, kayaking/canoeing, and gathering berries, firewood, mushrooms, and other natural products.

(8) "Nonhighway vehicle" means any motorized vehicle including an ORV when used for recreational purposes on nonhighway roads, trails, or a variety of other natural terrain.

Nonhighway vehicle does not include:

(a) Any vehicle designed primarily for travel on, over, or in the water;

(b) Snowmobiles or any military vehicles; or

(c) Any vehicle eligible for a motor vehicle fuel tax exemption or rebate under chapter 82.36 RCW while an exemption or rebate is claimed. This exemption includes but is not limited to farm, construction, and logging vehicles.

(9) "Nonmotorized recreational facilities" means recreational trails and facilities that are adjacent to, or accessed by, a nonhighway road and intended primarily for nonmotorized recreational users.

(10) "Nonmotorized recreational user" means a person whose purpose for consuming fuel on a nonhighway road or off-road is primarily for nonmotorized recreational purposes including, but not limited to, walking, hiking, backpacking, climbing, cross-country skiing, snowshoeing, mountain biking, horseback riding, and pack animal activities.

(11) "Organized competitive event" means any competition, advertised in advance through written notice to organized clubs or published in local newspapers, sponsored by recognized clubs, and conducted at a predetermined time and place.

(12) "ORV recreation facilities" include, but are not limited to, ORV trails, trailheads, campgrounds, ORV sports parks, and ORV use areas, designated for ORV use by the managing authority (~~that are intended primarily for ORV recreational users~~).

(13) "ORV recreational user" means a person whose purpose for consuming fuel on nonhighway roads or off-road is primarily for ORV recreational purposes, including but not limited to riding an all-terrain vehicle, motorcycling, or driving a four-wheel drive vehicle or dune buggy.

(14) "ORV sports park" means a facility designed to accommodate competitive ORV recreational uses including, but not limited to, motocross racing, four-wheel drive competitions, and flat track racing. Use of ORV sports parks can be competitive or noncompetitive in nature.

(15) "ORV trail" means a multiple-use corridor designated by the managing authority and maintained for recreational use by motorized vehicles.

(16) "Direct supervision" means that the supervising adult must be in a position, on another wheeled all-terrain vehicle or specialty off-highway vehicle or motorbike or, if on the ground, within a reasonable distance of the unlicensed operator, to provide close support, assistance, or direction to the unlicensed operator.

(17) "Emergency management" means the carrying out of emergency functions related to responding and recovering from emergencies and disasters, and to aid victims suffering from injury or damage, resulting from disasters caused by all hazards, whether natural, technological, or human caused, and to provide support for search and rescue operations for persons and property in distress.

(18) "Primitive road" means a linear route managed for use by four-wheel drive or high-clearance vehicles that is generally not maintained or paved, a road designated by a county as primitive under RCW 36.75.300, or a road designated by a city or town as primitive under a local ordinance.

(19) "Wheeled all-terrain vehicle" means (a) any motorized nonhighway vehicle with handlebars that is fifty inches or less in width, has a seat height of at least twenty inches, weighs less than one thousand five hundred pounds, and has four tires having a diameter of thirty inches or less, or (b) a utility-type vehicle designed for and capable of travel over designated roads that travels on four or more low-pressure tires of twenty psi or less, has a maximum width less than seventy-four inches, has a maximum weight less than two thousand pounds, has a wheelbase of one hundred ten inches or less, and satisfies at least one of the following: (i) Has a minimum width of fifty inches; (ii) has a minimum weight of at least nine hundred pounds; or (iii) has a wheelbase of over sixty-one inches.

Sec. 3. RCW 46.09.310 and 2013 c 225 s 607 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Advisory committee" means the nonhighway and off-road vehicle activities advisory committee established in RCW 46.09.340.

(2) "Board" means the recreation and conservation funding board established in RCW 79A.25.110.

(3) "Dealer" means a person, partnership, association, or corporation engaged in the business of selling off-road vehicles at wholesale or retail in this state.

(4) "Highway," for the purpose of this chapter only, means the entire width between the boundary lines of every roadway publicly maintained by the state department of transportation or any county or city with funding from the motor vehicle fund. A highway is generally capable of travel by a conventional two-wheel drive passenger automobile during most of the year and in use by such vehicles.

(5) "Nonhighway road" means any road owned or managed by a public agency, a primitive road, or any private road for which the owner has granted an easement for public use for which appropriations from the motor vehicle fund were not used for (a) original construction or reconstruction in the last twenty-five years; or (b) maintenance in the last four years.

(6) "Nonhighway road recreation facilities" means recreational facilities that are adjacent to, or accessed by, a nonhighway road and intended primarily for nonhighway road recreational users.

(7) "Nonhighway road recreational user" means a person whose purpose for consuming fuel on a nonhighway road or off-road is primarily for nonhighway road recreational purposes, including, but not limited to, hunting, fishing, camping, sightseeing, wildlife viewing, picnicking, driving for pleasure, kayaking/canoeing, and gathering berries, firewood, mushrooms, and other natural products.

(8) "Nonhighway vehicle" means any motorized vehicle including an ORV when used for recreational purposes on nonhighway roads, trails, or a variety of other natural terrain.

Nonhighway vehicle does not include:

(a) Any vehicle designed primarily for travel on, over, or in the water;

(b) Snowmobiles or any military vehicles; or

(c) Any vehicle eligible for a motor vehicle fuel tax exemption or rebate under chapter 82.38 RCW while an exemption or rebate is claimed. This exemption includes but is not limited to farm, construction, and logging vehicles.

(9) "Nonmotorized recreational facilities" means recreational trails and facilities that are adjacent to, or accessed by, a nonhighway road and intended primarily for nonmotorized recreational users.

(10) "Nonmotorized recreational user" means a person whose purpose for consuming fuel on a nonhighway road or off-road is primarily for nonmotorized recreational purposes including, but not limited to, walking, hiking, backpacking, climbing, cross-country skiing, snowshoeing, mountain biking, horseback riding, and pack animal activities.

(11) "Organized competitive event" means any competition, advertised in advance through written notice to organized clubs or published in local newspapers, sponsored by recognized clubs, and conducted at a predetermined time and place.

(12) "ORV recreation facilities" include, but are not limited to, ORV trails, trailheads, campgrounds, ORV sports parks, and ORV use areas, designated for ORV use by the managing authority (~~that are intended primarily for ORV recreational users~~).

(13) "ORV recreational user" means a person whose purpose for consuming fuel on nonhighway roads or off-road is primarily for ORV recreational purposes, including but not limited to riding an all-terrain vehicle, motorcycling, or driving a four-wheel drive vehicle or dune buggy.

(14) "ORV sports park" means a facility designed to accommodate competitive ORV recreational uses including, but not limited to, motocross racing, four-wheel drive competitions, and flat track racing. Use of ORV sports parks can be competitive or noncompetitive in nature.

(15) "ORV trail" means a multiple-use corridor designated by the managing authority and maintained for recreational use by motorized vehicles.

(16) "Direct supervision" means that the supervising adult must be in a position, on another wheeled all-terrain vehicle or specialty off-highway vehicle or motorbike or, if on the ground, within a reasonable distance of the unlicensed

operator, to provide close support, assistance, or direction to the unlicensed operator.

(17) "Emergency management" means the carrying out of emergency functions related to responding and recovering from emergencies and disasters, and to aid victims suffering from injury or damage, resulting from disasters caused by all hazards, whether natural, technological, or human caused, and to provide support for search and rescue operations for persons and property in distress.

(18) "Primitive road" means a linear route managed for use by four-wheel drive or high-clearance vehicles that is generally not maintained or paved, a road designated by a county as primitive under RCW 36.75.300, or a road designated by a city or town as primitive under a local ordinance.

(19) "Wheeled all-terrain vehicle" means (a) any motorized nonhighway vehicle with handlebars that is fifty inches or less in width, has a seat height of at least twenty inches, weighs less than one thousand five hundred pounds, and has four tires having a diameter of thirty inches or less, or (b) a utility-type vehicle designed for and capable of travel over designated roads that travels on four or more low-pressure tires of twenty psi or less, has a maximum width less than seventy-four inches, has a maximum weight less than two thousand pounds, has a wheelbase of one hundred ten inches or less, and satisfies at least one of the following: (i) Has a minimum width of fifty inches; (ii) has a minimum weight of at least nine hundred pounds; or (iii) has a wheelbase of over sixty-one inches.

NEW SECTION. Sec. 4. A new section is added to chapter 46.09 RCW under the subchapter heading "registrations and use permits" to read as follows:

(1) Any wheeled all-terrain vehicle operated within this state must display a metal tag to be affixed to the rear of the wheeled all-terrain vehicle. The initial metal tag must be issued with an original off-road vehicle registration and upon payment of the initial vehicle license fee under RCW 46.17.350(1)(s). The metal tag must be replaced every seven years at a cost of two dollars. Revenue from replacement metal tags must be deposited into the nonhighway and off-road vehicle activities program account. The department must design the metal tag, which must:

- (a) Be the same size as a motorcycle license plate;
- (b) Have the words "RESTRICTED VEHICLE" listed at the top of the tag;
- (c) Contain designated identification through a combination of letters and numbers;
- (d) Leave space at the bottom left corner of the tag for an off-road tab issued under subsection (2) of this section; and
- (e) Leave space at the bottom right corner of the tag for an on-road tab, when required, issued under subsection (3) of this section.

(2) A person who operates a wheeled all-terrain vehicle must have a current and proper off-road vehicle registration, with the appropriate off-road tab, and pay the annual vehicle license fee as provided in RCW 46.17.350(1)(s), which must be deposited into the nonhighway and off-road vehicle activities program account. The off-road tab must be issued annually by the department upon payment of initial and renewal vehicle license fees under RCW 46.17.350(1)(s).

(3) A person who operates a wheeled all-terrain vehicle upon a public roadway must have a current and proper on-road vehicle registration, with the appropriate on-road tab, which must be of a bright color that can be seen from a

reasonable distance, and pay the annual vehicle license fee as provided in RCW 46.17.350(1)(r). The on-road tab must be issued annually by the department upon payment of initial and renewal vehicle license fees under RCW 46.17.350(1)(r).

(4) A wheeled all-terrain vehicle may not be registered for commercial use.

NEW SECTION. Sec. 5. A new section is added to chapter 46.09 RCW under the subchapter heading "registrations and use permits" to read as follows:

(1) A person may not operate a wheeled all-terrain vehicle upon a public roadway of this state, not including nonhighway roads and trails, without (a) first obtaining a valid driver's license issued to Washington residents in compliance with chapter 46.20 RCW or (b) possessing a valid driver's license issued by the state of the person's residence if the person is a nonresident.

(2) A person who operates a wheeled all-terrain vehicle under this section is granted all rights and is subject to all duties applicable to the operator of a motorcycle under RCW 46.37.530 and chapter 46.61 RCW, unless otherwise stated in this act, except that wheeled all-terrain vehicles may not be operated side-by-side in a single lane of traffic.

(3) Wheeled all-terrain vehicles are subject to chapter 46.55 RCW.

(4) Any person who violates this section commits a traffic infraction.

(5) The department may develop and implement an online training course for persons that register wheeled all-terrain vehicles and utility-type vehicles for use on a public roadway of this state. The department is granted rule-making authority for the training course. Any future costs associated with the training course must be appropriated from the highway safety account and any fees collected must be distributed to the highway safety account.

NEW SECTION. Sec. 6. A new section is added to chapter 46.09 RCW under the subchapter heading "uses and violations" to read as follows:

(1) A person may operate a wheeled all-terrain vehicle upon any public roadway of this state, not including nonhighway roads and trails, having a speed limit of thirty-five miles per hour or less subject to the following restrictions and requirements:

(a) A person may not operate a wheeled all-terrain vehicle upon state highways that are listed in chapter 47.17 RCW; however, a person may operate a wheeled all-terrain vehicle upon a segment of a state highway listed in chapter 47.17 RCW if the segment is within the limits of a city or town and the speed limit on the segment is thirty-five miles per hour or less;

(b) A person operating a wheeled all-terrain vehicle may not cross a public roadway, not including nonhighway roads and trails, with a speed limit in excess of thirty-five miles per hour, unless the crossing begins and ends on a public roadway, not including nonhighway roads and trails, or an ORV trail, with a speed limit of thirty-five miles per hour or less and occurs at an intersection of approximately ninety degrees, except that the operator of a wheeled all-terrain vehicle may not cross at an uncontrolled intersection of a public highway listed under chapter 47.17 RCW;

(c)(i) A person may not operate a wheeled all-terrain vehicle on a public roadway within the boundaries of a county, not including nonhighway roads and trails, with a population of fifteen thousand or more unless the county by

ordinance has approved the operation of wheeled all-terrain vehicles on county roadways, not including nonhighway roads and trails.

(ii) The legislative body of a county with a population of fewer than fifteen thousand may, by ordinance, designate roadways or highways within its boundaries to be unsuitable for use by wheeled all-terrain vehicles.

(iii) Any public roadways, not including nonhighway roads and trails, authorized by a legislative body of a county under (c)(i) of this subsection or designated as unsuitable under (c)(ii) of this subsection must be listed publicly and made accessible from the main page of the county web site.

(iv) This subsection (1)(c) does not affect any roadway that was designated as open or closed as of January 1, 2013;

(d)(i) A person may not operate a wheeled all-terrain vehicle on a public roadway within the boundaries of a city or town, not including nonhighway roads and trails, unless the city or town by ordinance has approved the operation of wheeled all-terrain vehicles on city or town roadways, not including nonhighway roads and trails.

(ii) Any public roadways, not including nonhighway roads and trails, authorized by a legislative body of a city or town under (d)(i) of this subsection must be listed publicly and made accessible from the main page of the city or town web site.

(iii) This subsection (1)(d) does not affect any roadway that was designated as open or closed as of January 1, 2013.

(e) Any person who violates this subsection commits a traffic infraction.

(2) Local authorities may not establish requirements for the registration of wheeled all-terrain vehicles.

(3) A person may operate a wheeled all-terrain vehicle upon any public roadway, trail, nonhighway road, or highway within the state while being used under the authority or direction of an appropriate agency that engages in emergency management, as defined in RCW 46.09.310, or search and rescue, as defined in RCW 38.52.010, or a law enforcement agency, as defined in RCW 16.52.011, within the scope of the agency's official duties.

(4) A wheeled all-terrain vehicle is an off-road vehicle for the purposes of chapter 4.24 RCW.

NEW SECTION. Sec. 7. A new section is added to chapter 46.09 RCW under the subchapter heading "uses and violations" to read as follows:

(1) A person may operate a wheeled all-terrain vehicle upon any public roadway of this state, not including nonhighway roads and trails, subject to the following equipment and declaration requirements:

(a) A person who operates a wheeled all-terrain vehicle must comply with the following equipment requirements:

(i) Headlights meeting the requirements of RCW 46.37.030 and 46.37.040 and used at all times when the vehicle is in motion upon a highway;

(ii) One tail lamp meeting the requirements of RCW 46.37.525 and used at all times when the vehicle is in motion upon a highway; however, a utility-type vehicle, as described under RCW 46.09.310, must have two tail lamps meeting the requirements of RCW 46.37.070(1) and to be used at all times when the vehicle is in motion upon a highway;

(iii) A stop lamp meeting the requirements of RCW 46.37.200;

(iv) Reflectors meeting the requirements of RCW 46.37.060;

(v) During hours of darkness, as defined in RCW 46.04.200, turn signals meeting the requirements of RCW 46.37.200. Outside of hours of darkness, the operator must comply with RCW 46.37.200 or 46.61.310;

(vi) A mirror attached to either the right or left handlebar, which must be located to give the operator a complete view of the highway for a distance of at least two hundred feet to the rear of the vehicle; however, a utility-type vehicle, as described under RCW 46.09.310(19), must have two mirrors meeting the requirements of RCW 46.37.400;

(vii) A windshield meeting the requirements of RCW 46.37.430, unless the operator wears glasses, goggles, or a face shield while operating the vehicle, of a type conforming to rules adopted by the Washington state patrol;

(viii) A horn or warning device meeting the requirements of RCW 46.37.380;

(ix) Brakes in working order;

(x) A spark arrester and muffling device meeting the requirements of RCW 46.09.470; and

(xi) For utility-type vehicles, as described under RCW 46.09.310(19), seatbelts meeting the requirements of RCW 46.37.510.

(b) A person who operates a wheeled all-terrain vehicle upon a public roadway must provide a declaration that includes the following:

(i) Documentation of a safety inspection to be completed by a licensed wheeled all-terrain vehicle dealer or repair shop in the state of Washington that must outline the vehicle information and certify under oath that all wheeled all-terrain vehicle equipment as required under this section meets the requirements outlined in state and federal law. A person who makes a false statement regarding the inspection of equipment required under this section is guilty of false swearing, a gross misdemeanor, under RCW 9A.72.040;

(ii) Documentation that the licensed wheeled all-terrain vehicle dealer or repair shop did not charge more than fifty dollars per safety inspection and that the entire safety inspection fee is paid directly and only to the licensed wheeled all-terrain vehicle dealer or repair shop;

(iii) A statement that the licensed wheeled all-terrain vehicle dealer or repair shop is entitled to the full amount charged for the safety inspection;

(iv) A vehicle identification number verification that must be completed by a licensed wheeled all-terrain vehicle dealer or repair shop in the state of Washington; and

(v) A release signed by the owner of the wheeled all-terrain vehicle and verified by the department, county auditor or other agent, or subagent appointed by the director that releases the state from any liability and outlines that the owner understands that the original wheeled all-terrain vehicle was not manufactured for on-road use and that it has been modified for use on public roadways.

(2) This section does not apply to emergency services vehicles, vehicles used for emergency management purposes, or vehicles used in the production of agricultural and timber products on and across lands owned, leased, or managed by the owner or operator of the wheeled all-terrain vehicle or the operator's employer.

NEW SECTION. Sec. 8. A new section is added to chapter 46.09 RCW under the subchapter heading "general provisions" to read as follows:

The department must track wheeled all-terrain vehicles in a separate registration category for reporting purposes.

NEW SECTION. Sec. 9. A new section is added to chapter 46.09 RCW under the subchapter heading "uses and violations" to read as follows:

(1) A person who operates a wheeled all-terrain vehicle consistent with RCW 46.09.470(1) (g), (h), or (i) or inconsistent with the emergency exemption under RCW 46.09.420 is a traffic infraction.

(2) Any law enforcement officer may issue a notice of traffic infraction for a violation of subsection (1) of this section whether or not the infraction was committed in the officer's presence, as long as there is reasonable evidence presented that the operator of the wheeled all-terrain vehicle committed a violation of subsection (1) of this section. At a minimum, the evidence must include information relating to the time and location at which the violation occurred, and the wheeled all-terrain vehicle metal tag number or a description of the vehicle involved in the violation. If, after an investigation of a reported violation of subsection (1) of this section, the law enforcement officer is able to identify the operator and has probable cause to believe a violation of subsection (1) of this section has occurred, the law enforcement officer shall prepare a notice of traffic infraction and have it served upon the operator of the wheeled all-terrain vehicle.

NEW SECTION. Sec. 10. A new section is added to chapter 46.09 RCW under the subchapter heading "revenue" to read as follows:

(1) The multiuse roadway safety account is created in the motor vehicle fund. All receipts from vehicle license fees under RCW 46.17.350(1)(r) must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for grants administered by the department of transportation to: (a) Counties to perform safety engineering analysis of mixed vehicle use on any road within a county; (b) local governments to provide funding to erect signs providing notice to the motoring public that (i) wheeled all-terrain vehicles are present or (ii) wheeled all-terrain vehicles may be crossing; (c) the state patrol or local law enforcement for purposes of defraying the costs of enforcement of this act; and (d) law enforcement to investigate accidents involving wheeled all-terrain vehicles.

(2) The department of transportation must prioritize grant awards in the following priority order:

(a) For the purpose of marking highway crossings with signs warning motorists that wheeled all-terrain vehicles may be crossing when an ORV recreation facility parking lot is on the other side of a public roadway from the actual ORV recreation facility; and

(b) For the purpose of marking intersections with signs where a wheeled all-terrain vehicle may cross a public road to advise motorists of the upcoming intersection. Such signs must conform to the manual on uniform traffic control devices.

Sec. 11. RCW 46.09.360 and 2006 c 212 s 4 are each amended to read as follows:

(1) Notwithstanding any of the provisions of this chapter, any city, town, county, or other political subdivision of this state, or any state agency, may regulate the operation of nonhighway vehicles on public lands, waters, and other

properties under its jurisdiction, and on streets, roads, or highways within its boundaries by adopting regulations or ordinances of its governing body, provided such regulations are not less stringent than the provisions of this chapter. However, the legislative body of a city or town with a population of less than three thousand persons may, by ordinance, designate a street or highway within its boundaries to be suitable for use by off-road vehicles. The legislative body of a county may, by ordinance, designate a road or highway within its boundaries to be suitable for use by off-road vehicles (~~(if the road or highway is a direct connection between a city with a population of less than three thousand persons and an off-road vehicle recreation facility)).~~

(2) For purposes of this section, "off-road vehicles" does not include wheeled all-terrain vehicles.

Sec. 12. RCW 46.09.400 and 2011 c 171 s 25 are each amended to read as follows:

The department shall:

(1) Issue registrations and temporary ORV use permits for off-road vehicles, excluding wheeled all-terrain vehicles subject to subsection (4) of this section;

(2) Issue decals for off-road vehicles, excluding wheeled all-terrain vehicles subject to subsection (4) of this section. The decals serve the same function as license plates for vehicles registered under chapter 46.16A RCW; (~~and~~)

(3) Charge a fee for each decal covering the actual cost of the decal; and

(4) Issue metal tags, off-road vehicle registrations, and on-road vehicle registrations for wheeled all-terrain vehicles.

Sec. 13. RCW 46.09.410 and 2010 c 161 s 218 are each amended to read as follows:

(1) The application for an original ORV registration has the same requirements as described for original vehicle registrations in RCW 46.16A.040 and must be accompanied by the annual off-road vehicle license fee required under RCW 46.17.350, in addition to any other fees or taxes due for the application.

(2) The application for renewal of an ORV registration has the same requirements as described for the renewal of vehicle registrations in RCW 46.16A.110 and must be accompanied by the annual off-road vehicle license fee required under RCW 46.17.350, in addition to any other fees or taxes due for the application.

(3) The annual ORV registration is valid for one year and may be renewed each subsequent year as prescribed by the department.

(4) A person who acquires an off-road vehicle that has an ORV registration must:

(a) Apply to the department, county auditor or other agent, or subagent appointed by the director for a transfer of the ORV registration within fifteen days of taking possession of the off-road vehicle; and

(b) Pay the ORV registration transfer fee required under RCW 46.17.410, in addition to any other fees or taxes due at the time of application.

(5) The department shall issue an ORV registration, decals, and tabs upon receipt of:

(a) A properly completed application for an original ORV registration; and

(b) The payment of all fees and taxes due at the time of application.

(6) The ORV registration must be carried on the vehicle for which it was issued at all times during its operation in this state.

(7) Off-road vehicle decals must be affixed to the off-road vehicle in a manner prescribed by the department.

(8) Unless exempt under RCW 46.09.420, any out-of-state operator of an off-road vehicle, when operating in this state, must comply with this chapter. If an ORV registration is required under this chapter, the out-of-state operator must obtain an ORV registration and decal or a temporary ORV use permit.

(9) This section does not apply to wheeled all-terrain vehicles registered for use under section 4 of this act.

Sec. 14. RCW 46.09.420 and 2011 c 171 s 26 are each amended to read as follows:

ORV registrations and decals are required under this chapter except for the following:

(1) Off-road vehicles owned and operated by the United States, another state, or a political subdivision of the United States or another state.

(2) Off-road vehicles owned and operated by this state, a municipality, or a political subdivision of this state or the municipality.

(3) Off-road vehicles operated on and across agricultural and timber lands owned ~~((&)),~~ leased, or managed by the off-road vehicle owner or operator or operator's employer.

(4) Off-road vehicles owned by a resident of another state that have a valid ORV use permit or vehicle registration issued in accordance with the laws of the other state. This exemption applies only to the extent that a similar exemption or privilege is granted under the laws of that state.

(5) Off-road vehicles while being used for ~~((search and rescue))~~ emergency management purposes under the authority or direction of an appropriate agency that engages in emergency management, as defined in RCW 46.09.310, or search and rescue, as defined in RCW 38.52.010, or a law enforcement agency as defined in RCW 16.52.011.

(6) Vehicles registered under chapter 46.16A RCW or, in the case of nonresidents, vehicles validly registered for operation over public highways in the jurisdiction of the owner's residence.

(7) Off-road vehicles operated by persons who, in good faith, render emergency care or assistance with respect to an incident involving off-road vehicles. Persons who operate off-road vehicles to render such care, assistance, or advice are not liable for civil damages resulting from any act or omission in the rendering of such care, assistance, or advice, other than acts or omissions constituting gross negligence or willful or wanton misconduct.

Sec. 15. RCW 46.09.450 and 2011 c 171 s 27 are each amended to read as follows:

(1) Except as otherwise provided in this section, it is lawful to operate an off-road vehicle upon:

(a) A nonhighway road and in parking areas serving designated off-road vehicle areas if the state, federal, local, or private authority responsible for the management of the nonhighway road authorizes the use of off-road vehicles; ~~((and))~~

(b) A street, road, or highway as authorized under RCW 46.09.360; and

(c) Any trail, nonhighway road, or highway within the state while being used under the authority or direction of an appropriate agency that engages in emergency management, as defined in RCW 46.09.310, or search and rescue, as defined in RCW 38.52.010, or a law enforcement agency, as defined in RCW 16.52.011, within the scope of the agency's official duties.

(2) (~~Operations of~~) An off-road vehicle operated on a nonhighway road ~~(or on a street, road, or highway as authorized under RCW 46.09.360~~ ~~(under)) and this section is exempt from both registration requirements of chapter 46.16A RCW and vehicle lighting and equipment requirements of chapter 46.37 RCW.~~

(3) It is unlawful to operate an off-road vehicle upon a private nonhighway road if the road owner has not authorized the use of off-road vehicles.

(4) Nothing in this section authorizes trespass on private property.

(5) The provisions of RCW 4.24.210(5) (~~shall~~) apply to public and private landowners who allow members of the public to use public facilities accessed by a highway, street, or nonhighway road for recreational off-road vehicle use.

Sec. 16. RCW 46.09.460 and 2005 c 213 s 5 are each amended to read as follows:

(1) Except as specified in subsection (2) of this section, no person under ~~(thirteen)~~ sixteen years of age may operate an off-road vehicle on or across a highway or nonhighway road in this state without direct supervision of a person eighteen years of age or older possessing a valid license to operate a motor vehicle under chapter 46.20 RCW. This prohibition does not apply when a person under sixteen years of age is acting in accordance with RCW 46.09.420 (5) and (7).

(2) Persons under ~~(thirteen)~~ sixteen years of age may operate an off-road vehicle across a highway, if at that crossing signs indicate that wheeled all-terrain vehicles or off-road vehicles may be crossing, or on a nonhighway road designated for off-road vehicle use, under the direct supervision of a person eighteen years of age or older possessing a valid license to operate a motor vehicle under chapter 46.20 RCW.

(3) This section does not apply to vehicles used in the production of agricultural or timber products on and across lands owned, leased, or managed by the owner or operator of a wheeled all-terrain vehicle or the operator's employer.

Sec. 17. RCW 46.09.470 and 2011 c 171 s 28 and 2011 c 121 s 4 are each reenacted and amended to read as follows:

(1) Except as provided in subsection (4) of this section, it is a traffic infraction for any person to operate any nonhighway vehicle:

(a) In such a manner as to endanger the property of another;

(b) On lands not owned by the operator or owner of the nonhighway vehicle without a lighted headlight and taillight between the hours of dusk and dawn, or when otherwise required for the safety of others regardless of ownership;

(c) On lands not owned by the operator or owner of the nonhighway vehicle without an adequate braking device or when otherwise required for the safety of others regardless of ownership;

(d) Without a spark arrester approved by the department of natural resources;

(e) Without an adequate, and operating, muffling device which effectively limits vehicle noise to no more than eighty-six decibels on the "A" scale at fifty feet as measured by the Society of Automotive Engineers (SAE) test procedure J 331a, except that a maximum noise level of one hundred and five decibels on the "A" scale at a distance of twenty inches from the exhaust outlet shall be an acceptable substitute in lieu of the Society of Automotive Engineers test procedure J 331a when measured:

(i) At a forty-five degree angle at a distance of twenty inches from the exhaust outlet;

(ii) With the vehicle stationary and the engine running at a steady speed equal to one-half of the manufacturer's maximum allowable ("red line") engine speed or where the manufacturer's maximum allowable engine speed is not known the test speed in revolutions per minute calculated as sixty percent of the speed at which maximum horsepower is developed; and

(iii) With the microphone placed ten inches from the side of the vehicle, one-half way between the lowest part of the vehicle body and the ground plane, and in the same lateral plane as the rearmost exhaust outlet where the outlet of the exhaust pipe is under the vehicle;

(f) On lands not owned by the operator or owner of the nonhighway vehicle upon the shoulder or inside bank or slope of any nonhighway road or highway, or upon the median of any divided highway;

(g) On lands not owned by the operator or owner of the nonhighway vehicle in any area or in such a manner so as to unreasonably expose the underlying soil, or to create an erosion condition, or to injure, damage, or destroy trees, growing crops, or other vegetation;

(h) On lands not owned by the operator or owner of the nonhighway vehicle or on any nonhighway road or trail, when these are restricted to pedestrian or animal travel;

(i) On any public lands in violation of rules and regulations of the agency administering such lands; and

(j) On a private nonhighway road in violation of RCW 46.09.450(3).

(2) It is a misdemeanor for any person to operate any nonhighway vehicle while under the influence of intoxicating liquor or a controlled substance.

(3)(a) Except for an off-road vehicle equipped with seat belts and roll bars or an enclosed passenger compartment, it is a traffic infraction for any person to operate or ride an off-road vehicle on a nonhighway road without wearing upon his or her head a motorcycle helmet fastened securely while in motion. For purposes of this section, "motorcycle helmet" has the same meaning as provided in RCW 46.37.530.

(b) Subsection (3)(a) of this section does not apply to an off-road vehicle operator operating on his or her own land.

(c) Subsection (3)(a) of this section does not apply to an off-road vehicle ~~((operator operating on agricultural lands owned or leased by the off-road vehicle operator or the operator's employer))~~ used in production of agricultural and timber products on and across lands owned, leased, or managed by the owner or operator of the off-road vehicle or the operator's employer.

(4) It is not a traffic infraction to operate an off-road vehicle on a street, road, or highway as authorized under RCW 46.09.360 ~~((~~¶~~))~~, 46.61.705, or section 6 of this act.

Sec. 18. RCW 46.09.530 and 2010 c 161 s 223 are each amended to read as follows:

(1) After deducting administrative expenses and the expense of any programs conducted under this chapter, the board shall, at least once each year, distribute the funds it receives under RCW 46.68.045 and 46.09.520 to state agencies, counties, municipalities, federal agencies, nonprofit off-road vehicle organizations, and Indian tribes. Funds distributed under this section to nonprofit off-road vehicle organizations may be spent only on projects or activities that benefit off-road vehicle recreation on publicly owned lands or lands once publicly owned that come into private ownership in a federally approved land exchange completed between January 1, 1998, and January 1, 2005.

(2) The board shall adopt rules governing applications for funds administered by the recreation and conservation office under this chapter and shall determine the amount of money distributed to each applicant. Agencies receiving funds under this chapter for capital purposes shall consider the possibility of contracting with the state parks and recreation commission, the department of natural resources, or other federal, state, and local agencies to employ the youth development and conservation corps or other youth crews in completing the project.

(3) The board shall require each applicant for acquisition or development funds under this section to comply with the requirements of either the state environmental policy act, chapter 43.21C RCW, or the national environmental policy act (42 U.S.C. Sec. 4321 et seq.).

Sec. 19. RCW 46.17.350 and 2010 c 161 s 531 are each amended to read as follows:

(1) Before accepting an application for a vehicle registration, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following vehicle license fee by vehicle type:

VEHICLE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
(a) Auto stage, six seats or less	\$ 30.00	\$ 30.00	RCW 46.68.030
(b) Camper	\$ 4.90	\$ 3.50	RCW 46.68.030
(c) Commercial trailer	\$ 34.00	\$ 30.00	RCW 46.68.035
(d) For hire vehicle, six seats or less	\$ 30.00	\$ 30.00	RCW 46.68.030
(e) Mobile home (if registered)	\$ 30.00	\$ 30.00	RCW 46.68.030
(f) Moped	\$ 30.00	\$ 30.00	RCW 46.68.030
(g) Motor home	\$ 30.00	\$ 30.00	RCW 46.68.030
(h) Motorcycle	\$ 30.00	\$ 30.00	RCW 46.68.030
(i) Off-road vehicle	\$ 18.00	\$ 18.00	RCW 46.68.045
(j) Passenger car	\$ 30.00	\$ 30.00	RCW 46.68.030

(k) Private use single-axle trailer	\$ 15.00	\$ 15.00	RCW 46.68.035((2))
(l) Snowmobile	\$ 30.00	\$ 30.00	RCW 46.68.350
(m) Snowmobile, vintage	\$ 12.00	\$ 12.00	RCW 46.68.350
(n) Sport utility vehicle	\$ 30.00	\$ 30.00	RCW 46.68.030
(o) Tow truck	\$ 30.00	\$ 30.00	RCW 46.68.030
(p) Trailer, over 2000 pounds	\$ 30.00	\$ 30.00	RCW 46.68.030
(q) Travel trailer	\$ 30.00	\$ 30.00	RCW 46.68.030
(r) <u>Wheeled all- terrain vehicle, on- road use</u>	<u>\$12.00</u>	<u>\$12.00</u>	<u>Section 10 of this act</u>
(s) <u>Wheeled all- terrain vehicle, off- road use</u>	<u>\$18.00</u>	<u>\$18.00</u>	<u>RCW 46.09.510</u>

(2) The vehicle license fee required in subsection (1) of this section is in addition to the filing fee required under RCW 46.17.005, and any other fee or tax required by law.

Sec. 20. RCW 46.30.020 and 2013 c 157 s 1 are each amended to read as follows:

(1)(a) No person may operate a motor vehicle subject to registration under chapter 46.16A RCW in this state unless the person is insured under a motor vehicle liability policy with liability limits of at least the amounts provided in RCW 46.29.090, is self-insured as provided in RCW 46.29.630, is covered by a certificate of deposit in conformance with RCW 46.29.550, or is covered by a liability bond of at least the amounts provided in RCW 46.29.090. Proof of financial responsibility for motor vehicle operation must be provided on the request of a law enforcement officer in the format specified under RCW 46.30.030.

(b) A person who drives a motor vehicle that is required to be registered in another state that requires drivers and owners of vehicles in that state to maintain insurance or financial responsibility shall, when requested by a law enforcement officer, provide evidence of financial responsibility or insurance as is required by the laws of the state in which the vehicle is registered.

(c) When asked to do so by a law enforcement officer, failure to display proof of financial responsibility for motor vehicle operation as specified under RCW 46.30.030 creates a presumption that the person does not have motor vehicle insurance.

(d) Failure to provide proof of motor vehicle insurance is a traffic infraction and is subject to penalties as set by the supreme court under RCW 46.63.110 or community restitution.

(e) For the purposes of this section, when a person uses a portable electronic device to display proof of financial security to a law enforcement officer, the officer may only view the proof of financial security and is otherwise prohibited from viewing any other content on the portable electronic device.

(f) Whenever a person presents a portable electronic device pursuant to this section, that person assumes all liability for any damage to the portable electronic device.

(2) If a person cited for a violation of subsection (1) of this section appears in person before the court or a violations bureau and provides written evidence that at the time the person was cited, he or she was in compliance with the financial responsibility requirements of subsection (1) of this section, the citation shall be dismissed and the court or violations bureau may assess court administrative costs of twenty-five dollars at the time of dismissal. In lieu of personal appearance, a person cited for a violation of subsection (1) of this section may, before the date scheduled for the person's appearance before the court or violations bureau, submit by mail to the court or violations bureau written evidence that at the time the person was cited, he or she was in compliance with the financial responsibility requirements of subsection (1) of this section, in which case the citation shall be dismissed without cost, except that the court or violations bureau may assess court administrative costs of twenty-five dollars at the time of dismissal.

(3) The provisions of this chapter shall not govern:

(a) The operation of a motor vehicle registered under RCW 46.18.220 or 46.18.255, governed by RCW 46.16A.170, or registered with the Washington utilities and transportation commission as common or contract carriers; or

(b) The operation of a motorcycle as defined in RCW 46.04.330, a motor-driven cycle as defined in RCW 46.04.332, ~~((or))~~ a moped as defined in RCW 46.04.304, or a wheeled all-terrain vehicle as defined in RCW 46.09.310.

(4) RCW 46.29.490 shall not be deemed to govern all motor vehicle liability policies required by this chapter but only those certified for the purposes stated in chapter 46.29 RCW.

Sec. 21. RCW 46.63.020 and 2013 c 135 s 2 are each amended to read as follows:

Failure to perform any act required or the performance of any act prohibited by this title or an equivalent administrative regulation or local law, ordinance, regulation, or resolution relating to traffic including parking, standing, stopping, and pedestrian offenses, is designated as a traffic infraction and may not be classified as a criminal offense, except for an offense contained in the following provisions of this title or a violation of an equivalent administrative regulation or local law, ordinance, regulation, or resolution:

(1) Section 7(1)(b)(i) of this act relating to a false statement regarding the inspection of and installation of equipment on wheeled all-terrain vehicles;

(2) RCW 46.09.470(2) relating to the operation of a nonhighway vehicle while under the influence of intoxicating liquor or a controlled substance;

~~((2))~~ (3) RCW 46.09.480 relating to operation of nonhighway vehicles;

~~((3))~~ (4) RCW 46.10.490(2) relating to the operation of a snowmobile while under the influence of intoxicating liquor or narcotics or habit-forming drugs or in a manner endangering the person of another;

~~((4))~~ (5) RCW 46.10.495 relating to the operation of snowmobiles;

~~((5))~~ (6) Chapter 46.12 RCW relating to certificates of title, registration certificates, and markings indicating that a vehicle has been destroyed or declared a total loss;

~~((6))~~ (7) RCW 46.16A.030 and 46.16A.050(3) relating to the nonpayment of taxes and fees by failure to register a vehicle and falsifying residency when registering a motor vehicle;

~~((7))~~ (8) RCW 46.16A.520 relating to permitting unauthorized persons to drive;

~~((8))~~ (9) RCW 46.16A.320 relating to vehicle trip permits;

~~((9))~~ (10) RCW 46.19.050 relating to knowingly providing false information in conjunction with an application for a special placard or license plate for disabled persons' parking;

~~((10))~~ (11) RCW 46.20.005 relating to driving without a valid driver's license;

~~((11))~~ (12) RCW 46.20.091 relating to false statements regarding a driver's license or instruction permit;

~~((12))~~ (13) RCW 46.20.0921 relating to the unlawful possession and use of a driver's license;

~~((13))~~ (14) RCW 46.20.342 relating to driving with a suspended or revoked license or status;

~~((14))~~ (15) RCW 46.20.345 relating to the operation of a motor vehicle with a suspended or revoked license;

~~((15))~~ (16) RCW 46.20.410 relating to the violation of restrictions of an occupational driver's license, temporary restricted driver's license, or ignition interlock driver's license;

~~((16))~~ (17) RCW 46.20.740 relating to operation of a motor vehicle without an ignition interlock device in violation of a license notation that the device is required;

~~((17))~~ (18) RCW 46.20.750 relating to circumventing an ignition interlock device;

~~((18))~~ (19) RCW 46.25.170 relating to commercial driver's licenses;

~~((19))~~ (20) Chapter 46.29 RCW relating to financial responsibility;

~~((20))~~ (21) RCW 46.30.040 relating to providing false evidence of financial responsibility;

~~((21))~~ (22) RCW 46.35.030 relating to recording device information;

~~((22))~~ (23) RCW 46.37.435 relating to wrongful installation of sunscreening material;

~~((23))~~ (24) RCW 46.37.650 relating to the sale, resale, distribution, or installation of a previously deployed air bag;

~~((24))~~ (25) RCW 46.37.671 through 46.37.675 relating to signal preemption devices;

~~((25))~~ (26) RCW 46.37. . . (section 1, chapter 135, Laws of 2013) relating to switching or flipping license plates, utilizing technology to flip or change the appearance of a license plate, selling a license plate flipping device or technology used to change the appearance of a license plate, or falsifying a vehicle registration;

~~((26))~~ (27) RCW 46.44.180 relating to operation of mobile home pilot vehicles;

~~((27))~~ (28) RCW 46.48.175 relating to the transportation of dangerous articles;

~~((28))~~ (29) RCW 46.52.010 relating to duty on striking an unattended car or other property;

~~((29))~~ (30) RCW 46.52.020 relating to duty in case of injury to or death of a person or damage to an attended vehicle;

~~((30))~~ (31) RCW 46.52.090 relating to reports by repairers, storage persons, and appraisers;

~~((31))~~ (32) RCW 46.52.130 relating to confidentiality of the driving record to be furnished to an insurance company, an employer, and an alcohol/drug assessment or treatment agency;

~~((32))~~ (33) RCW 46.55.020 relating to engaging in the activities of a registered tow truck operator without a registration certificate;

~~((33))~~ (34) RCW 46.55.035 relating to prohibited practices by tow truck operators;

~~((34))~~ (35) RCW 46.55.300 relating to vehicle immobilization;

~~((35))~~ (36) RCW 46.61.015 relating to obedience to police officers, flaggers, or firefighters;

~~((36))~~ (37) RCW 46.61.020 relating to refusal to give information to or cooperate with an officer;

~~((37))~~ (38) RCW 46.61.022 relating to failure to stop and give identification to an officer;

~~((38))~~ (39) RCW 46.61.024 relating to attempting to elude pursuing police vehicles;

~~((39))~~ (40) RCW 46.61.212(4) relating to reckless endangerment of emergency zone workers;

~~((40))~~ (41) RCW 46.61.500 relating to reckless driving;

~~((41))~~ (42) RCW 46.61.502 and 46.61.504 relating to persons under the influence of intoxicating liquor or drugs;

~~((42))~~ (43) RCW 46.61.503 relating to a person under age twenty-one driving a motor vehicle after consuming alcohol;

~~((43))~~ (44) RCW 46.61.520 relating to vehicular homicide by motor vehicle;

~~((44))~~ (45) RCW 46.61.522 relating to vehicular assault;

~~((45))~~ (46) RCW 46.61.5249 relating to first degree negligent driving;

~~((46))~~ (47) RCW 46.61.527(4) relating to reckless endangerment of roadway workers;

~~((47))~~ (48) RCW 46.61.530 relating to racing of vehicles on highways;

~~((48))~~ (49) RCW 46.61.655(7) (a) and (b) relating to failure to secure a load;

~~((49))~~ (50) RCW 46.61.685 relating to leaving children in an unattended vehicle with the motor running;

~~((50))~~ (51) RCW 46.61.740 relating to theft of motor vehicle fuel;

~~((51))~~ (52) RCW 46.64.010 relating to unlawful cancellation of or attempt to cancel a traffic citation;

~~((52))~~ (53) RCW 46.64.048 relating to attempting, aiding, abetting, coercing, and committing crimes;

~~((53))~~ (54) Chapter 46.65 RCW relating to habitual traffic offenders;

~~((54))~~ (55) RCW 46.68.010 relating to false statements made to obtain a refund;

~~((55))~~ (56) Chapter 46.70 RCW relating to unfair motor vehicle business practices, except where that chapter provides for the assessment of monetary penalties of a civil nature;

~~((56))~~ (57) Chapter 46.72 RCW relating to the transportation of passengers in for hire vehicles;

~~((57))~~ (58) RCW 46.72A.060 relating to limousine carrier insurance;

~~((58))~~ (59) RCW 46.72A.070 relating to operation of a limousine without a vehicle certificate;

~~((59))~~ (60) RCW 46.72A.080 relating to false advertising by a limousine carrier;

~~((60))~~ (61) Chapter 46.80 RCW relating to motor vehicle wreckers;

~~((61))~~ (62) Chapter 46.82 RCW relating to driver's training schools;

~~((62))~~ (63) RCW 46.87.260 relating to alteration or forgery of a cab card, letter of authority, or other temporary authority issued under chapter 46.87 RCW;

~~((63))~~ (64) RCW 46.87.290 relating to operation of an unregistered or unlicensed vehicle under chapter 46.87 RCW.

Sec. 22. RCW 79A.80.010 and 2012 c 261 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Agency" or "agencies" means the department of fish and wildlife, the department of natural resources, and the parks and recreation commission.

(2) "Annual natural investment permit" means the annual permit issued by the parks and recreation commission for the purpose of launching boats from the designated state parks boat launch sites.

(3) "Camper registration" means proof of payment of a camping fee on recreational lands managed by the parks and recreation commission.

(4) "Day-use permit" means the permit created in RCW 79A.80.030.

(5) "Discover pass" means the annual pass created in RCW 79A.80.020.

(6) "Motor vehicle" has the same meaning as defined in RCW 46.04.320 and which are required to be registered under chapter 46.16A RCW. "Motor vehicle" does not include those motor vehicles exempt from registration under RCW 46.16A.080, wheeled all-terrain vehicles registered for use under section 4 of this act, and state and publicly owned motor vehicles as provided in RCW 46.16A.170.

(7) "Recreation site or lands" means a state park, state lands and state forest lands as those terms are defined in RCW 79.02.010, natural resources conservation areas as that term is defined in RCW 79.71.030, natural area preserves as that term is defined in RCW 79.70.020, and fish and wildlife conservation sites including water access areas, boat ramps, wildlife areas, parking areas, roads, and trailheads.

(8) "Sno-park seasonal permit" means the seasonal permit issued by the parks and recreation commission for providing access to winter recreational facilities for the period of November 1st through March 31st.

(9) "Vehicle access pass" means the pass created in RCW 79A.80.040.

Sec. 23. RCW 46.63.030 and 2011 c 375 s 5 are each amended to read as follows:

(1) A law enforcement officer has the authority to issue a notice of traffic infraction:

(a) When the infraction is committed in the officer's presence, except as provided in section 9 of this act;

(b) When the officer is acting upon the request of a law enforcement officer in whose presence the traffic infraction was committed;

(c) If an officer investigating at the scene of a motor vehicle accident has reasonable cause to believe that the driver of a motor vehicle involved in the accident has committed a traffic infraction;

(d) When the infraction is detected through the use of an automated traffic safety camera under RCW 46.63.170; or

(e) When the infraction is detected through the use of an automated school bus safety camera under RCW 46.63.180.

(2) A court may issue a notice of traffic infraction upon receipt of a written statement of the officer that there is reasonable cause to believe that an infraction was committed.

(3) If any motor vehicle without a driver is found parked, standing, or stopped in violation of this title or an equivalent administrative regulation or local law, ordinance, regulation, or resolution, the officer finding the vehicle shall take its registration number and may take any other information displayed on the vehicle which may identify its user, and shall conspicuously affix to the vehicle a notice of traffic infraction.

(4) In the case of failure to redeem an abandoned vehicle under RCW 46.55.120, upon receiving a complaint by a registered tow truck operator that has incurred costs in removing, storing, and disposing of an abandoned vehicle, an officer of the law enforcement agency responsible for directing the removal of the vehicle shall send a notice of infraction by certified mail to the last known address of the person responsible under RCW 46.55.105. The notice must be entitled "Littering—Abandoned Vehicle" and give notice of the monetary penalty. The officer shall append to the notice of infraction, on a form prescribed by the department of licensing, a notice indicating the amount of costs incurred as a result of removing, storing, and disposing of the abandoned vehicle, less any amount realized at auction, and a statement that monetary penalties for the infraction will not be considered as having been paid until the monetary penalty payable under this chapter has been paid and the court is satisfied that the person has made restitution in the amount of the deficiency remaining after disposal of the vehicle.

Sec. 24. RCW 43.84.092 and 2013 2nd sp.s. c 1 s 15 are each amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds

of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial

retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific

permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 25. RCW 43.84.092 and 2013 2nd sp.s. c 1 s 16 are each amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply

revenue recovery account, the Columbia river crossing project account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation

equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 26. Except for sections 3 and 25 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 28, 2013.

NEW SECTION. Sec. 27. Section 2 of this act expires July 1, 2015.

NEW SECTION. Sec. 28. Section 3 of this act takes effect July 1, 2015.

NEW SECTION. Sec. 29. Section 24 of this act expires if the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. Sec. 30. Section 25 of this act takes effect if the requirements set out in section 7, chapter 36, Laws of 2012 are met.

Passed by the House June 28, 2013.

Passed by the Senate June 29, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 24

[Substitute House Bill 1866]

JOINT CENTER FOR AEROSPACE TECHNOLOGY INNOVATION

AN ACT Relating to the joint center for aerospace technology innovation; and amending RCW 43.330.250, 43.131.417, and 43.131.418.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.330.250 and 2011 1st sp.s. c 50 s 956 are each amended to read as follows:

(1) The economic development strategic reserve account is created in the state treasury to be used only for the purposes of this section.

(2) Only the governor, with the recommendation of the director of the department of commerce and the economic development commission, may authorize expenditures from the account.

(3) Expenditures from the account shall be made in an amount sufficient to fund a minimum of one staff position for the economic development commission and to cover any other operational costs of the commission.

(4) During the 2009-2011 and 2011-2013 fiscal biennia, moneys in the account may also be transferred into the state general fund.

(5) Expenditures from the account may be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, or to recruit a business or facility to the state. Expenditures may be authorized for:

(a) Workforce development;

(b) Public infrastructure needed to support or sustain the operations of the business or facility; ~~((and))~~

(c) Other lawfully provided assistance, including, but not limited to, technical assistance, environmental analysis, relocation assistance, and planning assistance. Funding may be provided for such assistance only when it is in the public interest and may only be provided under a contractual arrangement ensuring that the state will receive appropriate consideration, such as an assurance of job creation or retention; and

(d) The joint center for aerospace technology innovation.

(6) The funds shall not be expended from the account unless:

(a) The circumstances are such that time does not permit the director of the department of commerce or the business or facility to secure funding from other state sources;

(b) The business or facility produces or will produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state;

(c) The business or facility does not require continuing state support;

(d) The expenditure will result in new jobs, job retention, or higher incomes for citizens of the state;

(e) The expenditure will not supplant private investment; and

(f) The expenditure is accompanied by private investment.

(7) No more than three million dollars per year may be expended from the account for the purpose of assisting an individual business or facility pursuant to the authority specified in this section.

(8) If the account balance in the strategic reserve account exceeds fifteen million dollars at any time, the amount in excess of fifteen million dollars shall be transferred to the education construction account.

Sec. 2. RCW 43.131.417 and 2012 c 242 s 3 are each amended to read as follows:

The joint center for aerospace technology innovation shall be terminated July 1, (~~2015~~) 2020, as provided in RCW 43.131.418.

Sec. 3. RCW 43.131.418 and 2012 c 242 s 4 are each amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective July 1, (~~2016~~) 2021:

- (1) RCW 28B.155.010 and 2012 c 242 § 1; and
- (2) RCW 28B.155.020 and 2012 c 242 § 2.

Passed by the House June 26, 2013.

Passed by the Senate June 27, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 25

[Engrossed Second Substitute House Bill 1872]

K-12 EDUCATION—SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS

AN ACT Relating to establishing a comprehensive initiative to increase learning opportunities and improve educational outcomes in science, technology, engineering, and mathematics through multiple strategies and statewide partnerships; amending RCW 28B.77.020 and 28A.290.010; adding a new chapter to Title 28A RCW; and recodifying RCW 28A.300.515, 28A.630.065, 28A.630.066, 28A.700.120, 28A.625.200, 28A.625.210, 28A.625.220, 28A.625.230, and 28A.625.240.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. STEM LITERACY. (1) As used throughout this chapter, "STEM" means science, technology, engineering, and mathematics.

(2) To provide focus and clarity to efforts to increase learning opportunities and improve educational outcomes in STEM, the following definition of STEM literacy is adopted: STEM literacy means the ability to identify, apply, and integrate concepts from science, technology, engineering, and mathematics to understand complex problems and to innovate to solve them. STEM literacy is achieved when a student is able to apply his or her understanding of how the world works within and across the four interrelated STEM disciplines to improve the social, economic, and environmental conditions of the local and global community.

(3) The component parts of STEM literacy are:

(a) Scientific literacy, which is the ability to use scientific knowledge and processes in physics, chemistry, biology, and earth and space science to understand the natural world and to participate in decisions that affect it;

(b) Technological literacy, which is the ability to use new technologies, understand how technologies are developed, and have skills to analyze how new technologies affect individuals, the nation, and the world. Technology is the innovation, change, or modification of the natural environment to satisfy perceived human needs and wants;

(c) Engineering literacy, which is the understanding of how technologies are developed through the engineering design process. Engineering design is the systematic and creative application of scientific and mathematical principles to practical ends, such as the design, manufacture, and operation of efficient and economic structures, machines, processes, and systems; and

(d) Mathematical literacy, which is the ability to analyze, reason, and communicate ideas effectively through posing, formulating, solving, and interpreting solutions to mathematical problems in a variety of situations.

NEW SECTION. Sec. 2. STEM EDUCATION INNOVATION ALLIANCE. (1) The STEM education innovation alliance is established to advise the governor and to provide vision, guidance, assistance, and advice to support the initiatives under this chapter, as well as other current or proposed programs and initiatives across the spectrum of early learning through postsecondary education, that are intended to increase learning opportunities and improve educational outcomes in STEM.

(2) The governor's office, in consultation with the superintendent of public instruction, shall invite representatives of STEM businesses, business and labor organizations with expertise in STEM fields, one or more nonprofit organizations with a mission to enhance STEM education from early learning through postsecondary education, school districts and institutions of higher education that have demonstrated leadership and innovation in STEM education, and STEM educators to participate in the alliance. Representatives from the governor's office, the office of the superintendent of public instruction, and other state education agencies shall also participate as members of the alliance.

(3) The STEM education innovation alliance shall initiate its work by aligning and combining previous STEM education strategic plans into a single, cohesive, and comprehensive STEM framework for action and accountability. The framework must concentrate on a limited number of selected and specific measures that are meaningful indicators of progress in increasing STEM learning opportunities and in achieving the intended longer-term outcomes of such efforts. The framework must use measures that are quantifiable and based on data that are regularly and reliably collected statewide.

(4) Staff support for the STEM education innovation alliance shall be provided by the governor's office and the office of financial management, with support from the office of the superintendent of public instruction and other state education agencies as necessary.

NEW SECTION. Sec. 3. STEM EDUCATION REPORT CARD. (1) The STEM education innovation alliance shall develop a STEM education report card, based on the STEM framework for action and accountability, to monitor progress in increasing learning opportunities and aligning strategic plans and activities in order to prepare students for STEM-related jobs and careers, with the longer-term goal of improving educational, workforce, and economic outcomes in STEM.

(2) The report card must:

(a) Illustrate the most recent data for the indicators and measures of the STEM framework for action and accountability;

(b) Provide information from state education agencies that indicates the extent that activities and resources are aligned with and support the STEM framework for action and accountability;

(c) Provide data regarding current and projected STEM job openings in the state; and

(d) Be prominently displayed on a web site designed for this purpose.

(3)(a) The education data center under RCW 43.41.400 must coordinate data collection and analysis to support the report card.

(b) The state education agencies must annually report on how their policies, activities, and expenditures of public resources align with and support the STEM framework for action and accountability. The focus of the reporting under this subsection is on programs and initiatives specifically identified in law or budget proviso as related to STEM education. The agencies must use a common metric for the reporting, designed by the education data center in consultation with the STEM education innovation alliance. For the purposes of this section, "state education agencies" includes the office of the superintendent of public instruction, the student achievement council, the state board for community and technical colleges, the workforce training and education coordinating board, the professional educator standards board, the state board of education, and the department of early learning.

(c) The employment security department must create an annual report on current and projected job openings in STEM fields and submit the report to the education data center for inclusion in the STEM education report card.

(4) The STEM education innovation alliance must publish the first STEM education report card with baseline data on the identified measures by January 10, 2014, and must update the report card by each January 10th thereafter.

NEW SECTION. Sec. 4. STATEWIDE STEM ORGANIZATION. (1) To the extent funds are appropriated specifically for this purpose, the office of financial management shall contract with a statewide nonprofit organization with expertise in promoting and supporting STEM education from early learning through postsecondary education. The purpose of the contract is to identify, test, and develop scalable, cost-effective, and evidence-based approaches for increasing learning opportunities and improving educational outcomes in STEM that are aligned with the STEM framework for action and accountability. The activities to be conducted under the contract shall be as provided in this section, with specific performance expectations negotiated between the office of the governor, the office of financial management, and the selected organization.

(2) Under the terms of the contract, the organization selected under this section shall:

(a) Conduct a statewide communications campaign to expand awareness of the importance of STEM literacy and the opportunities presented by STEM education and careers, particularly as a strategy to close the educational opportunity gap for disadvantaged students and promote economic development in disadvantaged communities;

(b) Expand regional networks of schools, institutions of higher education, educational service districts, STEM businesses, and community-based organizations to align STEM learning opportunities with best practices and local economic development;

(c) Establish an innovation fund and offer competitive grants to support innovative practices in STEM education, from early learning through postsecondary education, including developing models of interdisciplinary instruction and project-based learning;

(d) Expand STEM professional development opportunities for educators, faculty, and principals, including developing technology-enabled learning systems to support implementation of state learning standards; and

(e) Create opportunities to extend STEM learning into early learning programs.

NEW SECTION. Sec. 5. INTERDISCIPLINARY INSTRUCTION AND PROJECT-BASED LEARNING. (1) Subject to funds appropriated specifically for this purpose, the office of the superintendent of public instruction, in consultation with the STEM education innovation alliance, must identify and disseminate resources and materials to elementary, middle, and high schools that are intended to encourage and increase interdisciplinary instruction and project-based learning in STEM.

(2) In collaboration with work groups of STEM educators and using the work of regional STEM networks and innovation grant recipients under section 4 of this act, the office of the superintendent of public instruction must:

(a) Identify interdisciplinary STEM instructional modules appropriate for different grade levels;

(b) Identify project-based learning models, projects, lessons, and guides appropriate for different grade levels; and

(c) Make the information collected in this section, including online resource guides, available for teachers to incorporate into their classroom instruction.

(3) The office of the superintendent of public instruction must also disseminate information and research on best practices in interdisciplinary instruction and project-based learning in STEM.

Sec. 6. RCW 28B.77.020 and 2012 c 229 s 104 are each amended to read as follows:

(1) Aligned with the state's biennial budget and policy cycles, the council shall propose educational attainment goals and priorities to meet the state's evolving needs. The council shall identify strategies for meeting the goals and priorities by means of a short-term strategic action plan and a ten-year plan that serves as a roadmap.

(a) The goals must address the needs of Washington residents to reach higher levels of educational attainment and Washington's workforce needs for certificates and degrees in particular fields of study.

(b) The council shall identify the resources it deems appropriate to meet statewide goals and also recognize current state economic conditions and state resources.

(c) In proposing goals, the council shall collaborate with the superintendent of public instruction, the professional educator standards board, the state board of education, the state board for community and technical colleges, the four-year institutions of higher education, independent colleges and degree-granting institutions, certificate-granting institutions, and the workforce training and education coordinating board.

(2) The council shall update the strategic action plan every two years with the first strategic action plan to be submitted to the governor and the legislature by December 1, 2012. The ten-year roadmap must be updated every two years with the first roadmap to be submitted to the governor and the legislature by December 1, 2013. The council must provide regular updates to the joint higher education committee created in RCW 44.04.360 as needed.

(3) In order to develop the ten-year roadmap, the council shall conduct strategic planning in collaboration with agencies and stakeholders and include input from the legislature. The council must also consult with the STEM education innovation alliance established under section 2 of this act in order to align strategies under the roadmap with the STEM framework for education and accountability developed by the alliance. The roadmap must encompass all sectors of higher education, including secondary to postsecondary transitions. The roadmap must outline strategies that address:

(a) Strategic planning, which includes setting benchmarks and goals for long-term degree production generally and in particular fields of study;

(b) Expanding access, affordability, quality, efficiency, and accountability among the various institutions of higher education;

(c) Higher education finance planning and strategic investments including budget recommendations necessary to meet statewide goals;

(d) System design and coordination;

(e) Improving student transitions;

(f) Higher education data and analysis, in collaboration with the education data center, which includes outcomes for recruitment, retention, and success of students;

(g) College and career access preparedness, in collaboration with the office of the superintendent of public instruction and the state board of education;

(h) Expanding participation and success for racial and ethnic minorities in higher education;

(i) Development and expansion of innovations in higher education including innovations to increase attainment of postsecondary certificates, and associate, baccalaureate, graduate, and professional degrees; and innovations to improve precollege education in terms of cost-effectiveness and transitions to college-level education; ~~((and))~~

(j) Strengthening the education pipeline and degree production in science, technology, engineering, and mathematics fields, and aligning strategies under the roadmap with the STEM framework for action and accountability developed under section 2 of this act; and

(k) Relevant policy research.

(4) As needed, the council must conduct system reviews consistent with RCW 28B.77.080.

(5) The council shall facilitate the development and expansion of innovative practices within, between, and among the sectors to increase educational attainment and assess the effectiveness of the innovations.

(6) The council shall use the data and analysis produced by, and in consultation with, the education data center created in RCW 43.41.400 in developing policy recommendations and proposing goals. In conducting research and analysis the council at a minimum must:

(a) Identify barriers to increasing educational attainment, evaluate effectiveness of various educational models, identify best practices, and recommend methods to overcome barriers;

(b) Analyze data from multiple sources including data from academic research and from areas and agencies outside of education including but not limited to data from the department of health, the department of corrections, and the department of social and health services to determine best practices to remove barriers and to improve educational attainment;

(c) Assess educational achievement disaggregated by income level, age, gender, race and ethnicity, country of origin, and other relevant demographic groups working with data from the education data center;

(d) Track progress toward meeting the state's goals;

(e) Communicate results and provide access to data analysis to policymakers, the superintendent of public instruction, institutions of higher education, students, and the public; and

(f) Use data from the education data center wherever appropriate to conduct duties in (a) through (e) of this subsection.

(7) The council shall collaborate with the appropriate state agencies and stakeholders, including the state board of education, the office of the superintendent of public instruction, the state board for community and technical colleges, the workforce training and education coordinating board, and the four-year institutions of higher education to improve student transitions and success including but not limited to:

(a) Setting minimum college admission standards for four-year institutions of higher education, including a requirement that coursework in American sign language or an American Indian language satisfies any requirement for instruction in a language other than English that the council or the institutions may establish as a general undergraduate admissions requirement;

(b) Proposing comprehensive policies and programs to encourage students to prepare for, understand how to access, and pursue postsecondary college and career programs, including specific policies and programs for students with disabilities;

(c) Recommending policies that require coordination between or among sectors such as dual high school-college programs, awarding college credit for advanced high school work, and transfer between two and four-year institutions of higher education or between different four-year institutions of higher education; and

(d) Identifying transitions issues and solutions for students, from high school to postsecondary education including community and technical colleges, four-year institutions of higher education, apprenticeships, training, or workplace education; between two-year and four-year institutions of higher education; and from postsecondary education to career. In addressing these issues the council must recognize that these transitions may occur multiple times as students continue their education.

(8) The council directs the work of the office, which includes administration of student financial aid programs under RCW 28B.76.090, including the state need grant and other scholarships, the Washington advanced college tuition payment program, and work-study programs.

(9) The council may administer state and federal grants and programs including but not limited to those programs that provide incentives for improvements related to increased access and success in postsecondary education.

(10) The council shall protect higher education consumers including:

(a) Approving degree-granting postsecondary institutions consistent with existing statutory criteria;

(b) Establishing minimum criteria to assess whether students who attend proprietary institutions of higher education shall be eligible for the state need grant and other forms of state financial aid.

(i) The criteria shall include retention rates, completion rates, loan default rates, and annual tuition increases, among other criteria for students who receive state need grant as in chapter 28B.92 RCW and any other state financial aid.

(ii) The council may remove proprietary institutions of higher education from eligibility for the state need grant or other form of state financial aid if it finds that the institution or college does not meet minimum criteria.

(iii) The council shall report by December 1, 2014, to the joint higher education committee in RCW 44.04.360 on the outcomes of students receiving state need grants, impacts on meeting the state's higher education goals for educational attainment, and options for prioritization of the state need grant and possible consequences of implementing each option. When examining options for prioritizing the state need grant the council shall consider awarding grants based on need rather than date of application and making awards based on other criteria selected by the council.

(11) The council shall adopt residency requirements by rule.

(12) The council shall arbitrate disputes between and among four-year institutions of higher education and the state board for community and technical colleges at the request of one or more of the institutions involved, or at the request of the governor, or from a resolution adopted by the legislature. The decision of the council shall be binding on the participants in the dispute.

(13) The council may solicit, accept, receive, and administer federal funds or private funds, in trust, or otherwise, and contract with foundations or with for-profit or nonprofit organizations to support the purposes and functions of the council.

(14) The council shall represent the broad public interest above the interests of the individual institutions of higher education.

Sec. 7. RCW 28A.290.010 and 2011 1st sp.s. c 21 s 54 are each amended to read as follows:

(1) The quality education council is created to recommend and inform the ongoing implementation by the legislature of an evolving program of basic education and the financing necessary to support such program. The council shall develop strategic recommendations on the program of basic education for the common schools. The council shall take into consideration the capacity report produced under RCW 28A.300.172 and the availability of data and progress of implementing the data systems required under RCW 28A.655.210. Any recommendations for modifications to the program of basic education shall be based on evidence that the programs effectively support student learning. The council shall update the statewide strategic recommendations every four years. The recommendations of the council are intended to:

(a) Inform future educational policy and funding decisions of the legislature and governor;

(b) Identify measurable goals and priorities for the educational system in Washington state for a ten-year time period, including the goals of basic education ~~((and))~~, ongoing strategies for coordinating statewide efforts to eliminate the achievement gap and reduce student dropout rates, and strategies to increase learning opportunities in science, technology, engineering, and mathematics that are aligned with the STEM framework for action and accountability developed under section 2 of this act; and

(c) Enable the state of Washington to continue to implement an evolving program of basic education.

(2) The council may request updates and progress reports from the office of the superintendent of public instruction, the state board of education, the professional educator standards board, and the department of early learning on the work of the agencies as well as educational working groups established by the legislature.

(3) The chair of the council shall be selected from the councilmembers. The council shall be composed of the following members:

(a) Four members of the house of representatives, with two members representing each of the major caucuses and appointed by the speaker of the house of representatives;

(b) Four members of the senate, with two members representing each of the major caucuses and appointed by the president of the senate;

(c) One representative each from the office of the governor, office of the superintendent of public instruction, state board of education, professional educator standards board, and department of early learning; and

(d) One nonlegislative representative from the educational opportunity gap oversight and accountability committee established under RCW 28A.300.136, to be selected by the members of the committee.

(4) The council shall meet no more than four days a year.

(5)(a) The council shall submit an initial report to the governor and the legislature by January 1, 2010, detailing its recommendations, including recommendations for resolving issues or decisions requiring legislative action during the 2010 legislative session, and recommendations for any funding necessary to continue development and implementation of chapter 548, Laws of 2009.

(b) The initial report shall, at a minimum, include:

(i) Consideration of how to establish a statewide beginning teacher mentoring and support system;

(ii) Recommendations for a program of early learning for at-risk children;

(iii) A recommended schedule for the concurrent phase-in of the changes to the instructional program of basic education and the implementation of the funding formulas and allocations to support the new instructional program of basic education as established under chapter 548, Laws of 2009. The phase-in schedule shall have full implementation completed by September 1, 2018; and

(iv) A recommended schedule for phased-in implementation of the new distribution formula for allocating state funds to school districts for the transportation of students to and from school, with phase-in beginning no later than September 1, 2013.

(6) The council shall submit a report to the legislature by January 1, 2012, detailing its recommendations for a comprehensive plan for a voluntary program of early learning. Before submitting the report, the council shall seek input from the early learning advisory council created in RCW 43.215.090.

(7) The council shall submit a report to the governor and the legislature by December 1, 2010, that includes:

(a) Recommendations for specific strategies, programs, and funding, including funding allocations through the funding distribution formula in RCW 28A.150.260, that are designed to close the achievement gap and increase the high school graduation rate in Washington public schools. The council shall consult with the educational opportunity gap oversight and accountability committee and the building bridges work group in developing its recommendations; and

(b) Recommendations for assuring adequate levels of state-funded classified staff to support essential school and district services.

(8) The council shall be staffed by the office of the superintendent of public instruction and the office of financial management. Additional staff support shall be provided by the state entities with representatives on the council. Senate committee services and the house of representatives office of program research may provide additional staff support.

(9) Legislative members of the council shall serve without additional compensation but may be reimbursed for travel expenses in accordance with RCW 44.04.120 while attending sessions of the council or on official business authorized by the council. Nonlegislative members of the council may be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

NEW SECTION. Sec. 8. RCW 28A.300.515, 28A.630.065, 28A.630.066, 28A.700.120, 28A.625.200, 28A.625.210, 28A.625.220, 28A.625.230, and 28A.625.240 are each recodified as sections in the new chapter created in section 9 of this act.

NEW SECTION. Sec. 9. Sections 1 through 5 of this act constitute a new chapter in Title 28A RCW.

Passed by the House June 25, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 26

[House Bill 2044]

FAMILY LEAVE INSURANCE PROGRAM

AN ACT Relating to delaying the implementation of the family leave insurance program until funding and payment of benefits are authorized in law; and amending RCW 49.86.030 and 49.86.210.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 49.86.030 and 2011 1st sp.s. c 25 s 1 are each amended to read as follows:

~~((Beginning October 1, 2015))~~ When the legislature has specifically appropriated funding and enacted an implementation date for benefits, then beginning on that specified date, family leave insurance benefits are payable to an individual during a period in which the individual is unable to perform his or her regular or customary work because he or she is on family leave if the individual:

(1) Files a claim for benefits in each week in which the individual is on family leave, and as required by rules adopted by the director;

(2) Has been employed for at least six hundred eighty hours in employment during the individual's qualifying year;

(3) Establishes an application year. An application year may not be established if the qualifying year includes hours worked before establishment of a previous application year;

(4) Consents to the disclosure of information or records deemed private and confidential under chapter 50.13 RCW. Initial disclosure of this information and these records by the employment security department to the department is solely for purposes related to the administration of this chapter. Further disclosure of this information or these records is subject to RCW 49.86.020(3);

(5) Discloses whether or not he or she owes child support obligations as defined in RCW 50.40.050; and

(6) Documents that he or she has provided the employer from whom family leave is to be taken with written notice of the individual's intention to take family leave in the same manner as an employee is required to provide notice in RCW 49.78.250.

Sec. 2. RCW 49.86.210 and 2011 1st sp.s. c 25 s 2 are each amended to read as follows:

Beginning ((September 1, 2016)) one year after the implementation date specified by the legislature pursuant to RCW 49.86.030, and annually thereafter, the department shall report to the legislature ~~((by September 1st of each year))~~ on projected and actual program participation, premium rates, fund balances, and outreach efforts.

Passed by the House June 28, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 27

[Engrossed House Bill 2068]

ANNEXATION—UNINCORPORATED TERRITORY

AN ACT Relating to the annexation of unincorporated territory; amending RCW 35A.14.295, 35A.14.480, and 35.13.238; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 35A.14.295 and 2013 c 333 s 1 are each amended to read as follows:

(1) The legislative body of a code city may resolve to annex territory to the city if there is within the city, unincorporated territory:

(a) Containing less than one hundred seventy-five acres and having all of the boundaries of such area contiguous to the code city; or

(b) Of any size containing residential property owners and having at least eighty percent of the boundaries of such area contiguous to the city(~~(, and is)~~), Territory annexed under this subsection (1)(b) must be within the same county and within the same urban growth area designated under RCW 36.70A.110, and the city (~~(is planning)~~) must plan under chapter 36.70A RCW.

(2) The resolution shall describe the boundaries of the area to be annexed, state the number of voters residing therein as nearly as may be, and set a date for a public hearing on such resolution for annexation. Notice of the hearing shall be given by publication of the resolution at least once a week for two weeks prior to the date of the hearing, in one or more newspapers of general circulation within the code city and one or more newspapers of general circulation within the area to be annexed.

(3) For purposes of subsection (1)(b) of this section, territory bounded by a river, lake, or other body of water is considered contiguous to a city that is also bounded by the same river, lake, or other body of water.

Sec. 2. RCW 35A.14.480 and 2009 c 60 s 9 are each amended to read as follows:

(1)(a) An annexation by a code city proposing to annex territory served by one or more fire protection districts may be accomplished by ordinance after entering into an interlocal agreement as provided in chapter 39.34 RCW with the county and the fire protection district or districts that have jurisdiction over the territory proposed for annexation.

(b) A code city proposing to annex territory shall initiate the interlocal agreement process by sending notice to the fire protection district representative and county representative stating the code city's interest to enter into an interlocal agreement negotiation process. The parties have forty-five days to respond in the affirmative or negative. A negative response must state the reasons the parties do not wish to participate in an interlocal agreement negotiation. A failure to respond within the forty-five day period is deemed an affirmative response and the interlocal agreement negotiation process may proceed. The interlocal agreement process may not proceed if any negative responses are received within the forty-five day period.

(c) The interlocal agreement must describe the boundaries of the territory proposed for annexation and must be consistent with the boundaries identified in an ordinance describing the boundaries of the territory proposed for annexation and setting a date for a public hearing on the ordinance. If the boundaries of the territory proposed for annexation are agreed to by all parties, a notice of intention must be filed with the boundary review board created under RCW 36.93.030. However, the jurisdiction of the board may not be invoked as described in RCW 36.93.100 for annexations that are the subject of such agreement.

(2) An interlocal annexation agreement under this section must include the following:

(a) A statement of the goals of the agreement. Goals must include, but are not limited to:

(i) The transfer of revenues and assets between the fire protection district and the code city;

(ii) A consideration and discussion of the impact to the level of service of annexation on the unincorporated area, and an agreement that the impact on the ability of fire protection and emergency medical services within the incorporated area must not be negatively impacted at least through the budget cycle in which the annexation occurs;

(iii) A discussion with fire protection districts regarding the division of assets and its impact to citizens inside and outside the newly annexed area;

(iv) Community involvement, including an agreed upon schedule of public meetings in the area or areas proposed for annexation;

(v) Revenue sharing, if any;

(vi) Debt distribution;

(vii) Capital facilities obligations of the code city, county, and fire protection districts;

(viii) An overall schedule or plan on the timing of any annexations covered under this agreement; and

(ix) A description of which of the annexing code cities' development regulations will apply and be enforced in the area.

(b) The subject areas and policies and procedures the parties agree to undertake in annexations. Subject areas may include, but are not limited to:

(i) Roads and traffic impact mitigation;

(ii) Surface and storm water management;

(iii) Coordination and timing of comprehensive plan and development regulation updates;

(iv) Outstanding bonds and special or improvement district assessments;

(v) Annexation procedures;

(vi) Distribution of debt and revenue sharing for annexation proposals, code enforcement, and inspection services;

(vii) Financial and administrative services; and

(viii) Consultation with other service providers, including water-sewer districts, if applicable.

(c) A term of at least five years, which may be extended by mutual agreement of the code city, the county, and the fire protection district.

(3) If the fire protection district, annexing code city, and county reach an agreement on the enumerated goals, ~~((the annexation ordinance may proceed and is not subject to referendum.))~~ or if only the annexing code city and county reach an agreement on the enumerated goals, the code city ((and county)) may ((proceed with)) adopt an annexation ((under the interlocal agreement)) ordinance, but the annexation ordinance provided for in this section is subject to referendum for forty-five days after its passage, provided that no referendum shall be allowed for an annexation under this section if the fire protection district, annexing code city, and the county reach agreement on an annexation for which a code city has initiated the interlocal agreement process by sending notice to the fire protection district representative and county representative prior to July 28, 2013. Upon the filing of a timely and sufficient referendum petition with the legislative body of the code city, signed by qualified electors in a number not less than ten percent of the votes cast in the last general state election in the area to be annexed, the question of annexation must be submitted to the voters of the area in a general election if one is to be held within ninety days or at a special election called for that purpose according to RCW

29A.04.330. Notice of the election must be given as provided in RCW 35A.14.070, and the election must be conducted as provided in the general election laws under Title 29A RCW. The annexation must be deemed approved by the voters unless a majority of the votes cast on the proposition are in opposition to the annexation.

After the expiration of the forty-fifth day from, but excluding, the date of passage of the annexation ordinance, if a timely and sufficient referendum petition has not been filed, the area annexed becomes a part of the code city upon the date fixed in the ordinance of annexation.

Sec. 3. RCW 35.13.238 and 2009 c 60 s 7 are each amended to read as follows:

(1)(a) An annexation by a city or town that is proposing to annex territory served by one or more fire protection districts may be accomplished by ordinance after entering into an interlocal agreement as provided in chapter 39.34 RCW with the county and the fire protection district or districts that have jurisdiction over the territory proposed for annexation.

(b) A city or town proposing to annex territory shall initiate the interlocal agreement process by sending notice to the fire protection district representative and county representative stating the city's or town's interest to enter into an interlocal agreement negotiation process. The parties have forty-five days to respond in the affirmative or negative. A negative response must state the reasons the parties do not wish to participate in an interlocal agreement negotiation. A failure to respond within the forty-five day period is deemed an affirmative response and the interlocal agreement negotiation process may proceed. The interlocal agreement process may not proceed if any negative responses are received within the forty-five day period.

(c) The interlocal agreement must describe the boundaries of the territory proposed for annexation and must be consistent with the boundaries identified in an ordinance describing the boundaries of the territory proposed for annexation and setting a date for a public hearing on the ordinance. If the boundaries of the territory proposed for annexation are agreed to by all parties, a notice of intention must be filed with the boundary review board created under RCW 36.93.030. However, the jurisdiction of the board may not be invoked as described in RCW 36.93.100 for annexations that are the subject of such agreement.

(2) An interlocal annexation agreement under this section must include the following:

(a) A statement of the goals of the agreement. Goals must include, but are not limited to:

(i) The transfer of revenues and assets between the fire protection districts and the city or town;

(ii) A consideration and discussion of the impact to the level of service of annexation on the unincorporated area, and an agreement that the impact on the ability of fire protection and emergency medical services within the incorporated area must not be negatively impacted at least through the budget cycle in which the annexation occurs;

(iii) A discussion with fire protection districts regarding the division of assets and its impact to citizens inside and outside the newly annexed area;

(iv) Community involvement, including an agreed upon schedule of public meetings in the area or areas proposed for annexation;

(v) Revenue sharing, if any;

(vi) Debt distribution;

(vii) Capital facilities obligations of the city, county, and fire protection districts;

(viii) An overall schedule or plan on the timing of any annexations covered under this agreement; and

(ix) A description of which of the annexing cities' development regulations will apply and be enforced in the area.

(b) The subject areas and policies and procedures the parties agree to undertake in annexations. Subject areas may include, but are not limited to:

(i) Roads and traffic impact mitigation;

(ii) Surface and storm water management;

(iii) Coordination and timing of comprehensive plan and development regulation updates;

(iv) Outstanding bonds and special or improvement district assessments;

(v) Annexation procedures;

(vi) Distribution of debt and revenue sharing for annexation proposals, code enforcement, and inspection services;

(vii) Financial and administrative services; and

(viii) Consultation with other service providers, including water-sewer districts, if applicable.

(c) A term of at least five years, which may be extended by mutual agreement of the city or town, the county, and the fire protection district.

(3) If the fire protection district, annexing city or town, and county reach an agreement on the enumerated goals, ~~((the annexation ordinance may proceed and is not subject to referendum.))~~ or if only the annexing city or town and county reach an agreement on the enumerated goals, the city or town ((and county)) may ((proceed with)) adopt an annexation ((under the interlocal agreement)) ordinance, but the annexation ordinance provided for in this section is subject to referendum for forty-five days after its passage, provided that no referendum shall be allowed for an annexation under this section if the fire protection district, annexing city or town, and the county reach agreement on an annexation for which a city or town has initiated the interlocal agreement process by sending notice to the fire protection district representative and county representative prior to July 28, 2013. Upon the filing of a timely and sufficient referendum petition with the legislative body of the city or town, signed by qualified electors in a number not less than ten percent of the votes cast in the last general state election in the area to be annexed, the question of annexation must be submitted to the voters of the area in a general election if one is to be held within ninety days or at a special election called for that purpose according to RCW 29A.04.330. Notice of the election must be given as provided in RCW 35.13.080, and the election must be conducted as provided in the general election laws under Title 29A RCW. The annexation must be deemed approved by the voters unless a majority of the votes cast on the proposition are in opposition to the annexation.

After the expiration of the forty-fifth day from, but excluding, the date of passage of the annexation ordinance, if a timely and sufficient referendum

petition has not been filed, the area annexed becomes a part of the city or town upon the date fixed in the ordinance of annexation.

(4) If any portion of a fire protection district is proposed for annexation to or incorporation into a city or town, both the fire protection district and the city or town shall jointly inform the employees of the fire protection district about hires, separations, terminations, and any other changes in employment that are a direct consequence of annexation or incorporation at the earliest reasonable opportunity.

(5) The needed employees shall be taken in order of seniority and the remaining employees who transfer as provided in this section and RCW 35.10.360 and 35.10.370 shall head the list for employment in the civil service system in order of their seniority, to the end that they shall be the first to be reemployed in the city or town fire department when appropriate positions become available. Employees who are not immediately hired by the city or town shall be placed on a reemployment list for a period not to exceed thirty-six months unless a longer period is authorized by an agreement reached between the collective bargaining representatives of the employees of the annexing and annexed fire agencies and the annexing and annexed fire agencies.

(6)(a) Upon transfer, an employee is entitled to the employee rights, benefits, and privileges to which he or she would have been entitled as an employee of the fire protection district, including rights to:

(i) Compensation at least equal to the level of compensation at the time of transfer, unless the employee's rank and duties have been reduced as a result of the transfer. If the transferring employee is placed in a position with reduced rank and duties, the employee's compensation may be adjusted, but the adjustment may not result in a decrease of greater than fifty percent of the difference between the employee's compensation before the transfer and the compensation level for the position that the employee is transferred to;

(ii) Retirement, vacation, sick leave, and any other accrued benefit;

(iii) Promotion and service time accrual; and

(iv) The length or terms of probationary periods, including no requirement for an additional probationary period if one had been completed before the transfer date.

(b) (a) of this subsection does not apply if upon transfer an agreement for different terms of transfer is reached between the collective bargaining representatives of the transferring employees and the participating fire protection jurisdictions.

(7) If upon transfer, the transferring employee receives the rights, benefits, and privileges established under subsection (6)(a)(i) through (iv) of this section, those rights, benefits, and privileges are subject to collective bargaining at the end of the current bargaining period for the jurisdiction to which the employee has transferred.

(8) Such bargaining must take into account the years of service the transferring employee accumulated before the transfer and must be treated as if those years of service occurred in the jurisdiction to which the employee has transferred.

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 28, 2013.

Passed by the House June 28, 2013.

Passed by the Senate June 27, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 28

[House Bill 2079]

ENVIRONMENTAL LEGACY STEWARDSHIP ACCOUNT

AN ACT Relating to expenditures from the environmental legacy stewardship account; and amending RCW 70.105D.—.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70.105D.— and 2013 2nd sp.s. c 1 s 10 are each amended to read as follows:

(1) The environmental legacy stewardship account is created in the state treasury. Beginning July 1, 2013, and every fiscal year thereafter, the annual amount received from the tax imposed by RCW 82.21.030 that exceeds one hundred forty million dollars must be deposited into the environmental legacy stewardship account. The state treasurer may make periodic deposits into the environmental legacy stewardship account based on forecasted revenue. Moneys in the account may only be spent after appropriation.

(2) Moneys in the environmental legacy stewardship account may be spent on:

(a) Grants or loans to local governments for performance and outcome-based projects, model remedies, ((demonstrated technologies)) demonstration projects, procedures, contracts, and project management and oversight that result in significant reductions in the time to complete compared to baseline averages ((for:

~~(a))~~);

(b) Purposes authorized under RCW 70.105D.070 (3) and (4);

~~(((b) Storm water low-impact retrofit projects and other projects with significant environmental benefits that reduce storm water pollution from existing infrastructure and development;))~~

(c) Grants or loans awarded through a competitive grant program administered by the department to fund design and construction of low-impact development retrofit projects and other high quality projects that reduce storm water pollution from existing infrastructure. The competitive grant program must apply criteria to review, rank, and prioritize projects for funding based on their water quality benefits, ecological benefits, and effectiveness at reducing environmental degradation; and

(d) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment((; and

~~(d) Appropriations to the state and local toxics control accounts created in RCW 70.105D.070 if the legislature determines that priorities for spending exceed available funds in those accounts)).~~

(3) Except as provided under RCW 70.105D.070(3) (k) and (q), nothing in this act expands the ability of a potentially liable person to receive public funding.

Passed by the House June 25, 2013.

Passed by the Senate June 28, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 29

[Second Engrossed Substitute Senate Bill 5157]

CHILD CARE—SUBSIDY FRAUD

AN ACT Relating to child care; adding a new section to chapter 43.215 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that child care providers positively contribute to local communities by offering important services that support the well-being of children and their families. The legislature further recognizes that most child care providers make every effort to ensure that subsidy payments received are correct and align with agency rules. When a child care provider is found to have fraudulently accepted subsidy payments, however, it is the legislature's intent to prohibit such a provider from receiving future child care subsidy payments.

NEW SECTION. Sec. 2. A new section is added to chapter 43.215 RCW to read as follows:

(1) The department must refer all suspected incidents of child care subsidy fraud to the department of social and health services office of fraud and accountability for appropriate investigation and action.

(2) For the purposes of this section, "fraud" has the definition in RCW 74.04.004.

(3) This section does not limit or preclude the department or the department of social and health services from establishing and collecting overpayments consistent with federal regulation or seek other remedies that may be legally available, including but not limited to criminal investigation or prosecution.

Passed by the Senate June 20, 2013.

Passed by the House June 27, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 30

[Substitute Senate Bill 5679]

STATE AGENCIES—RULES—FORMAL REVIEW PROCESS

AN ACT Relating to improving the business climate and stimulating job creation by requiring certain agencies to establish a formal review process of existing rules; adding a new section to chapter 43.21A RCW; adding a new section to chapter 43.22 RCW; adding a new section to chapter 43.70 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that regulatory processes impose significant costs on doing business and significantly influence investment behavior, location decisions, start-up activity, expansions, and hiring. The legislature further finds that, for more than a decade, the executive and legislative branches have called upon state agencies to review their regulations to achieve meaningful regulatory reform and improve the regulatory climate for Washington businesses. However, a 2012 performance audit conducted by the state auditor's office found that the departments of ecology, health, and labor and industries have not adopted sufficient streamlining processes or formally measured the results of their streamlining activities. Thus, it is the intent of the legislature to formally direct these three state agencies to achieve the regulatory reform that has been repeatedly called for by the governor and the legislature.

NEW SECTION. Sec. 2. A new section is added to chapter 43.21A RCW to read as follows:

The department of ecology must establish and perform, within existing funds, a formal review process of its existing rules every five years. The goal of the review is to decrease the numbers of, simplify the process, and decrease the time required for obtaining licenses, permits, and inspections, as applicable, in order to reduce the regulatory burden on businesses without compromising public health and safety. Benchmarks must be adopted to assess the effectiveness of streamlining efforts. The department must establish a process for effectively applying sunset provisions to rules when applicable. The department must report back to the applicable committees of the legislature with its review process and benchmarks by January 2014.

NEW SECTION. Sec. 3. A new section is added to chapter 43.22 RCW to read as follows:

The department of labor and industries must establish and perform, within existing funds, a formal review process of its existing rules every five years. The goal of the review is to decrease the numbers of, simplify the process, and decrease the time required for obtaining licenses, permits, and inspections, as applicable, in order to reduce the regulatory burden on businesses without compromising public health and safety. Benchmarks must be adopted to assess the effectiveness of streamlining efforts. The department must establish a process for effectively applying sunset provisions to rules when applicable. The department must report back to the applicable committees of the legislature with its review process and benchmarks by January 2014.

NEW SECTION. Sec. 4. A new section is added to chapter 43.70 RCW to read as follows:

The department of health must establish and perform, within existing funds, a formal review process of its existing rules every five years. The goal of the review is to decrease the numbers of, simplify the process, and decrease the time required for obtaining licenses, permits, and inspections, as applicable, in order to reduce the regulatory burden on businesses without compromising public health and safety. Benchmarks must be adopted to assess the effectiveness of streamlining efforts. The department must establish a process for effectively applying sunset provisions to rules when applicable. The department must report back to the applicable committees of the legislature with its review process and benchmarks by January 2014.

Passed by the Senate June 20, 2013.

Passed by the House June 27, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 31

[Substitute Senate Bill 5718]

ONE-STOP BUSINESS PORTAL

AN ACT Relating to monitoring the development of a one-stop portal for Washington businesses; adding a new section to chapter 43.41A RCW; creating new sections; and providing a contingent expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds that Washington's small businesses are critical to the state's economic health and vitality, and the time business owners spend interacting with multiple state agencies takes time away from running or growing their business.

(2) The legislature further finds that regulatory agencies were directed through an executive order in 2006 to develop a one-stop business portal, but that a one-stop business portal has not yet been developed.

(3) The legislature further finds that implementing a one-stop integrated system that allows businesses to complete their state government business in a customized, more efficient, and more effective way will greatly improve the business customer experience, reduce the time it takes businesses to conduct their interactions with state government, and increase compliance with state regulations.

(4) The legislature further finds that in response to the need for a one-stop business portal, the office of the chief information officer, in collaboration with multiple state agencies, produced a high-level technology architecture for an integrated enterprise system that would provide businesses with that web-based, one-stop place for businesses to conduct their business with the state.

(5) Therefore, the legislature intends to monitor the progress towards development and implementation of the one-stop business portal.

NEW SECTION. Sec. 2. A new section is added to chapter 43.41A RCW to read as follows:

(1) By November 30, 2013, the office of the chief information officer must provide the economic development committees of the legislature a plan for establishing performance benchmarks, and for measuring the results of implementing a one-stop integrated system for business interactions with government. The plan must specify how the office of the chief information officer and other state agencies intend to collaborate with the business community in order to receive business feedback and use business recommendations in the development of the one-stop business portal. The plan must include a timeline, agency responsibilities, and a benchmark for initial implementation. At a minimum, the following state agencies must collaborate with the office of the chief information officer in developing and tracking these benchmarks and performance measures: The department of revenue, the department of labor and industries, the secretary of state, the employment

security department, the department of commerce, and the office of regulatory assistance.

(2) The office of the chief information officer must submit a progress report on the development of the one-stop integrated system to the economic development committees of the legislature by January 1st of each year, beginning with January 1, 2014, and ending with a report documenting that the portal has reached the performance benchmark of initial implementation. The progress report must also specify how the office of the chief information officer and other state agencies are collaborating with the business community and using business recommendations in the development of the one-stop business portal.

(3) For the purposes of this section, the benchmark of initial implementation must include development of a system backbone; connection of the department of revenue, the department of labor and industries, the secretary of state, and the employment security department to the backbone; and development of a public-facing web portal.

NEW SECTION. Sec. 3. (1) Except as provided in subsection (2) of this section, this act expires when the office of the chief information officer reports to the economic development committees of the legislature that the one-stop portal has reached initial implementation.

(2) If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2013, in the omnibus appropriations act, this act expires after the progress report submitted by January 1, 2014, has been submitted.

(3) The chief information officer must provide notice of the expiration date of this act to affected parties, including the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the chief information officer.

Passed by the Senate June 20, 2013.

Passed by the House June 27, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 32

[Substitute Senate Bill 5804]

FEDERAL RECEIPTS REPORTING REQUIREMENTS

AN ACT Relating to federal receipts reporting requirements; and adding a new section to chapter 43.88 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 43.88 RCW to read as follows:

(1) As used in this section:

(a) "Designated state agency" means the department of social and health services, the department of health, the health care authority, the department of commerce, the department of ecology, the department of fish and wildlife, the office of the superintendent of public instruction, and the department of early learning.

(b) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C. Sec. 7501 on the effective date of this section, that is reported as part of a single audit.

(c) "Single audit" is as defined in 31 U.S.C. Sec. 7501 on the effective date of this section.

(2) Subject to subsection (3) of this section, a designated state agency shall prepare as part of the agency's biennial budget submittal under this chapter a report that:

(a) Reports the aggregate value of federal receipts the designated state agency estimated for the ensuing biennium;

(b) Calculates the percentage of the designated state agency's total budget for the ensuing biennium that constitutes federal receipts that the designated state agency received; and

(c) Develops plans for operating the designated state agency if there is a reduction of:

(i) Five percent or more in the federal receipts that the designated state agency receives; and

(ii) Twenty-five percent or more in the federal receipts that the designated state agency receives.

(3) The report required by subsection (2) of this section prepared by the superintendent of public instruction shall include the information required by subsection (2)(a) through (c) of this section for each school district within the state.

Passed by the Senate June 20, 2013.

Passed by the House June 27, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 33

[Engrossed Substitute Senate Bill 5891]

STATE TECHNOLOGY EXPENDITURES

AN ACT Relating to state technology expenditures; amending RCW 43.41A.025, 39.26.100, 43.41A.010, 43.88.092, and 42.56.420; adding a new section to chapter 43.41 RCW; adding a new section to chapter 43.41A RCW; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.41A.025 and 2011 1st sp.s. c 43 s 706 are each amended to read as follows:

(1) The chief information officer shall establish standards and policies to govern information technology in the state of Washington.

(2) The office shall have the following powers and duties related to information services:

(a) To develop statewide standards and policies governing the acquisition and disposition of equipment, software, and personal and purchased services, licensing of the radio spectrum by or on behalf of state agencies, and confidentiality of computerized data;

(b) To develop statewide or interagency technical policies, standards, and procedures;

(c) To review and approve standards and common specifications for new or expanded telecommunications networks proposed by agencies, public postsecondary education institutions, educational service districts, or statewide or regional providers of K-12 information technology services;

(d) To develop a detailed business plan for any service or activity to be contracted under RCW 41.06.142(7)(b) by the consolidated technology services agency;

(e) To provide direction concerning strategic planning goals and objectives for the state. The office shall seek input from the legislature and the judiciary; ~~((and))~~

(f) To establish policies for the periodic review by the office of agency performance which may include but are not limited to analysis of:

- (i) Planning, management, control, and use of information services;
- (ii) Training and education; and
- (iii) Project management;

(g) To coordinate with state agencies with an annual information technology expenditure that exceeds ten million dollars to implement a technology business management program to identify opportunities for savings and efficiencies in information technology expenditures and to monitor ongoing financial performance of technology investments; and

(h) In conjunction with the consolidated technology services agency, to develop statewide standards for agency purchases of technology networking equipment and services.

(3) Statewide technical standards to promote and facilitate electronic information sharing and access are an essential component of acceptable and reliable public access service and complement content-related standards designed to meet those goals. The office shall:

(a) Establish technical standards to facilitate electronic access to government information and interoperability of information systems, including wireless communications systems; and

(b) Require agencies to include an evaluation of electronic public access needs when planning new information systems or major upgrades of systems.

In developing these standards, the office is encouraged to include the state library, state archives, and appropriate representatives of state and local government.

(4) The office shall perform other matters and things necessary to carry out the purposes and provisions of this chapter.

Sec. 2. RCW 39.26.100 and 2012 c 224 s 11 are each amended to read as follows:

(1) The provisions of this chapter do not apply in any manner to the operation of the state legislature except as requested by the legislature.

(2) The provisions of this chapter do not apply to the contracting for services, equipment, and activities that are necessary to establish, operate, or manage the state data center, including architecture, design, engineering, installation, and operation of the facility, that are approved by the technology services board or the acquisition of proprietary software, equipment, and information technology services necessary for or part of the provision of services offered by the consolidated technology services agency.

(3) Primary authority for the purchase of specialized equipment, and instructional and research material, for their own use rests with the institutions of higher education as defined in RCW 28B.10.016.

(4) Universities operating hospitals with approval from the director, as the agent for state hospitals as defined in RCW 72.23.010, and for health care programs provided in state correctional institutions as defined in RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and 72.36.070, may make purchases for hospital operation by participating in contracts for materials, supplies, and equipment entered into by nonprofit cooperative hospital group purchasing organizations if documented to be more cost-effective.

(5) Primary authority for the purchase of materials, supplies, and equipment, for resale to other than public agencies, rests with the state agency concerned.

(6) The authority for the purchase of insurance and bonds rests with the risk manager under RCW 43.19.769, except for institutions of higher education that choose to exercise independent purchasing authority under RCW 28B.10.029.

(7) The authority to purchase interpreter services and interpreter brokerage services on behalf of limited-English speaking or sensory-impaired applicants and recipients of public assistance rests with the department of social and health services and the health care authority.

(8) The provisions of this chapter do not apply to information technology purchases by state agencies, other than institutions of higher education and agencies of the judicial branch, if (a) the purchase is less than one hundred thousand dollars, (b) the initial purchase is approved by the chief information officer of the state, and (c) the agency director and the chief information officer of the state jointly prepare a public document providing a detailed justification for the expenditure.

Sec. 3. RCW 43.41A.010 and 2011 1st sp.s. c 43 s 702 are each amended to read as follows:

(1) The office of the chief information officer is created within the office of financial management.

(2) Powers, duties, and functions assigned to the department of information services as specified in this chapter shall be transferred to the office of chief information officer as provided in this chapter.

(3) The primary duties of the office are:

(a) To prepare and lead the implementation of a strategic direction and enterprise architecture for information technology for state government;

(b) To enable the standardization and consolidation of information technology infrastructure across all state agencies to support enterprise-based system development and improve and maintain service delivery;

(c) To establish standards and policies for the consistent and efficient operation of information technology services throughout state government;

(d) To establish statewide enterprise architecture that will serve as the organizing standard for information technology for state agencies;

(e) ~~((Fø))~~ To educate and inform state managers and policymakers on technological developments, industry trends and best practices, industry benchmarks that strengthen decision making and professional development, and industry understanding for public managers and decision makers.

(4) In the case of institutions of higher education, the powers of the office and the provisions of this chapter apply to business and administrative applications but do not apply to (a) academic and research applications; and (b) medical, clinical, and health care applications, including the business and administrative applications for such operations. However, institutions of higher education must disclose to the office any proposed academic applications that are enterprise-wide in nature relative to the needs and interests of other institutions of higher education. Institutions of higher education shall provide to the chief information officer sufficient data and information on proposed expenditures on business and administrative applications to permit the chief information officer to evaluate the proposed expenditures pursuant to RCW 43.88.092(3).

(5) The legislature and the judiciary, which are constitutionally recognized as separate branches of government, are strongly encouraged to coordinate with the office and participate in shared services initiatives and the development of enterprise-based strategies, where appropriate. Legislative and judicial agencies of the state shall submit to the chief information officer information on proposed information technology expenditures to allow the chief information officer to evaluate the proposed expenditures on an advisory basis.

Sec. 4. RCW 43.88.092 and 2011 1st sp.s. c 43 s 733 are each amended to read as follows:

(1) As part of the biennial budget process, the office of financial management shall collect from agencies, and agencies shall provide, information to produce reports, summaries, and budget detail sufficient to allow review, analysis, and documentation of all current and proposed expenditures for information technology by state agencies. Information technology budget detail must be included as part of the budget submittal documentation required pursuant to RCW 43.88.030.

(2) The office of financial management must collect, and present as part of the biennial budget documentation, information for all existing information technology projects as defined by ~~((information))~~ technology services board policy. The office of financial management must work with the office of the chief information officer to maximize the ability to draw this information from the information technology portfolio management data collected by the ~~((department of information services pursuant to RCW 43.105.170))~~ consolidated technology services agency. Connecting project information collected through the portfolio management process with financial data developed under subsection (1) of this section provides transparency regarding expenditure data for existing technology projects.

(3) The chief information officer shall evaluate proposed information technology expenditures and establish priority ranking categories of the proposals. No more than one-third of the proposed expenditures shall be ranked in the highest priority category.

(4) The biennial budget documentation submitted by the office of financial management pursuant to RCW 43.88.030 must include an information technology plan and a technology budget for the state identifying current baseline funding for information technology, proposed and ongoing major information technology projects, and their associated costs. This plan and technology budget must be presented using a method similar to the capital

budget, identifying project costs through stages of the project and across fiscal periods and biennia from project initiation to implementation. This information must be submitted electronically, in a format to be determined by the office of financial management and the legislative evaluation and accountability program committee.

~~((4))~~ (5) The office of financial management shall also institute a method of accounting for information technology-related expenditures, including creating common definitions for what constitutes an information technology investment.

~~((5))~~ (6) For the purposes of this section, "major information technology projects" includes projects that have a significant anticipated cost, complexity, or are of statewide significance, such as enterprise-level solutions, enterprise resource planning, and shared services initiatives.

NEW SECTION. Sec. 5. A new section is added to chapter 43.41 RCW to read as follows:

(1) Subject to funds appropriated for this specific purpose, the office of financial management may establish an information technology investment pool and may enter into financial contracts for the acquisition of information technology projects for state agencies. Information technology projects funded under this section must meet the following requirements:

(a) The project begins or continues replacement of information technology systems with modern and more efficient information technology systems;

(b) The project improves the ability of an agency to recover from major disaster; or

(c) The project provides future savings and efficiencies for an agency through reduced operating costs, improved customer service, or increased revenue collections.

(2) Preference for project approval under this section must be given to an agency that has prior project approval from the office of the chief information officer and an approved business plan, and the primary hurdle to project funding is the lack of funding capacity.

(3) The office of financial management with assistance from the office of the chief information officer shall report to the governor and the fiscal committees of the legislature by November 1st of each year on the status of distributions and expenditures on information technology projects and improved statewide or agency performance results achieved by project funding.

NEW SECTION. Sec. 6. The consolidated technology services agency, in consultation with the office of the chief information officer, shall review and assess the current state telecommunications and information services network model of the executive branch with the objective of agency network consolidation into consolidated technology services. The assessment must include a review of cost management, state and federal regulatory issues, development and feasibility of each option, and a migration strategy and implementation plan for each option. The report is due to the office of financial management and the fiscal committees of the legislature by December 30, 2013.

NEW SECTION. Sec. 7. The office of the chief information officer must prepare a report that inventories legacy information technology systems of the executive branch, both enterprise-wide and agency specific, and develop a

prioritized plan for the modernization and funding of these systems. The report is due to the office of financial management and the fiscal committees of the legislature by December 1, 2014.

NEW SECTION. Sec. 8. A new section is added to chapter 43.41A RCW to read as follows:

The office shall establish security standards and policies to ensure the confidentiality, availability, and integrity of the information transacted, stored, or processed in the state's information technology systems and infrastructure. Each state agency, institution of higher education, the legislature, and the judiciary must develop an information technology security plan and program.

(1) Each state agency information technology security plan and program must adhere to the office's security standards and policies. Each state agency must review and update its plan and program annually and certify to the office that its plan and program is in compliance with the office's security standards and policies. The office may require an agency to obtain an independent compliance audit of its information technology security plan and program.

(2) In the case of institutions of higher education, the judiciary, and the legislature, each information technology security plan and program must be comparable to the intended outcomes of the office's security standards and policies. Each institution, the legislature, and the judiciary shall submit their information technology security plan and program to the office annually for review and comment.

Sec. 9. RCW 42.56.420 and 2009 c 67 s 1 are each amended to read as follows:

The following information relating to security is exempt from disclosure under this chapter:

(1) Those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal terrorist acts, which are acts that significantly disrupt the conduct of government or of the general civilian population of the state or the United States and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety, consisting of:

(a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; and

(b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism;

(2) Those portions of records containing specific and unique vulnerability assessments or specific and unique emergency and escape response plans at a city, county, or state adult or juvenile correctional facility, or secure facility for persons civilly confined under chapter 71.09 RCW, the public disclosure of which would have a substantial likelihood of threatening the security of a city, county, or state adult or juvenile correctional facility, secure facility for persons civilly confined under chapter 71.09 RCW, or any individual's safety;

(3) Information compiled by school districts or schools in the development of their comprehensive safe school plans under RCW 28A.320.125, to the extent that they identify specific vulnerabilities of school districts and each individual school;

(4) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities, and other such information the release of which may increase risk to the confidentiality, integrity, or availability of agency security, information technology infrastructure, or assets; and

(5) The system security (~~((section of transportation system safety))~~ and ~~((security program plans))~~ emergency preparedness plan required under RCW 35.21.228, 35A.21.300, 36.01.210, 36.57.120, 36.57A.170, and 81.112.180.

Passed by the Senate June 27, 2013.

Passed by the House June 27, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 34

[Senate Bill 5948]

STATE PROCUREMENT—GOODS AND SERVICES

AN ACT Relating to state procurement of goods and services; and amending RCW 39.26.200.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 39.26.200 and 2012 c 224 s 22 are each amended to read as follows:

(1)(a) The director shall provide notice to the contractor of the director's intent to debar with the specific reason for the debarment. The department must establish the debarment process by rule.

(b) After reasonable notice to the contractor and reasonable opportunity for that contractor to be heard, the director has the authority to debar a contractor for cause from consideration for award of contracts. The debarment must be for a period of not more than three years.

(2) The director may debar a contractor based on a finding of one or more of the following causes:

(a) Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

(b) Conviction or a final determination in a civil action under state or federal statutes of fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, violation of the federal false claims act, 31 U.S.C. Sec. 3729 et seq., or the state medicaid fraud false claims act, chapter 74.66 RCW, or any other offense indicating a lack of business integrity or business honesty that currently, seriously, and directly affects responsibility as a state contractor;

(c) Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;

(d) Two or more violations within the previous five years of the federal labor relations act as determined by the national labor relations board or court of competent jurisdiction;

(e) Violation of contract provisions, as set forth in this subsection, of a character that is regarded by the director to be so serious as to justify debarment action:

(i) Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or

(ii) A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts, however the failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor may not be considered to be a basis for debarment;

(f) Violation of ethical standards set forth in RCW 39.26.020; and

(g) Any other cause the director determines to be so serious and compelling as to affect responsibility as a state contractor, including debarment by another governmental entity for any cause listed in regulations.

(3) The director must issue a written decision to debar. The decision must:

(a) State the reasons for the action taken; and

(b) Inform the debarred contractor of the contractor's rights to judicial or administrative review.

Passed by the Senate June 23, 2013.

Passed by the House June 28, 2013.

Approved by the Governor July 3, 2013.

Filed in Office of Secretary of State July 3, 2013.

CHAPTER 35

[Engrossed Second Substitute Senate Bill 5912]

CRIMES—DRIVING UNDER THE INFLUENCE

AN ACT Relating to driving under the influence of intoxicating liquor or drugs; amending RCW 2.28.175, 3.66.067, 3.66.068, 3.50.320, 3.50.330, 35.20.255, 9.94A.525, 43.43.395, 46.25.090, 46.25.110, 46.25.120, 46.68.340, 9.94A.501, 46.61.5249, 46.20.270, 46.61.5058, 46.20.720, 46.20.385, 10.05.140, and 4.24.545; reenacting and amending RCW 46.61.5055, 10.31.100, 46.20.308, and 9.94A.535; adding a new section to chapter 10.21 RCW; adding new sections to chapter 36.28A RCW; adding a new section to chapter 43.43 RCW; creating new sections; prescribing penalties; making appropriations; providing an effective date; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 10.21 RCW to read as follows:

(1) When any person charged with or arrested for a violation of RCW 46.61.502, 46.61.504, 46.61.520, or 46.61.522, in which the person has a prior offense as defined in RCW 46.61.5055 and the current offense involves alcohol, is released from custody before arraignment or trial on bail or personal recognizance, the court authorizing the release shall require, as a condition of release, that person to (a) have a functioning ignition interlock device installed on all motor vehicles operated by the person, with proof of installation filed with

the court by the person or the certified interlock provider within five business days of the date of release from custody or as soon thereafter as determined by the court based on availability within the jurisdiction; or (b) comply with 24/7 sobriety program monitoring, as defined in section 26 of this act; or both.

(2) Upon acquittal or dismissal of all pending or current charges relating to a violation of RCW 46.61.502, 46.61.504, 46.61.520, or 46.61.522, or equivalent local ordinance, the court shall authorize removal of the ignition interlock device and lift any requirement to comply with electronic alcohol/drug monitoring imposed under subsection (1) of this section. Nothing in this section limits the authority of the court or department under RCW 46.20.720.

Sec. 2. RCW 2.28.175 and 2013 c 257 s 6 are each amended to read as follows:

(1) Jurisdictions and municipalities may establish and operate DUI courts. Municipalities may enter into cooperative agreements with counties or other municipalities that have DUI courts to provide DUI court services.

(2) For the purposes of this section, "DUI court" means a court that has special calendars or dockets designed to achieve a reduction in recidivism of impaired driving among nonviolent, alcohol abusing offenders, whether adult or juvenile, by increasing their likelihood for successful rehabilitation through early, continuous, and intense judicially supervised treatment; mandatory periodic testing for alcohol use and, if applicable, drug use; and the use of appropriate sanctions and other rehabilitation services.

(3)(a) Any jurisdiction that seeks a state appropriation to fund a DUI court program must first:

(i) Exhaust all federal funding that is available to support the operations of its DUI court and associated services; and

(ii) Match, on a dollar-for-dollar basis, state moneys allocated for DUI court programs with local cash or in-kind resources. Moneys allocated by the state must be used to supplement, not supplant, other federal, state, and local funds for DUI court operations and associated services. However, until June 30, 2014, no match is required for state moneys expended for the administrative and overhead costs associated with the operation of a DUI court established as of January 1, 2011.

(b) Any jurisdiction that establishes a DUI court pursuant to this section shall establish minimum requirements for the participation of offenders in the program. The DUI court may adopt local requirements that are more stringent than the minimum. The minimum requirements are:

(i) The offender would benefit from alcohol treatment;

(ii) The offender has not previously been convicted of a serious violent offense or sex offense as defined in RCW 9.94A.030, vehicular homicide under RCW 46.61.520, vehicular assault under RCW 46.61.522, or an equivalent out-of-state offense; and

(iii) Without regard to whether proof of any of these elements is required to convict, the offender is not currently charged with or convicted of an offense:

(A) That is a sex offense;

(B) That is a serious violent offense;

(C) That is vehicular homicide or vehicular assault;

(D) During which the defendant used a firearm; or

(E) During which the defendant caused substantial or great bodily harm or death to another person.

Sec. 3. RCW 3.66.067 and 2001 c 94 s 1 are each amended to read as follows:

After a conviction, the court may impose sentence by suspending all or a portion of the defendant's sentence or by deferring the sentence of the defendant and may place the defendant on probation for a period of no longer than two years and prescribe the conditions thereof. A defendant who has been sentenced, or whose sentence has been deferred, and who then fails to appear for any hearing to address the defendant's compliance with the terms of probation when ordered to do so by the court, shall have the term of probation tolled until such time as the defendant makes his or her presence known to the court on the record. During the time of the deferral, the court may, for good cause shown, permit a defendant to withdraw the plea of guilty and to enter a plea of not guilty, and the court may dismiss the charges. A court shall not defer sentence for an offense sentenced under RCW 46.61.5055.

Sec. 4. RCW 3.66.068 and 2010 c 274 s 405 are each amended to read as follows:

(1) A court has continuing jurisdiction and authority to suspend the execution of all or any part of its sentence upon stated terms, including installment payment of fines for a period not to exceed:

(a) Five years after imposition of sentence for a defendant sentenced for a domestic violence offense or under RCW 46.61.5055; and

(b) Two years after imposition of sentence for all other offenses(~~the~~).

(2)(a) Except as provided in (b) of this subsection, a court has continuing jurisdiction and authority to (~~suspend or~~) defer the execution of all or any part of its sentence upon stated terms, including installment payment of fines for a period not to exceed:

(i) Five years after imposition of sentence for a defendant sentenced for a domestic violence offense; and

(ii) Two years after imposition of sentence for all other offenses.

(b) A court shall not defer sentence for an offense sentenced under RCW 46.61.5055.

(3) A defendant who has been sentenced, or whose sentence has been deferred, and who then fails to appear for any hearing to address the defendant's compliance with the terms of probation when ordered to do so by the court, shall have the term of probation tolled until such time as the defendant makes his or her presence known to the court on the record.

(4) However, the court's jurisdiction period in this section does not apply to the enforcement of orders issued under RCW 46.20.720.

(5) For the purposes of this section, "domestic violence offense" means a crime listed in RCW 10.99.020 that is not a felony offense.

Sec. 5. RCW 3.50.320 and 2001 c 94 s 4 are each amended to read as follows:

After a conviction, the court may impose sentence by suspending all or a portion of the defendant's sentence or by deferring the sentence of the defendant and may place the defendant on probation for a period of no longer than two years and prescribe the conditions thereof. A defendant who has been sentenced,

or whose sentence has been deferred, and who then fails to appear for any hearing to address the defendant's compliance with the terms of probation when ordered to do so by the court, shall have the term of probation tolled until such time as the defendant makes his or her presence known to the court on the record. During the time of the deferral, the court may, for good cause shown, permit a defendant to withdraw the plea of guilty, permit the defendant to enter a plea of not guilty, and dismiss the charges. A court shall not defer sentence for an offense sentenced under RCW 46.61.5055.

Sec. 6. RCW 3.50.330 and 2010 c 274 s 406 are each amended to read as follows:

(1) A court has continuing jurisdiction and authority to suspend the execution of all or any part of its sentence upon stated terms, including installment payment of fines for a period not to exceed:

(a) Five years after imposition of sentence for a defendant sentenced for a domestic violence offense or under RCW 46.61.5055; and

(b) Two years after imposition of sentence for all other offenses(~~the~~).

(2)(a) Except as provided in (b) of this subsection, a court shall have continuing jurisdiction and authority to (~~suspend or~~) defer the execution of all or any part of the sentence upon stated terms, including installment payment of fines for a period not to exceed:

(i) Five years after imposition of sentence for a defendant sentenced for a domestic violence offense; and

(ii) Two years after imposition of sentence for all other offenses.

(b) A court shall not defer sentence for an offense sentenced under RCW 46.61.5055.

(3) A defendant who has been sentenced, or whose sentence has been deferred, and who then fails to appear for any hearing to address the defendant's compliance with the terms of probation when ordered to do so by the court, shall have the term of probation tolled until such time as the defendant makes his or her presence known to the court on the record.

(4) However, the court's jurisdiction period in this section does not apply to the enforcement of orders issued under RCW 46.20.720.

(5) Any time before entering an order terminating probation, the court may modify or revoke its order suspending or deferring the imposition or execution of the sentence.

(6) For the purposes of this section, "domestic violence offense" means a crime listed in RCW 10.99.020 that is not a felony offense.

Sec. 7. RCW 35.20.255 and 2010 c 274 s 407 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, judges of the municipal court, in their discretion, shall have the power in all criminal proceedings within their jurisdiction including violations of city ordinances, to defer imposition of any sentence, suspend all or part of any sentence including installment payment of fines, fix the terms of any such deferral or suspension, and provide for such probation as in their opinion is reasonable and necessary under the circumstances of the case, but in no case shall it extend for more than five years from the date of conviction for a defendant to be sentenced for a domestic violence offense or under RCW 46.61.5055 and two years from the

date of conviction for all other offenses. A defendant who has been sentenced, or whose sentence has been deferred, and who then fails to appear for any hearing to address the defendant's compliance with the terms of probation when ordered to do so by the court, shall have the term of probation tolled until such time as the defendant makes his or her presence known to the court on the record. However, the jurisdiction period in this section does not apply to the enforcement of orders issued under RCW 46.20.720. Any time before entering an order terminating probation, the court may modify or revoke its order suspending or deferring the imposition or execution of the sentence. For the purposes of this subsection, "domestic violence offense" means a crime listed in RCW 10.99.020 that is not a felony offense.

(2)(a) If a defendant whose sentence has been deferred requests permission to travel or transfer to another state, the director of probation services or a designee thereof shall determine whether such request is subject to RCW 9.94A.745, the interstate compact for adult offender supervision. If such request is subject to the compact, the director or designee shall:

- (i) Notify the department of corrections of the defendant's request;
 - (ii) Provide the department of corrections with the supporting documentation it requests for processing an application for transfer;
 - (iii) Notify the defendant of the fee due to the department of corrections for processing an application under the compact;
 - (iv) Cease supervision of the defendant while another state supervises the defendant pursuant to the compact;
 - (v) Resume supervision if the defendant returns to this state before the period of deferral expires.
- (b) The defendant shall receive credit for time served while being supervised by another state.

(c) If the probationer is returned to the state at the request of the receiving state under rules of the interstate compact for adult offender supervision, the department of corrections is responsible for the cost of returning the probationer.

(d) The state of Washington, the department of corrections and its employees, and any city and its employees are not liable for civil damages resulting from any act or omission authorized or required under this section unless the act or omission constitutes gross negligence.

(3) Judges of the municipal court shall not defer sentence for an offense sentenced under RCW 46.61.5055.

Sec. 8. RCW 9.94A.525 and 2011 c 166 s 3 are each amended to read as follows:

The offender score is measured on the horizontal axis of the sentencing grid. The offender score rules are as follows:

The offender score is the sum of points accrued under this section rounded down to the nearest whole number.

(1) A prior conviction is a conviction which exists before the date of sentencing for the offense for which the offender score is being computed. Convictions entered or sentenced on the same date as the conviction for which the offender score is being computed shall be deemed "other current offenses" within the meaning of RCW 9.94A.589.

(2)(a) Class A and sex prior felony convictions shall always be included in the offender score.

(b) Class B prior felony convictions other than sex offenses shall not be included in the offender score, if since the last date of release from confinement (including full-time residential treatment) pursuant to a felony conviction, if any, or entry of judgment and sentence, the offender had spent ten consecutive years in the community without committing any crime that subsequently results in a conviction.

(c) Except as provided in (e) of this subsection, class C prior felony convictions other than sex offenses shall not be included in the offender score if, since the last date of release from confinement (including full-time residential treatment) pursuant to a felony conviction, if any, or entry of judgment and sentence, the offender had spent five consecutive years in the community without committing any crime that subsequently results in a conviction.

(d) Except as provided in (e) of this subsection, serious traffic convictions shall not be included in the offender score if, since the last date of release from confinement (including full-time residential treatment) pursuant to a ((felony)) conviction, if any, or entry of judgment and sentence, the offender spent five years in the community without committing any crime that subsequently results in a conviction.

(e) If the present conviction is felony driving while under the influence of intoxicating liquor or any drug (RCW 46.61.502(6)) or felony physical control of a vehicle while under the influence of intoxicating liquor or any drug (RCW 46.61.504(6)), ~~((prior convictions of felony driving while under the influence of intoxicating liquor or any drug, felony physical control of a vehicle while under the influence of intoxicating liquor or any drug, and serious traffic offenses shall be included in the offender score if: (i) The prior convictions were committed within five years since the last date of release from confinement (including full-time residential treatment) or entry of judgment and sentence; or (ii) the prior convictions would be considered "prior offenses within ten years" as defined in RCW 46.61.5055))~~ all predicate crimes for the offense as defined by RCW 46.61.5055(14) shall be included in the offender score, and prior convictions for felony driving while under the influence of intoxicating liquor or any drug (RCW 46.61.502(6)) or felony physical control of a vehicle while under the influence of intoxicating liquor or any drug (RCW 46.61.504(6)) shall always be included in the offender score. All other convictions of the defendant shall be scored according to this section.

(f) Prior convictions for a repetitive domestic violence offense, as defined in RCW 9.94A.030, shall not be included in the offender score if, since the last date of release from confinement or entry of judgment and sentence, the offender had spent ten consecutive years in the community without committing any crime that subsequently results in a conviction.

(g) This subsection applies to both adult and juvenile prior convictions.

(3) Out-of-state convictions for offenses shall be classified according to the comparable offense definitions and sentences provided by Washington law. Federal convictions for offenses shall be classified according to the comparable offense definitions and sentences provided by Washington law. If there is no clearly comparable offense under Washington law or the offense is one that is usually considered subject to exclusive federal jurisdiction, the offense shall be scored as a class C felony equivalent if it was a felony under the relevant federal statute.

(4) Score prior convictions for felony anticipatory offenses (attempts, criminal solicitations, and criminal conspiracies) the same as if they were convictions for completed offenses.

(5)(a) In the case of multiple prior convictions, for the purpose of computing the offender score, count all convictions separately, except:

(i) Prior offenses which were found, under RCW 9.94A.589(1)(a), to encompass the same criminal conduct, shall be counted as one offense, the offense that yields the highest offender score. The current sentencing court shall determine with respect to other prior adult offenses for which sentences were served concurrently or prior juvenile offenses for which sentences were served consecutively, whether those offenses shall be counted as one offense or as separate offenses using the "same criminal conduct" analysis found in RCW 9.94A.589(1)(a), and if the court finds that they shall be counted as one offense, then the offense that yields the highest offender score shall be used. The current sentencing court may presume that such other prior offenses were not the same criminal conduct from sentences imposed on separate dates, or in separate counties or jurisdictions, or in separate complaints, indictments, or informations;

(ii) In the case of multiple prior convictions for offenses committed before July 1, 1986, for the purpose of computing the offender score, count all adult convictions served concurrently as one offense, and count all juvenile convictions entered on the same date as one offense. Use the conviction for the offense that yields the highest offender score.

(b) As used in this subsection (5), "served concurrently" means that: (i) The latter sentence was imposed with specific reference to the former; (ii) the concurrent relationship of the sentences was judicially imposed; and (iii) the concurrent timing of the sentences was not the result of a probation or parole revocation on the former offense.

(6) If the present conviction is one of the anticipatory offenses of criminal attempt, solicitation, or conspiracy, count each prior conviction as if the present conviction were for a completed offense. When these convictions are used as criminal history, score them the same as a completed crime.

(7) If the present conviction is for a nonviolent offense and not covered by subsection (11), (12), or (13) of this section, count one point for each adult prior felony conviction and one point for each juvenile prior violent felony conviction and 1/2 point for each juvenile prior nonviolent felony conviction.

(8) If the present conviction is for a violent offense and not covered in subsection (9), (10), (11), (12), or (13) of this section, count two points for each prior adult and juvenile violent felony conviction, one point for each prior adult nonviolent felony conviction, and 1/2 point for each prior juvenile nonviolent felony conviction.

(9) If the present conviction is for a serious violent offense, count three points for prior adult and juvenile convictions for crimes in this category, two points for each prior adult and juvenile violent conviction (not already counted), one point for each prior adult nonviolent felony conviction, and 1/2 point for each prior juvenile nonviolent felony conviction.

(10) If the present conviction is for Burglary 1, count prior convictions as in subsection (8) of this section; however count two points for each prior adult Burglary 2 or residential burglary conviction, and one point for each prior juvenile Burglary 2 or residential burglary conviction.

(11) If the present conviction is for a felony traffic offense count two points for each adult or juvenile prior conviction for Vehicular Homicide or Vehicular Assault; for each felony offense count one point for each adult and 1/2 point for each juvenile prior conviction; for each serious traffic offense, other than those used for an enhancement pursuant to RCW 46.61.520(2), count one point for each adult and 1/2 point for each juvenile prior conviction; count one point for each adult and 1/2 point for each juvenile prior conviction for operation of a vessel while under the influence of intoxicating liquor or any drug.

(12) If the present conviction is for homicide by watercraft or assault by watercraft count two points for each adult or juvenile prior conviction for homicide by watercraft or assault by watercraft; for each felony offense count one point for each adult and 1/2 point for each juvenile prior conviction; count one point for each adult and 1/2 point for each juvenile prior conviction for driving under the influence of intoxicating liquor or any drug, actual physical control of a motor vehicle while under the influence of intoxicating liquor or any drug, or operation of a vessel while under the influence of intoxicating liquor or any drug.

(13) If the present conviction is for manufacture of methamphetamine count three points for each adult prior manufacture of methamphetamine conviction and two points for each juvenile manufacture of methamphetamine offense. If the present conviction is for a drug offense and the offender has a criminal history that includes a sex offense or serious violent offense, count three points for each adult prior felony drug offense conviction and two points for each juvenile drug offense. All other adult and juvenile felonies are scored as in subsection (8) of this section if the current drug offense is violent, or as in subsection (7) of this section if the current drug offense is nonviolent.

(14) If the present conviction is for Escape from Community Custody, RCW 72.09.310, count only prior escape convictions in the offender score. Count adult prior escape convictions as one point and juvenile prior escape convictions as 1/2 point.

(15) If the present conviction is for Escape 1, RCW 9A.76.110, or Escape 2, RCW 9A.76.120, count adult prior convictions as one point and juvenile prior convictions as 1/2 point.

(16) If the present conviction is for Burglary 2 or residential burglary, count priors as in subsection (7) of this section; however, count two points for each adult and juvenile prior Burglary 1 conviction, two points for each adult prior Burglary 2 or residential burglary conviction, and one point for each juvenile prior Burglary 2 or residential burglary conviction.

(17) If the present conviction is for a sex offense, count priors as in subsections (7) through (11) and (13) through (16) of this section; however count three points for each adult and juvenile prior sex offense conviction.

(18) If the present conviction is for failure to register as a sex offender under RCW 9A.44.130 or 9A.44.132, count priors as in subsections (7) through (11) and (13) through (16) of this section; however count three points for each adult and juvenile prior sex offense conviction, excluding prior convictions for failure to register as a sex offender under RCW 9A.44.130 or 9A.44.132, which shall count as one point.

(19) If the present conviction is for an offense committed while the offender was under community custody, add one point. For purposes of this subsection,

community custody includes community placement or postrelease supervision, as defined in chapter 9.94B RCW.

(20) If the present conviction is for Theft of a Motor Vehicle, Possession of a Stolen Vehicle, Taking a Motor Vehicle Without Permission 1, or Taking a Motor Vehicle Without Permission 2, count priors as in subsections (7) through (18) of this section; however count one point for prior convictions of Vehicle Prowling 2, and three points for each adult and juvenile prior Theft 1 (of a motor vehicle), Theft 2 (of a motor vehicle), Possession of Stolen Property 1 (of a motor vehicle), Possession of Stolen Property 2 (of a motor vehicle), Theft of a Motor Vehicle, Possession of a Stolen Vehicle, Taking a Motor Vehicle Without Permission 1, or Taking a Motor Vehicle Without Permission 2 conviction.

(21) If the present conviction is for a felony domestic violence offense where domestic violence as defined in RCW 9.94A.030 was plead and proven, count priors as in subsections (7) through (20) of this section; however, count points as follows:

(a) Count two points for each adult prior conviction where domestic violence as defined in RCW 9.94A.030 was plead and proven after August 1, 2011, for the following offenses: A violation of a no-contact order that is a felony offense, a violation of a protection order that is a felony offense, a felony domestic violence harassment offense, a felony domestic violence stalking offense, a domestic violence Burglary 1 offense, a domestic violence Kidnapping 1 offense, a domestic violence Kidnapping 2 offense, a domestic violence unlawful imprisonment offense, a domestic violence Robbery 1 offense, a domestic violence Robbery 2 offense, a domestic violence Assault 1 offense, a domestic violence Assault 2 offense, a domestic violence Assault 3 offense, a domestic violence Arson 1 offense, or a domestic violence Arson 2 offense;

(b) Count one point for each second and subsequent juvenile conviction where domestic violence as defined in RCW 9.94A.030 was plead and proven after August 1, 2011, for the offenses listed in (a) of this subsection; and

(c) Count one point for each adult prior conviction for a repetitive domestic violence offense as defined in RCW 9.94A.030, where domestic violence as defined in RCW 9.94A.030, was plead and proven after August 1, 2011.

(22) The fact that a prior conviction was not included in an offender's offender score or criminal history at a previous sentencing shall have no bearing on whether it is included in the criminal history or offender score for the current offense. Prior convictions that were not counted in the offender score or included in criminal history under repealed or previous versions of the sentencing reform act shall be included in criminal history and shall count in the offender score if the current version of the sentencing reform act requires including or counting those convictions. Prior convictions that were not included in criminal history or in the offender score shall be included upon any resentencing to ensure imposition of an accurate sentence.

Sec. 9. RCW 43.43.395 and 2012 c 183 s 16 are each amended to read as follows:

(1) The state patrol shall by rule provide standards for the certification, installation, repair, maintenance, monitoring, inspection, and removal of ignition interlock devices, as defined under RCW 46.04.215, and equipment as outlined under this section, and may inspect the records and equipment of manufacturers

and vendors during regular business hours for compliance with statutes and rules and may suspend or revoke certification for any noncompliance. (~~The state patrol may only inspect ignition interlock devices in the vehicles of customers for proper installation and functioning when installation is being done at the vendors' place of business.~~)

(2)(a) When a certified service provider or individual installer of ignition interlock devices is found to be out of compliance, the installation privileges of that certified service provider or individual installer may be suspended or revoked until the certified service provider or individual installer comes into compliance. During any suspension or revocation period, the certified service provider or individual installer is responsible for notifying affected customers of any changes in their service agreement.

(b) A certified service provider or individual installer whose certification is suspended or revoked for noncompliance has a right to an administrative hearing under chapter 34.05 RCW to contest the suspension or revocation, or both. For the administrative hearing, the procedure and rules of evidence are as specified in chapter 34.05 RCW, except as otherwise provided in this chapter. Any request for an administrative hearing must be made in writing and must be received by the state patrol within twenty days after the receipt of the notice of suspension or revocation.

(3)(a) An ignition interlock device must employ fuel cell technology. For the purposes of this subsection, "fuel cell technology" consists of the following electrochemical method: An electrolyte designed to oxidize the alcohol and release electrons to be collected by an active electrode; a current flow is generated within the electrode proportional to the amount of alcohol oxidized on the fuel cell surface; and the electrical current is measured and reported as breath alcohol concentration. Fuel cell technology is highly specific for alcohols.

(b) When reasonably available in the area, as determined by the state patrol, an ignition interlock device must employ technology capable of taking a photo identification of the user giving the breath sample and recording on the photo the time the breath sample was given.

(c) To be certified, an ignition interlock device must:

(i) Meet or exceed the minimum test standards according to rules adopted by the state patrol. Only a notarized statement from a laboratory that is certified by the international organization of standardization and is capable of performing the tests specified will be accepted as proof of meeting or exceeding the standards. The notarized statement must include the name and signature of the person in charge of the tests under the (~~following statement:~~

"Two samples of (model name), manufactured by (manufacturer) were tested by (laboratory) certified by the International Organization of Standardization. They do meet or exceed all specifications listed in the Federal Register, Volume 71, Number 31 (57 FR 11772), Breath Alcohol Ignition Interlock Devices (BAIID), NHTSA 2005-23470.") certification statement. The state patrol must adopt by rule the required language of the certification statement that must, at a minimum, outline that the testing meets or exceeds all specifications listed in the federal register adopted in rule by the state patrol; and

(ii) Be maintained in accordance with the rules and standards adopted by the state patrol.

Sec. 10. RCW 46.25.090 and 2011 c 227 s 4 are each amended to read as follows:

(1) A person is disqualified from driving a commercial motor vehicle for a period of not less than one year if a report has been received by the department pursuant to RCW 46.20.308 or 46.25.120, or if the person has been convicted of a first violation, within this or any other jurisdiction, of:

(a) Driving a motor vehicle under the influence of alcohol or any drug;

(b) Driving a commercial motor vehicle while the alcohol concentration in the person's system is 0.04 or more or any measurable amount of THC concentration, or driving a noncommercial motor vehicle while the alcohol concentration in the person's system is 0.08 or more, or is 0.02 or more if the person is under age twenty-one, or with a THC concentration of 5.00 nanograms per milliliter of whole blood or more, or a THC concentration above 0.00 if the person is under the age of twenty-one, as determined by any testing methods approved by law in this state or any other state or jurisdiction;

(c) Leaving the scene of an accident involving a motor vehicle driven by the person;

(d) Using a motor vehicle in the commission of a felony;

(e) Refusing to submit to a test or tests to determine the driver's alcohol concentration or the presence of any drug while driving a motor vehicle;

(f) Driving a commercial motor vehicle when, as a result of prior violations committed while operating a commercial motor vehicle, the driver's commercial driver's license is revoked, suspended, or canceled, or the driver is disqualified from operating a commercial motor vehicle;

(g) Causing a fatality through the negligent operation of a commercial motor vehicle, including but not limited to the crimes of vehicular homicide and negligent homicide.

If any of the violations set forth in this subsection occurred while transporting hazardous material, the person is disqualified for a period of not less than three years.

(2) A person is disqualified for life if it has been determined that the person has committed or has been convicted of two or more violations of any of the offenses specified in subsection (1) of this section, or any combination of those offenses, arising from two or more separate incidents.

(3) The department may adopt rules, in accordance with federal regulations, establishing guidelines, including conditions, under which a disqualification for life under subsection (2) of this section may be reduced to a period of not less than ten years.

(4) A person is disqualified from driving a commercial motor vehicle for life who uses a motor vehicle in the commission of a felony involving the manufacture, distribution, or dispensing of a controlled substance, as defined by chapter 69.50 RCW, or possession with intent to manufacture, distribute, or dispense a controlled substance, as defined by chapter 69.50 RCW.

(5)(a) A person is disqualified from driving a commercial motor vehicle for a period of:

(i) Not less than sixty days if:

(A) Convicted of or found to have committed a second serious traffic violation while driving a commercial motor vehicle; or

(B) Convicted of reckless driving, where there has been a prior serious traffic violation; or

(ii) Not less than one hundred twenty days if:

(A) Convicted of or found to have committed a third or subsequent serious traffic violation while driving a commercial motor vehicle; or

(B) Convicted of reckless driving, where there has been two or more prior serious traffic violations.

(b) The disqualification period under (a)(ii) of this subsection must be in addition to any other previous period of disqualification.

(c) For purposes of determining prior serious traffic violations under this subsection, each conviction of or finding that a driver has committed a serious traffic violation while driving a commercial motor vehicle or noncommercial motor vehicle, arising from a separate incident occurring within a three-year period, must be counted.

(6) A person is disqualified from driving a commercial motor vehicle for a period of:

(a) Not less than one hundred eighty days nor more than one year if convicted of or found to have committed a first violation of an out-of-service order while driving a commercial vehicle;

(b) Not less than two years nor more than five years if, during a ten-year period, the person is convicted of or is found to have committed two violations of out-of-service orders while driving a commercial motor vehicle in separate incidents;

(c) Not less than three years nor more than five years if, during a ten-year period, the person is convicted of or is found to have committed three or more violations of out-of-service orders while driving commercial motor vehicles in separate incidents;

(d) Not less than one hundred eighty days nor more than two years if the person is convicted of or is found to have committed a first violation of an out-of-service order while transporting hazardous materials, or while operating motor vehicles designed to transport sixteen or more passengers, including the driver. A person is disqualified for a period of not less than three years nor more than five years if, during a ten-year period, the person is convicted of or is found to have committed subsequent violations of out-of-service orders, in separate incidents, while transporting hazardous materials, or while operating motor vehicles designed to transport sixteen or more passengers, including the driver.

(7) A person is disqualified from driving a commercial motor vehicle if a report has been received by the department under RCW 46.25.125 that the person has received a verified positive drug test or positive alcohol confirmation test as part of the testing program conducted under 49 C.F.R. 40. A disqualification under this subsection remains in effect until the person undergoes a drug and alcohol assessment by a substance abuse professional meeting the requirements of 49 C.F.R. 40, and the person presents evidence of satisfactory participation in or successful completion of a drug or alcohol treatment and/or education program as recommended by the substance abuse professional, and until the person has met the requirements of RCW 46.25.100. The substance abuse professional shall forward a diagnostic evaluation and treatment recommendation to the department of licensing for use in determining the person's eligibility for driving a commercial motor vehicle. Persons who are

disqualified under this subsection more than twice in a five-year period are disqualified for life.

(8)(a) A person is disqualified from driving a commercial motor vehicle for the period of time specified in (b) of this subsection if he or she is convicted of or is found to have committed one of the following six offenses at a railroad-highway grade crossing while operating a commercial motor vehicle in violation of a federal, state, or local law or regulation:

(i) For drivers who are not required to always stop, failing to slow down and check that the tracks are clear of an approaching train;

(ii) For drivers who are not required to always stop, failing to stop before reaching the crossing, if the tracks are not clear;

(iii) For drivers who are always required to stop, failing to stop before driving onto the crossing;

(iv) For all drivers, failing to have sufficient space to drive completely through the crossing without stopping;

(v) For all drivers, failing to obey a traffic control device or the directions of an enforcement officer at the crossing;

(vi) For all drivers, failing to negotiate a crossing because of insufficient undercarriage clearance.

(b) A person is disqualified from driving a commercial motor vehicle for a period of:

(i) Not less than sixty days if the driver is convicted of or is found to have committed a first violation of a railroad-highway grade crossing violation;

(ii) Not less than one hundred twenty days if the driver is convicted of or is found to have committed a second railroad-highway grade crossing violation in separate incidents within a three-year period;

(iii) Not less than one year if the driver is convicted of or is found to have committed a third or subsequent railroad-highway grade crossing violation in separate incidents within a three-year period.

(9) A person is disqualified from driving a commercial motor vehicle for not more than one year if a report has been received by the department from the federal motor carrier safety administration that the person's driving has been determined to constitute an imminent hazard as defined by 49 C.F.R. 383.5. A person who is simultaneously disqualified from driving a commercial motor vehicle under this subsection and under other provisions of this chapter, or under 49 C.F.R. 383.52, shall serve those disqualification periods concurrently.

(10) Within ten days after suspending, revoking, or canceling a commercial driver's license or disqualifying a driver from operating a commercial motor vehicle, the department shall update its records to reflect that action.

Sec. 11. RCW 46.25.110 and 1989 c 178 s 13 are each amended to read as follows:

(1) Notwithstanding any other provision of Title 46 RCW, a person may not drive, operate, or be in physical control of a commercial motor vehicle while having alcohol or THC in his or her system.

(2) Law enforcement or appropriate officials shall issue an out-of-service order valid for twenty-four hours against a person who drives, operates, or is in physical control of a commercial motor vehicle while having alcohol or THC in his or her system or who refuses to take a test to determine his or her alcohol content or THC concentration as provided by RCW 46.25.120.

Sec. 12. RCW 46.25.120 and 2006 c 327 s 5 are each amended to read as follows:

(1) A person who drives a commercial motor vehicle within this state is deemed to have given consent, subject to RCW 46.61.506, to take a test or tests of that person's blood or breath for the purpose of determining that person's alcohol concentration or the presence of other drugs.

(2) A test or tests may be administered at the direction of a law enforcement officer, who after stopping or detaining the commercial motor vehicle driver, has probable cause to believe that driver was driving a commercial motor vehicle while having alcohol in his or her system or while under the influence of any drug.

(3) The law enforcement officer requesting the test under subsection (1) of this section shall warn the person requested to submit to the test that a refusal to submit will result in that person being disqualified from operating a commercial motor vehicle under RCW 46.25.090.

(4) If the person refuses testing, or submits to a test that discloses an alcohol concentration of 0.04 or more or any measurable amount of THC concentration, the law enforcement officer shall submit a sworn report to the department certifying that the test was requested pursuant to subsection (1) of this section and that the person refused to submit to testing, or submitted to a test that disclosed an alcohol concentration of 0.04 or more or any measurable amount of THC concentration.

(5) Upon receipt of the sworn report of a law enforcement officer under subsection (4) of this section, the department shall disqualify the driver from driving a commercial motor vehicle under RCW 46.25.090, subject to the hearing provisions of RCW 46.20.329 and 46.20.332. The hearing shall be conducted in the county of the arrest. For the purposes of this section, the hearing shall cover the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a commercial motor vehicle within this state while having alcohol in the person's system or while under the influence of any drug, whether the person refused to submit to the test or tests upon request of the officer after having been informed that the refusal would result in the disqualification of the person from driving a commercial motor vehicle, and, if the test was administered, whether the results indicated an alcohol concentration of 0.04 percent or more or any measurable amount of THC concentration. The department shall order that the disqualification of the person either be rescinded or sustained. Any decision by the department disqualifying a person from driving a commercial motor vehicle is stayed and does not take effect while a formal hearing is pending under this section or during the pendency of a subsequent appeal to superior court so long as there is no conviction for a moving violation or no finding that the person has committed a traffic infraction that is a moving violation during the pendency of the hearing and appeal. If the disqualification of the person is sustained after the hearing, the person who is disqualified may file a petition in the superior court of the county of arrest to review the final order of disqualification by the department in the manner provided in RCW 46.20.334.

(6) If a motor carrier or employer who is required to have a testing program under 49 C.F.R. 382 knows that a commercial driver in his or her employ has

refused to submit to testing under this section and has not been disqualified from driving a commercial motor vehicle, the employer may notify law enforcement or his or her medical review officer or breath alcohol technician that the driver has refused to submit to the required testing.

(7) The hearing provisions of this section do not apply to those persons disqualified from driving a commercial motor vehicle under RCW 46.25.090(7).

Sec. 13. RCW 46.61.5055 and 2012 c 183 s 12, 2012 c 42 s 2, and 2012 c 28 s 1 are each reenacted and amended to read as follows:

(1) Except as provided in RCW 46.61.502(6) or 46.61.504(6), a person who is convicted of a violation of RCW 46.61.502 or 46.61.504 and who has no prior offense within seven years shall be punished as follows:

(a) In the case of a person whose alcohol concentration was less than 0.15, or for whom for reasons other than the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than one day nor more than three hundred sixty-four days. Twenty-four consecutive hours of the imprisonment may not be suspended (~~(or deferred)~~) unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended (~~(or deferred)~~), the court shall state in writing the reason for granting the suspension (~~(or deferral)~~) and the facts upon which the suspension (~~(or deferral)~~) is based. In lieu of the mandatory minimum term of imprisonment required under this subsection (1)(a)(i), the court may order not less than fifteen days of electronic home monitoring. The offender shall pay the cost of electronic home monitoring. The county or municipality in which the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device or other separate alcohol monitoring device to include an alcohol detection breathalyzer, and the court may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring; and

(ii) By a fine of not less than three hundred fifty dollars nor more than five thousand dollars. Three hundred fifty dollars of the fine may not be suspended (~~(or deferred)~~) unless the court finds the offender to be indigent; or

(b) In the case of a person whose alcohol concentration was at least 0.15, or for whom by reason of the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than two days nor more than three hundred sixty-four days. (~~Two consecutive days~~) Forty-eight consecutive hours of the imprisonment may not be suspended (~~(or deferred)~~) unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended (~~(or deferred)~~), the court shall state in writing the reason for granting the suspension (~~(or deferral)~~) and the facts upon which the suspension (~~(or deferral)~~) is based. In lieu of the mandatory minimum term of imprisonment required under this subsection (1)(b)(i), the court may order not less than thirty days of electronic home monitoring. The offender shall pay the cost of electronic home monitoring. The county or municipality in which the

penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device to include an alcohol detection breathalyzer or other separate alcohol monitoring device, and the court may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring; and

(ii) By a fine of not less than five hundred dollars nor more than five thousand dollars. Five hundred dollars of the fine may not be suspended (~~or deferred~~) unless the court finds the offender to be indigent.

(2) Except as provided in RCW 46.61.502(6) or 46.61.504(6), a person who is convicted of a violation of RCW 46.61.502 or 46.61.504 and who has one prior offense within seven years shall be punished as follows:

(a) In the case of a person whose alcohol concentration was less than 0.15, or for whom for reasons other than the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than thirty days nor more than three hundred sixty-four days and sixty days of electronic home monitoring. In lieu of the mandatory minimum term of sixty days electronic home monitoring, the court may order at least an additional four days in jail or, if available in that county or city, a six-month period of 24/7 sobriety program monitoring pursuant to sections 23 through 32 of this act, and the court shall order an expanded alcohol assessment and treatment, if deemed appropriate by the assessment. The offender shall pay for the cost of the electronic monitoring. The county or municipality where the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device include an alcohol detection breathalyzer or other separate alcohol monitoring device, and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring. Thirty days of imprisonment and sixty days of electronic home monitoring may not be suspended (~~or deferred~~) unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended (~~or deferred~~), the court shall state in writing the reason for granting the suspension (~~or deferral~~) and the facts upon which the suspension (~~or deferral~~) is based; and

(ii) By a fine of not less than five hundred dollars nor more than five thousand dollars. Five hundred dollars of the fine may not be suspended (~~or deferred~~) unless the court finds the offender to be indigent; or

(b) In the case of a person whose alcohol concentration was at least 0.15, or for whom by reason of the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than forty-five days nor more than three hundred sixty-four days and ninety days of electronic home monitoring. In lieu of the mandatory minimum term of ninety days electronic home monitoring, the court may order at least an additional six days in jail or, if available in that county or city, a six-month period of 24/7 sobriety program monitoring pursuant to sections 23 through 32 of this act, and the court shall order an expanded alcohol assessment and treatment, if deemed appropriate by the assessment. The

offender shall pay for the cost of the electronic monitoring. The county or municipality where the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device include an alcohol detection breathalyzer or other separate alcohol monitoring device, and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring. Forty-five days of imprisonment and ninety days of electronic home monitoring may not be suspended (~~(or deferred)~~) unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended (~~(or deferred)~~), the court shall state in writing the reason for granting the suspension (~~(or deferral)~~) and the facts upon which the suspension (~~(or deferral)~~) is based; and

(ii) By a fine of not less than seven hundred fifty dollars nor more than five thousand dollars. Seven hundred fifty dollars of the fine may not be suspended (~~(or deferred)~~) unless the court finds the offender to be indigent.

(3) Except as provided in RCW 46.61.502(6) or 46.61.504(6), a person who is convicted of a violation of RCW 46.61.502 or 46.61.504 and who has two or three prior offenses within seven years shall be punished as follows:

(a) In the case of a person whose alcohol concentration was less than 0.15, or for whom for reasons other than the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than ninety days nor more than three hundred sixty-four days, if available in that county or city, a six-month period of 24/7 sobriety program monitoring pursuant to sections 23 through 32 of this act, and one hundred twenty days of electronic home monitoring. In lieu of the mandatory minimum term of one hundred twenty days of electronic home monitoring, the court may order at least an additional eight days in jail. The court shall order an expanded alcohol assessment and treatment, if deemed appropriate by the assessment. The offender shall pay for the cost of the electronic monitoring. The county or municipality where the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device include an alcohol detection breathalyzer or other separate alcohol monitoring device, and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring. Ninety days of imprisonment and one hundred twenty days of electronic home monitoring may not be suspended (~~(or deferred)~~) unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended (~~(or deferred)~~), the court shall state in writing the reason for granting the suspension (~~(or deferral)~~) and the facts upon which the suspension (~~(or deferral)~~) is based; and

(ii) By a fine of not less than one thousand dollars nor more than five thousand dollars. One thousand dollars of the fine may not be suspended (~~(or deferred)~~) unless the court finds the offender to be indigent; or

(b) In the case of a person whose alcohol concentration was at least 0.15, or for whom by reason of the person's refusal to take a test offered pursuant to

RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than one hundred twenty days nor more than three hundred sixty-four days, if available in that county or city, a six-month period of 24/7 sobriety program monitoring pursuant to sections 23 through 32 of this act, and one hundred fifty days of electronic home monitoring. In lieu of the mandatory minimum term of one hundred fifty days of electronic home monitoring, the court may order at least an additional ten days in jail. The offender shall pay for the cost of the electronic monitoring. The court shall order an expanded alcohol assessment and treatment, if deemed appropriate by the assessment. The county or municipality where the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device include an alcohol detection breathalyzer or other separate alcohol monitoring device, and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring. One hundred twenty days of imprisonment and one hundred fifty days of electronic home monitoring may not be suspended (~~(or deferred)~~) unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended (~~(or deferred)~~), the court shall state in writing the reason for granting the suspension (~~(or deferral)~~) and the facts upon which the suspension (~~(or deferral)~~) is based; and

(ii) By a fine of not less than one thousand five hundred dollars nor more than five thousand dollars. One thousand five hundred dollars of the fine may not be suspended (~~(or deferred)~~) unless the court finds the offender to be indigent.

(4) A person who is convicted of a violation of RCW 46.61.502 or 46.61.504 shall be punished under chapter 9.94A RCW if:

- (a) The person has four or more prior offenses within ten years; or
- (b) The person has ever previously been convicted of:

(i) A violation of RCW 46.61.520 committed while under the influence of intoxicating liquor or any drug;

(ii) A violation of RCW 46.61.522 committed while under the influence of intoxicating liquor or any drug;

(iii) An out-of-state offense comparable to the offense specified in (b)(i) or (ii) of this subsection; or

(iv) A violation of RCW 46.61.502(6) or 46.61.504(6).

(5)(a) The court shall require any person convicted of a violation of RCW 46.61.502 or 46.61.504 or an equivalent local ordinance to comply with the rules and requirements of the department regarding the installation and use of a functioning ignition interlock device installed on all motor vehicles operated by the person.

(b) If the court orders that a person refrain from consuming any alcohol, the court may order the person to submit to alcohol monitoring through an alcohol detection breathalyzer device, transdermal sensor device, or other technology designed to detect alcohol in a person's system. The person shall pay for the cost of the monitoring, unless the court specifies that the cost of monitoring will be paid with funds that are available from an alternative source identified by the

court. The county or municipality where the penalty is being imposed shall determine the cost.

(6) If a person who is convicted of a violation of RCW 46.61.502 or 46.61.504 committed the offense while a passenger under the age of sixteen was in the vehicle, the court shall:

(a) Order the use of an ignition interlock or other device for an additional six months;

(b) In any case in which the person has no prior offenses within seven years, and except as provided in RCW 46.61.502(6) or 46.61.504(6), order (~~a penalty by~~) an additional twenty-four hours of imprisonment and a fine of not less than one thousand dollars and not more than five thousand dollars. One thousand dollars of the fine may not be suspended (~~or deferred~~) unless the court finds the offender to be indigent;

(c) In any case in which the person has one prior offense within seven years, and except as provided in RCW 46.61.502(6) or 46.61.504(6), order (~~a penalty by~~) an additional five days of imprisonment and a fine of not less than two thousand dollars and not more than five thousand dollars. One thousand dollars of the fine may not be suspended (~~or deferred~~) unless the court finds the offender to be indigent;

(d) In any case in which the person has two or three prior offenses within seven years, and except as provided in RCW 46.61.502(6) or 46.61.504(6), order (~~a penalty by~~) an additional ten days of imprisonment and a fine of not less than three thousand dollars and not more than ten thousand dollars. One thousand dollars of the fine may not be suspended (~~or deferred~~) unless the court finds the offender to be indigent.

(7) In exercising its discretion in setting penalties within the limits allowed by this section, the court shall particularly consider the following:

(a) Whether the person's driving at the time of the offense was responsible for injury or damage to another or another's property; (~~and~~)

(b) Whether at the time of the offense the person was driving or in physical control of a vehicle with one or more passengers;

(c) Whether the driver was driving in the opposite direction of the normal flow of traffic on a multiple lane highway, as defined by RCW 46.04.350, with a posted speed limit of forty-five miles per hour or greater; and

(d) Whether a child passenger under the age of sixteen was an occupant in the driver's vehicle.

(8) An offender punishable under this section is subject to the alcohol assessment and treatment provisions of RCW 46.61.5056.

(9) The license, permit, or nonresident privilege of a person convicted of driving or being in physical control of a motor vehicle while under the influence of intoxicating liquor or drugs must:

(a) If the person's alcohol concentration was less than 0.15, or if for reasons other than the person's refusal to take a test offered under RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) Where there has been no prior offense within seven years, be suspended or denied by the department for ninety days;

(ii) Where there has been one prior offense within seven years, be revoked or denied by the department for two years; or

(iii) Where there have been two or more prior offenses within seven years, be revoked or denied by the department for three years;

(b) If the person's alcohol concentration was at least 0.15:

(i) Where there has been no prior offense within seven years, be revoked or denied by the department for one year;

(ii) Where there has been one prior offense within seven years, be revoked or denied by the department for nine hundred days; or

(iii) Where there have been two or more prior offenses within seven years, be revoked or denied by the department for four years; or

(c) If by reason of the person's refusal to take a test offered under RCW 46.20.308, there is no test result indicating the person's alcohol concentration:

(i) Where there have been no prior offenses within seven years, be revoked or denied by the department for two years;

(ii) Where there has been one prior offense within seven years, be revoked or denied by the department for three years; or

(iii) Where there have been two or more previous offenses within seven years, be revoked or denied by the department for four years.

The department shall grant credit on a day-for-day basis for any portion of a suspension, revocation, or denial already served under this subsection for a suspension, revocation, or denial imposed under RCW 46.20.3101 arising out of the same incident.

Upon its own motion or upon motion by a person, a court may find, on the record, that notice to the department under RCW 46.20.270 has been delayed for three years or more as a result of a clerical or court error. If so, the court may order that the person's license, permit, or nonresident privilege shall not be revoked, suspended, or denied for that offense. The court shall send notice of the finding and order to the department and to the person. Upon receipt of the notice from the court, the department shall not revoke, suspend, or deny the license, permit, or nonresident privilege of the person for that offense.

For purposes of this subsection (9), the department shall refer to the driver's record maintained under RCW 46.52.120 when determining the existence of prior offenses.

(10) After expiration of any period of suspension, revocation, or denial of the offender's license, permit, or privilege to drive required by this section, the department shall place the offender's driving privilege in probationary status pursuant to RCW 46.20.355.

(11)(a) In addition to any nonsuspendable and nondeferrable jail sentence required by this section, whenever the court imposes up to three hundred sixty-four days in jail, the court shall also suspend but shall not defer a period of confinement for a period not exceeding five years. The court shall impose conditions of probation that include: (i) Not driving a motor vehicle within this state without a valid license to drive and proof of liability insurance or other financial responsibility for the future pursuant to RCW 46.30.020; (ii) not driving or being in physical control of a motor vehicle within this state while having an alcohol concentration of 0.08 or more or a THC concentration of 5.00 nanograms per milliliter of whole blood or higher, within two hours after driving; and (iii) not refusing to submit to a test of his or her breath or blood to determine alcohol or drug concentration upon request of a law enforcement officer who has reasonable grounds to believe the person was driving or was in

actual physical control of a motor vehicle within this state while under the influence of intoxicating liquor or drug. The court may impose conditions of probation that include nonrepetition, installation of an ignition interlock device on the probationer's motor vehicle, alcohol or drug treatment, supervised probation, or other conditions that may be appropriate. The sentence may be imposed in whole or in part upon violation of a condition of probation during the suspension period.

(b) For each violation of mandatory conditions of probation under (a)(i), (ii), or (iii) of this subsection, the court shall order the convicted person to be confined for thirty days, which shall not be suspended or deferred.

(c) For each incident involving a violation of a mandatory condition of probation imposed under this subsection, the license, permit, or privilege to drive of the person shall be suspended by the court for thirty days or, if such license, permit, or privilege to drive already is suspended, revoked, or denied at the time the finding of probation violation is made, the suspension, revocation, or denial then in effect shall be extended by thirty days. The court shall notify the department of any suspension, revocation, or denial or any extension of a suspension, revocation, or denial imposed under this subsection.

(12) A court may waive the electronic home monitoring requirements of this chapter when:

(a) The offender does not have a dwelling, telephone service, or any other necessity to operate an electronic home monitoring system. However, if a court determines that an alcohol monitoring device utilizing wireless reporting technology is reasonably available, the court may require the person to obtain such a device during the period of required electronic home monitoring;

(b) The offender does not reside in the state of Washington; or

(c) The court determines that there is reason to believe that the offender would violate the conditions of the electronic home monitoring penalty.

Whenever the mandatory minimum term of electronic home monitoring is waived, the court shall state in writing the reason for granting the waiver and the facts upon which the waiver is based, and shall impose an alternative sentence with similar punitive consequences. The alternative sentence may include, but is not limited to, use of an ignition interlock device, the 24/7 sobriety program monitoring, additional jail time, work crew, or work camp.

Whenever the combination of jail time and electronic home monitoring or alternative sentence would exceed three hundred sixty-four days, the offender shall serve the jail portion of the sentence first, and the electronic home monitoring or alternative portion of the sentence shall be reduced so that the combination does not exceed three hundred sixty-four days.

(13) An offender serving a sentence under this section, whether or not a mandatory minimum term has expired, may be granted an extraordinary medical placement by the jail administrator subject to the standards and limitations set forth in RCW 9.94A.728(3).

(14) For purposes of this section and RCW 46.61.502 and 46.61.504:

(a) A "prior offense" means any of the following:

(i) A conviction for a violation of RCW 46.61.502 or an equivalent local ordinance;

(ii) A conviction for a violation of RCW 46.61.504 or an equivalent local ordinance;

(iii) A conviction for a violation of RCW 46.61.520 committed while under the influence of intoxicating liquor or any drug, or a conviction for a violation of RCW 46.61.520 committed in a reckless manner or with the disregard for the safety of others if the conviction is the result of a charge that was originally filed as a violation of RCW 46.61.520 committed while under the influence of intoxicating liquor or any drug;

(iv) A conviction for a violation of RCW 46.61.522 committed while under the influence of intoxicating liquor or any drug, or a conviction for a violation of RCW 46.61.522 committed in a reckless manner or with the disregard for the safety of others if the conviction is the result of a charge that was originally filed as a violation of RCW 46.61.522 committed while under the influence of intoxicating liquor or any drug;

(v) A conviction for a violation of RCW 46.61.5249, 46.61.500, or 9A.36.050 or an equivalent local ordinance, if the conviction is the result of a charge that was originally filed as a violation of RCW 46.61.502 or 46.61.504, or an equivalent local ordinance, or of RCW 46.61.520 or 46.61.522;

(vi) An out-of-state conviction for a violation that would have been a violation of (a)(i), (ii), (iii), (iv), or (v) of this subsection if committed in this state;

(vii) A deferred prosecution under chapter 10.05 RCW granted in a prosecution for a violation of RCW 46.61.502, 46.61.504, or an equivalent local ordinance;

(viii) A deferred prosecution under chapter 10.05 RCW granted in a prosecution for a violation of RCW 46.61.5249, or an equivalent local ordinance, if the charge under which the deferred prosecution was granted was originally filed as a violation of RCW 46.61.502 or 46.61.504, or an equivalent local ordinance, or of RCW 46.61.520 or 46.61.522; ((or))

(ix) A deferred prosecution granted in another state for a violation of driving or having physical control of a vehicle while under the influence of intoxicating liquor or any drug if the out-of-state deferred prosecution is equivalent to the deferred prosecution under chapter 10.05 RCW, including a requirement that the defendant participate in a chemical dependency treatment program; or

(x) A deferred sentence imposed in a prosecution for a violation of RCW 46.61.5249, 46.61.500, or 9A.36.050, or an equivalent local ordinance, if the charge under which the deferred sentence was imposed was originally filed as a violation of RCW 46.61.502 or 46.61.504, or an equivalent local ordinance, or a violation of RCW 46.61.520 or 46.61.522;

If a deferred prosecution is revoked based on a subsequent conviction for an offense listed in this subsection (14)(a), the subsequent conviction shall not be treated as a prior offense of the revoked deferred prosecution for the purposes of sentencing;

(b) "Treatment" means alcohol or drug treatment approved by the department of social and health services;

(c) "Within seven years" means that the arrest for a prior offense occurred within seven years before or after the arrest for the current offense; and

(((or))) (d) "Within ten years" means that the arrest for a prior offense occurred within ten years before or after the arrest for the current offense.

Sec. 14. RCW 46.68.340 and 2008 c 282 s 3 are each amended to read as follows:

The ignition interlock device revolving account is created in the state treasury. All receipts from the fee assessed under RCW 46.20.385(6) must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used ~~((only))~~ for administering and operating the ignition interlock device revolving account program and implementing effective strategies to reduce motor vehicle-related deaths and serious injuries, such as those found in the Washington state strategic highway safety plan: Target Zero.

Sec. 15. RCW 9.94A.501 and 2011 1st sp.s. c 40 s 2 are each amended to read as follows:

(1) The department shall supervise the following offenders who are sentenced to probation in superior court, pursuant to RCW 9.92.060, 9.95.204, or 9.95.210:

(a) Offenders convicted of:

- (i) Sexual misconduct with a minor second degree;
- (ii) Custodial sexual misconduct second degree;
- (iii) Communication with a minor for immoral purposes; and
- (iv) Violation of RCW 9A.44.132(2) (failure to register); and

(b) Offenders who have:

(i) A current conviction for a repetitive domestic violence offense where domestic violence has been plead and proven after August 1, 2011; and

(ii) A prior conviction for a repetitive domestic violence offense or domestic violence felony offense where domestic violence has been plead and proven after August 1, 2011.

(2) Misdemeanor and gross misdemeanor offenders supervised by the department pursuant to this section shall be placed on community custody.

(3) The department shall supervise every felony offender sentenced to community custody pursuant to RCW 9.94A.701 or 9.94A.702 whose risk assessment classifies the offender as one who is at a high risk to reoffend.

(4) Notwithstanding any other provision of this section, the department shall supervise an offender sentenced to community custody regardless of risk classification if the offender:

(a) Has a current conviction for a sex offense or a serious violent offense and was sentenced to a term of community custody pursuant to RCW 9.94A.701, 9.94A.702, or 9.94A.507;

(b) Has been identified by the department as a dangerous mentally ill offender pursuant to RCW 72.09.370;

(c) Has an indeterminate sentence and is subject to parole pursuant to RCW 9.95.017;

(d) Has a current conviction for violating RCW 9A.44.132(1) (failure to register) and was sentenced to a term of community custody pursuant to RCW 9.94A.701;

(e) Has a current conviction for a domestic violence felony offense where domestic violence has been plead and proven after August 1, 2011, and a prior conviction for a repetitive domestic violence offense or domestic violence felony offense where domestic violence has been plead and proven after August 1, 2011;

(f) Was sentenced under RCW 9.94A.650, 9.94A.655, 9.94A.660, or 9.94A.670; ~~((or))~~

(g) Is subject to supervision pursuant to RCW 9.94A.745; or

(h) Was convicted and sentenced under RCW 46.61.520 (vehicular homicide), RCW 46.61.522 (vehicular assault), RCW 46.61.502(6) (felony DUI), or RCW 46.61.504(6) (felony physical control).

(5) The department is not authorized to, and may not, supervise any offender sentenced to a term of community custody or any probationer unless the offender or probationer is one for whom supervision is required under this section or RCW 9.94A.5011.

(6) The department shall conduct a risk assessment for every felony offender sentenced to a term of community custody who may be subject to supervision under this section or RCW 9.94A.5011.

Sec. 16. RCW 46.61.5249 and 2012 c 183 s 13 are each amended to read as follows:

(1)(a) A person is guilty of negligent driving in the first degree if he or she operates a motor vehicle in a manner that is both negligent and endangers or is likely to endanger any person or property, and exhibits the effects of having consumed liquor or marijuana or ~~((an illegal))~~ any drug or exhibits the effects of having inhaled or ingested any chemical, whether or not a legal substance, for its intoxicating or hallucinatory effects.

(b) It is an affirmative defense to negligent driving in the first degree by means of exhibiting the effects of having consumed ~~((an illegal))~~ any drug that must be proved by the defendant by a preponderance of the evidence, that the driver has a valid prescription for the drug consumed, and has been consuming it according to the prescription directions and warnings.

(c) Negligent driving in the first degree is a misdemeanor.

(2) For the purposes of this section:

(a) "Negligent" means the failure to exercise ordinary care, and is the doing of some act that a reasonably careful person would not do under the same or similar circumstances or the failure to do something that a reasonably careful person would do under the same or similar circumstances.

(b) "Exhibiting the effects of having consumed liquor, marijuana, or any drug" means that a person has the odor of liquor, marijuana, or any drug on his or her breath, or that by speech, manner, appearance, behavior, lack of coordination, or otherwise exhibits that he or she has consumed liquor, marijuana, or any drug, and either:

(i) Is in possession of or in close proximity to a container that has or recently had liquor, marijuana, or any drug in it; or

(ii) Is shown by other evidence to have recently consumed liquor, marijuana, or any drug.

~~(c) ("Exhibiting the effects of having consumed an illegal drug" means that a person by speech, manner, appearance, behavior, lack of coordination, or otherwise exhibits that he or she has consumed an illegal drug and either:~~

~~(i) Is in possession of an illegal drug; or~~

~~(ii) Is shown by other evidence to have recently consumed an illegal drug.~~

~~(d))~~ "Exhibiting the effects of having inhaled or ingested any chemical, whether or not a legal substance, for its intoxicating or hallucinatory effects" means that a person by speech, manner, appearance, behavior, or lack of coordination or otherwise exhibits that he or she has inhaled or ingested a chemical and either:

(i) Is in possession of the canister or container from which the chemical came; or

(ii) Is shown by other evidence to have recently inhaled or ingested a chemical for its intoxicating or hallucinatory effects.

~~((c) "Illegal drug" means a controlled substance under chapter 69.50 RCW for which the driver does not have a valid prescription or that is not being consumed in accordance with the prescription directions and warnings, or a legend drug under chapter 69.41 RCW for which the driver does not have a valid prescription or that is not being consumed in accordance with the prescription directions and warnings.))~~

(3) Any act prohibited by this section that also constitutes a crime under any other law of this state may be the basis of prosecution under such other law notwithstanding that it may also be the basis for prosecution under this section.

(4) A person convicted of negligent driving in the first degree who has one or more prior offenses as defined in RCW 46.61.5055(14) within seven years shall be required, under RCW 46.20.720, to install an ignition interlock device on all vehicles operated by the person.

Sec. 17. RCW 46.20.270 and 2010 c 249 s 11 are each amended to read as follows:

~~(1) ((Whenever any person is convicted of any offense for which this title makes mandatory the withholding of the driving privilege of such person by the department, the court in which such conviction is had shall forthwith mark the person's Washington state driver's license or permit to drive, if any, in a manner authorized by the department. A valid driver's license or permit to drive marked under this subsection shall remain in effect until the person's driving privilege is withheld by the department pursuant to notice given under RCW 46.20.245, unless the license or permit expires or otherwise becomes invalid prior to the effective date of this action. Perfection of notice of appeal shall stay the execution of sentence including the withholding of the driving privilege.))~~

~~(2))~~ Every court having jurisdiction over offenses committed under this chapter, or any other act of this state or municipal ordinance adopted by a local authority regulating the operation of motor vehicles on highways, or any federal authority having jurisdiction over offenses substantially the same as those set forth in this title which occur on federal installations within this state, shall immediately forward to the department a forfeiture of bail or collateral deposited to secure the defendant's appearance in court, a payment of a fine, penalty, or court cost, a plea of guilty or nolo contendere or a finding of guilt, or a finding that any person has committed a traffic infraction an abstract of the court record in the form prescribed by rule of the supreme court, showing the conviction of any person or the finding that any person has committed a traffic infraction in said court for a violation of any said laws other than regulations governing standing, stopping, parking, and pedestrian offenses.

~~((3))~~ (2) Every state agency or municipality having jurisdiction over offenses committed under this chapter, or under any other act of this state or municipal ordinance adopted by a state or local authority regulating the operation of motor vehicles on highways, may forward to the department within ten days of failure to respond, failure to pay a penalty, failure to appear at a hearing to contest the determination that a violation of any statute, ordinance, or regulation relating to standing, stopping, parking, or civil penalties issued under

RCW 46.63.160 has been committed, or failure to appear at a hearing to explain mitigating circumstances, an abstract of the citation record in the form prescribed by rule of the department, showing the finding by such municipality that two or more violations of laws governing standing, stopping, and parking or one or more civil penalties issued under RCW 46.63.160 have been committed and indicating the nature of the defendant's failure to act. Such violations or infractions may not have occurred while the vehicle is stolen from the registered owner or is leased or rented under a bona fide commercial vehicle lease or rental agreement between a lessor engaged in the business of leasing vehicles and a lessee who is not the vehicle's registered owner. The department may enter into agreements of reciprocity with the duly authorized representatives of the states for reporting to each other violations of laws governing standing, stopping, and parking.

~~((4))~~ (3) For the purposes of this title and except as defined in RCW 46.25.010, "conviction" means a final conviction in a state or municipal court or by any federal authority having jurisdiction over offenses substantially the same as those set forth in this title which occur on federal installations in this state, an unvacated forfeiture of bail or collateral deposited to secure a defendant's appearance in court, the payment of a fine or court cost, a plea of guilty or nolo contendere, or a finding of guilt on a traffic law violation charge, regardless of whether the imposition of sentence or sanctions are deferred or the penalty is suspended, but not including entry into a deferred prosecution agreement under chapter 10.05 RCW.

(4) Perfection of a notice of appeal shall stay the execution of the sentence pertaining to the withholding of the driving privilege.

(5) For the purposes of this title, "finding that a traffic infraction has been committed" means a failure to respond to a notice of infraction or a determination made by a court pursuant to this chapter. Payment of a monetary penalty made pursuant to RCW 46.63.070(2) is deemed equivalent to such a finding.

Sec. 18. RCW 46.61.5058 and 2009 c 479 s 38 are each amended to read as follows:

(1) Upon the arrest of a person or upon the filing of a complaint, citation, or information in a court of competent jurisdiction, based upon probable cause to believe that a person has violated RCW 46.20.740, 46.61.502, or 46.61.504 or any similar municipal ordinance, if such person has a prior offense within seven years as defined in RCW 46.61.5055, and where the person has been provided written notice that any transfer, sale, or encumbrance of such person's interest in the vehicle over which that person was actually driving or had physical control when the violation occurred, is unlawful pending either acquittal, dismissal, sixty days after conviction, or other termination of the charge, such person shall be prohibited from encumbering, selling, or transferring his or her interest in such vehicle, except as otherwise provided in (a), (b), and (c) of this subsection, until either acquittal, dismissal, sixty days after conviction, or other termination of the charge. The prohibition against transfer of title shall not be stayed pending the determination of an appeal from the conviction.

(a) A vehicle encumbered by a bona fide security interest may be transferred to the secured party or to a person designated by the secured party;

(b) A leased or rented vehicle may be transferred to the lessor, rental agency, or to a person designated by the lessor or rental agency; and

(c) A vehicle may be transferred to a third party or a vehicle dealer who is a bona fide purchaser or may be subject to a bona fide security interest in the vehicle unless it is established that (i) in the case of a purchase by a third party or vehicle dealer, such party or dealer had actual notice that the vehicle was subject to the prohibition prior to the purchase, or (ii) in the case of a security interest, the holder of the security interest had actual notice that the vehicle was subject to the prohibition prior to the encumbrance of title.

(2) On conviction for a violation of either RCW ~~46.20.740~~, 46.61.502, or 46.61.504 or any similar municipal ordinance where the person convicted has a prior offense within seven years as defined in RCW 46.61.5055, the motor vehicle the person was driving or over which the person had actual physical control at the time of the offense, if the person has a financial interest in the vehicle, ~~((is subject to seizure and forfeiture pursuant to this section))~~ the court shall consider at sentencing whether the vehicle shall be seized and forfeited pursuant to this section if a seizure or forfeiture has not yet occurred.

(3) A vehicle subject to forfeiture under this chapter may be seized by a law enforcement officer of this state upon process issued by a court of competent jurisdiction. Seizure of a vehicle may be made without process if the vehicle subject to seizure has been the subject of a prior judgment in favor of the state in a forfeiture proceeding based upon this section.

(4) Seizure under subsection (3) of this section automatically commences proceedings for forfeiture. The law enforcement agency under whose authority the seizure was made shall cause notice of the seizure and intended forfeiture of the seized vehicle to be served within fifteen days after the seizure on the owner of the vehicle seized, on the person in charge of the vehicle, and on any person having a known right or interest in the vehicle, including a community property interest. The notice of seizure may be served by any method authorized by law or court rule, including but not limited to service by certified mail with return receipt requested. Service by mail is complete upon mailing within the fifteen-day period after the seizure. Notice of seizure in the case of property subject to a security interest that has been perfected on a certificate of title shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title.

(5) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized vehicle within forty-five days of the seizure, the vehicle is deemed forfeited.

(6) If a person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized vehicle within forty-five days of the seizure, the law enforcement agency shall give the person or persons a reasonable opportunity to be heard as to the claim or right. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020, the hearing shall be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal may only be accomplished according to the rules of civil procedure.

The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of the vehicle is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more claimants to the vehicle involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorneys' fees. The burden of producing evidence shall be upon the person claiming to be the legal owner or the person claiming to have the lawful right to possession of the vehicle. The seizing law enforcement agency shall promptly return the vehicle to the claimant upon a determination by the administrative law judge or court that the claimant is the present legal owner under this title (~~(46-RCW)~~) or is lawfully entitled to possession of the vehicle.

(7) When a vehicle is forfeited under this chapter the seizing law enforcement agency may sell the vehicle, retain it for official use, or upon application by a law enforcement agency of this state release the vehicle to that agency for the exclusive use of enforcing this title; provided, however, that the agency shall first satisfy any bona fide security interest to which the vehicle is subject under subsection (1)(a) or (c) of this section.

(8) When a vehicle is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the vehicle, the disposition of the vehicle, the value of the vehicle at the time of seizure, and the amount of proceeds realized from disposition of the vehicle.

(9) Each seizing agency shall retain records of forfeited vehicles for at least seven years.

(10) Each seizing agency shall file a report including a copy of the records of forfeited vehicles with the state treasurer each calendar quarter.

(11) The quarterly report need not include a record of a forfeited vehicle that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.

(12) By January 31st of each year, each seizing agency shall remit to the state treasurer an amount equal to ten percent of the net proceeds of vehicles forfeited during the preceding calendar year. Money remitted shall be deposited in the state general fund.

(13) The net proceeds of a forfeited vehicle is the value of the forfeitable interest in the vehicle after deducting the cost of satisfying a bona fide security interest to which the vehicle is subject at the time of seizure; and in the case of a sold vehicle, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents.

(14) The value of a sold forfeited vehicle is the sale price. The value of a retained forfeited vehicle is the fair market value of the vehicle at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing. A seizing agency may, but need not, use an independent qualified appraiser to determine the value

of retained vehicles. If an appraiser is used, the value of the vehicle appraised is net of the cost of the appraisal.

Sec. 19. RCW 46.20.720 and 2012 c 183 s 9 are each amended to read as follows:

(1) The court may order that after a period of suspension, revocation, or denial of driving privileges, and for up to as long as the court has jurisdiction, any person convicted of any offense involving the use, consumption, or possession of alcohol while operating a motor vehicle may drive only a motor vehicle equipped with a functioning ignition interlock. The court shall establish a specific calibration setting at which the interlock will prevent the vehicle from being started. The court shall also establish the period of time for which interlock use will be required.

(2) Under RCW 46.61.5055 and subject to the exceptions listed in that statute, the court shall order any person convicted of a violation of RCW 46.61.502 or 46.61.504 or an equivalent local ordinance to comply with the rules and requirements of the department regarding the installation and use of a functioning ignition interlock device installed on all motor vehicles operated by the person. The court shall order any person participating in a deferred prosecution program under RCW 10.05.020 for a violation of RCW 46.61.502 or 46.61.504 or an equivalent local ordinance to have a functioning ignition interlock device installed on all motor vehicles operated by the person.

(3)(a) The department shall require that, after any applicable period of suspension, revocation, or denial of driving privileges, a person may drive only a motor vehicle equipped with a functioning ignition interlock device if the person is convicted of a violation of RCW 46.61.502 or 46.61.504 or an equivalent local or out-of-state statute or ordinance. The department shall require that a person may drive only a motor vehicle equipped with a functioning ignition interlock device if the person is convicted of a violation of RCW 46.61.5249 or 46.61.500 and is required under RCW 46.61.5249(4) or 46.61.500(3) (a) or (b) to install an ignition interlock device on all vehicles operated by the person.

~~((The department may waive the requirement for the use of such a device if it concludes that such devices are not reasonably available in the local area.))~~

(b)(i) Except as provided in (b)(ii) of this subsection, the installation of an ignition interlock device is not necessary on vehicles owned, leased, or rented by a person's employer and on those vehicles whose care and/or maintenance is the temporary responsibility of the employer, and driven at the direction of a person's employer as a requirement of employment during working hours. The person must provide the department with a declaration pursuant to RCW 9A.72.085 from his or her employer stating that the person's employment requires the person to operate a vehicle owned by the employer or other persons during working hours. ~~((However,))~~

(ii) The employer exemption does not apply:

(A) When the employer's vehicle is assigned exclusively to the restricted driver and used solely for commuting to and from employment~~((the employer exemption does not apply));~~

(B) For the first thirty days after an ignition interlock device has been installed as the result of a first conviction of a violation of RCW 46.61.502 or 46.61.504 or an equivalent local or out-of-state statute or ordinance; or

(C) For the first three hundred sixty-five days after an ignition interlock device has been installed as the result of a second or subsequent conviction of a violation of RCW 46.61.502 or 46.61.504 or an equivalent local or out-of-state statute or ordinance.

(c) The ignition interlock device shall be calibrated to prevent the motor vehicle from being started when the breath sample provided has an alcohol concentration of 0.025 or more. Subject to the provisions of subsections (4) and (5) of this section, the period of time of the restriction will be no less than:

~~((a))~~ (i) For a person who has not previously been restricted under this section, a period of one year;

~~((b))~~ (ii) For a person who has previously been restricted under ~~((a))~~ (c)(i) of this subsection, a period of five years;

~~((c))~~ (iii) For a person who has previously been restricted under ~~((b))~~ (c)(ii) of this subsection, a period of ten years.

(4) A restriction imposed under subsection (3) of this section shall remain in effect until the department receives a declaration from the person's ignition interlock device vendor, in a form provided or approved by the department, certifying that there have been none of the following incidents in the four consecutive months prior to the date of release:

(a) ~~((A))~~ Any attempt to start the vehicle with a breath alcohol concentration of 0.04 or more unless a subsequent test performed within ten minutes registers a breath alcohol concentration lower than 0.04 and the digital image confirms the same person provided both samples;

(b) Failure to take ~~((or pass))~~ any ~~((required retest))~~ random test unless a review of the digital image confirms that the vehicle was not occupied by the driver at the time of the missed test; ~~((or))~~

(c) Failure to pass any random retest with a breath alcohol concentration of 0.025 or lower unless a subsequent test performed within ten minutes registers a breath alcohol concentration lower than 0.025, and the digital image confirms the same person provided both samples; or

(d) Failure of the person to appear at the ignition interlock device vendor when required for maintenance, repair, calibration, monitoring, inspection, or replacement of the device.

(5) For a person required to install an ignition interlock device pursuant to RCW 46.61.5249(4) or 46.61.500(3), the period of time of the restriction shall be for six months and shall be subject to subsection (4) of this section.

(6) In addition to any other costs associated with the use of an ignition interlock device imposed on the person restricted under this section, the person shall pay an additional fee of twenty dollars per month. Payments must be made directly to the ignition interlock company. The company shall remit the additional twenty dollar fee to the department to be deposited into the ignition interlock device revolving account.

Sec. 20. RCW 46.20.385 and 2012 c 183 s 8 are each amended to read as follows:

(1)(a) Beginning January 1, 2009, any person licensed under this chapter who is convicted of a violation of RCW 46.61.502 or 46.61.504 or an equivalent local or out-of-state statute or ordinance, or a violation of RCW 46.61.520(1)(a) or 46.61.522(1)(b), or who has had or will have his or her license suspended, revoked, or denied under RCW 46.20.3101, or who is otherwise permitted under

subsection (8) of this section, may submit to the department an application for an ignition interlock driver's license. The department, upon receipt of the prescribed fee and upon determining that the petitioner is eligible to receive the license, may issue an ignition interlock driver's license.

(b) A person may apply for an ignition interlock driver's license anytime, including immediately after receiving the notices under RCW 46.20.308 or after his or her license is suspended, revoked, or denied. A person receiving an ignition interlock driver's license waives his or her right to a hearing or appeal under RCW 46.20.308.

(c) An applicant under this subsection shall provide proof to the satisfaction of the department that a functioning ignition interlock device has been installed on all vehicles operated by the person.

(i) The department shall require the person to maintain the device on all vehicles operated by the person and shall restrict the person to operating only vehicles equipped with the device, for the remainder of the period of suspension, revocation, or denial. Subject to the provisions of RCW 46.20.720(3)(b)(ii), the installation of an ignition interlock device is not necessary on vehicles owned, leased, or rented by a person's employer and on those vehicles whose care and/or maintenance is the temporary responsibility of the employer, and driven at the direction of a person's employer as a requirement of employment during working hours. The person must provide the department with a declaration pursuant to RCW 9A.72.085 from his or her employer stating that the person's employment requires the person to operate a vehicle owned by the employer or other persons during working hours. ~~((However, when the employer's vehicle is assigned exclusively to the restricted driver and used solely for commuting to and from employment, the employer exemption does not apply.))~~

(ii) Subject to any periodic renewal requirements established by the department under this section and subject to any applicable compliance requirements under this chapter or other law, an ignition interlock driver's license granted upon a suspension or revocation under RCW 46.61.5055 or 46.20.3101 extends through the remaining portion of any concurrent or consecutive suspension or revocation that may be imposed as the result of administrative action and criminal conviction arising out of the same incident.

(iii) The time period during which the person is licensed under this section shall apply on a day-for-day basis toward satisfying the period of time the ignition interlock device restriction is required under RCW 46.20.720 and 46.61.5055. Beginning with incidents occurring on or after September 1, 2011, when calculating the period of time for the restriction under RCW 46.20.720(3), the department must also give the person a day-for-day credit for the time period, beginning from the date of the incident, during which the person kept an ignition interlock device installed on all vehicles the person operates. For the purposes of this subsection (1)(c)(iii), the term "all vehicles" does not include vehicles that would be subject to the employer exception under RCW 46.20.720(3).

(2) An applicant for an ignition interlock driver's license who qualifies under subsection (1) of this section is eligible to receive a license only if the applicant files satisfactory proof of financial responsibility under chapter 46.29 RCW.

(3) Upon receipt of evidence that a holder of an ignition interlock driver's license granted under this subsection no longer has a functioning ignition interlock device installed on all vehicles operated by the driver, the director shall give written notice by first-class mail to the driver that the ignition interlock driver's license shall be canceled. If at any time before the cancellation goes into effect the driver submits evidence that a functioning ignition interlock device has been installed on all vehicles operated by the driver, the cancellation shall be stayed. If the cancellation becomes effective, the driver may obtain, at no additional charge, a new ignition interlock driver's license upon submittal of evidence that a functioning ignition interlock device has been installed on all vehicles operated by the driver.

(4) A person aggrieved by the decision of the department on the application for an ignition interlock driver's license may request a hearing as provided by rule of the department.

(5) The director shall cancel an ignition interlock driver's license after receiving notice that the holder thereof has been convicted of operating a motor vehicle in violation of its restrictions, no longer meets the eligibility requirements, or has been convicted of or found to have committed a separate offense or any other act or omission that under this chapter would warrant suspension or revocation of a regular driver's license. The department must give notice of the cancellation as provided under RCW 46.20.245. A person whose ignition interlock driver's license has been canceled under this section may reapply for a new ignition interlock driver's license if he or she is otherwise qualified under this section and pays the fee required under RCW 46.20.380.

(6)(a) Unless costs are waived by the ignition interlock company or the person is indigent under RCW 10.101.010, the applicant shall pay the cost of installing, removing, and leasing the ignition interlock device and shall pay an additional fee of twenty dollars per month. Payments shall be made directly to the ignition interlock company. The company shall remit the additional twenty dollar fee to the department.

(b) The department shall deposit the proceeds of the twenty dollar fee into the ignition interlock device revolving account. Expenditures from the account may be used only to administer and operate the ignition interlock device revolving account program. The department shall adopt rules to provide monetary assistance according to greatest need and when funds are available.

(7) The department shall adopt rules to implement ignition interlock licensing. The department shall consult with the administrative office of the courts, the state patrol, the Washington association of sheriffs and police chiefs, ignition interlock companies, and any other organization or entity the department deems appropriate.

(8)(a) Any person licensed under this chapter who is convicted of a violation of RCW 46.61.500 when the charge was originally filed as a violation of RCW 46.61.502 or 46.61.504, or an equivalent local ordinance, may submit to the department an application for an ignition interlock driver's license under this section.

(b) A person who does not have any driver's license under this chapter, but who would otherwise be eligible under this section to apply for an ignition interlock license, may submit to the department an application for an ignition interlock license. The department may require the person to take any driver's

licensing examination under this chapter (~~(46.20 RCW)~~) and may require the person to also apply and qualify for a temporary restricted driver's license under RCW 46.20.391.

Sec. 21. RCW 10.05.140 and 2011 c 293 s 8 are each amended to read as follows:

As a condition of granting a deferred prosecution petition, the court shall order that the petitioner shall not operate a motor vehicle upon the public highways without a valid operator's license and proof of liability insurance. The amount of liability insurance shall be established by the court at not less than that established by RCW 46.29.490. As a condition of granting a deferred prosecution petition on any alcohol-dependency based case, the court shall also order the installation of an ignition interlock under RCW 46.20.720. The required periods of use of the interlock shall be not less than the periods provided for in RCW 46.20.720(3) (~~((a), (b), and (e))~~). As a condition of granting a deferred prosecution petition, the court may order the petitioner to make restitution and to pay costs as defined in RCW 10.01.160. To help ensure continued sobriety and reduce the likelihood of reoffense, the court may order reasonable conditions during the period of the deferred prosecution including, but not limited to, attendance at self-help recovery support groups for alcoholism or drugs, complete abstinence from alcohol and all nonprescribed mind-altering drugs, periodic urinalysis or breath analysis, and maintaining law-abiding behavior. The court may terminate the deferred prosecution program upon violation of the deferred prosecution order.

Sec. 22. RCW 10.31.100 and 2013 c 278 s 4 and 2013 c 84 s 32 are each reenacted and amended to read as follows:

A police officer having probable cause to believe that a person has committed or is committing a felony shall have the authority to arrest the person without a warrant. A police officer may arrest a person without a warrant for committing a misdemeanor or gross misdemeanor only when the offense is committed in the presence of the officer, except as provided in subsections (1) through (11) of this section.

(1) Any police officer having probable cause to believe that a person has committed or is committing a misdemeanor or gross misdemeanor, involving physical harm or threats of harm to any person or property or the unlawful taking of property or involving the use or possession of cannabis, or involving the acquisition, possession, or consumption of alcohol by a person under the age of twenty-one years under RCW 66.44.270, or involving criminal trespass under RCW 9A.52.070 or 9A.52.080, shall have the authority to arrest the person.

(2) A police officer shall arrest and take into custody, pending release on bail, personal recognizance, or court order, a person without a warrant when the officer has probable cause to believe that:

(a) An order has been issued of which the person has knowledge under RCW 26.44.063, or chapter 7.— (the new chapter created in section 33, chapter 84, Laws of 2013), 7.90, 9A.46, 10.99, 26.09, 26.10, 26.26, 26.50, or 74.34 RCW restraining the person and the person has violated the terms of the order restraining the person from acts or threats of violence, or restraining the person from going onto the grounds of or entering a residence, workplace, school, or day care, or prohibiting the person from knowingly coming within, or knowingly

remaining within, a specified distance of a location or, in the case of an order issued under RCW 26.44.063, imposing any other restrictions or conditions upon the person; or

(b) A foreign protection order, as defined in RCW 26.52.010, has been issued of which the person under restraint has knowledge and the person under restraint has violated a provision of the foreign protection order prohibiting the person under restraint from contacting or communicating with another person, or excluding the person under restraint from a residence, workplace, school, or day care, or prohibiting the person from knowingly coming within, or knowingly remaining within, a specified distance of a location, or a violation of any provision for which the foreign protection order specifically indicates that a violation will be a crime; or

(c) The person is sixteen years or older and within the preceding four hours has assaulted a family or household member as defined in RCW 10.99.020 and the officer believes: (i) A felonious assault has occurred; (ii) an assault has occurred which has resulted in bodily injury to the victim, whether the injury is observable by the responding officer or not; or (iii) that any physical action has occurred which was intended to cause another person reasonably to fear imminent serious bodily injury or death. Bodily injury means physical pain, illness, or an impairment of physical condition. When the officer has probable cause to believe that family or household members have assaulted each other, the officer is not required to arrest both persons. The officer shall arrest the person whom the officer believes to be the primary physical aggressor. In making this determination, the officer shall make every reasonable effort to consider: (i) The intent to protect victims of domestic violence under RCW 10.99.010; (ii) the comparative extent of injuries inflicted or serious threats creating fear of physical injury; and (iii) the history of domestic violence of each person involved, including whether the conduct was part of an ongoing pattern of abuse; or

(d) The person has violated RCW 46.61.502 or 46.61.504 or an equivalent local ordinance and the police officer has knowledge that the person has a prior offense as defined in RCW 46.61.5055 within ten years.

(3) Any police officer having probable cause to believe that a person has committed or is committing a violation of any of the following traffic laws shall have the authority to arrest the person:

(a) RCW 46.52.010, relating to duty on striking an unattended car or other property;

(b) RCW 46.52.020, relating to duty in case of injury to or death of a person or damage to an attended vehicle;

(c) RCW 46.61.500 or 46.61.530, relating to reckless driving or racing of vehicles;

(d) RCW 46.61.502 or 46.61.504, relating to persons under the influence of intoxicating liquor or drugs;

(e) RCW 46.61.503 or 46.25.110, relating to persons having alcohol or THC in their system;

(f) RCW 46.20.342, relating to driving a motor vehicle while operator's license is suspended or revoked;

((f)) (g) RCW 46.61.5249, relating to operating a motor vehicle in a negligent manner.

(4) A law enforcement officer investigating at the scene of a motor vehicle accident may arrest the driver of a motor vehicle involved in the accident if the officer has probable cause to believe that the driver has committed in connection with the accident a violation of any traffic law or regulation.

(5)(a) A law enforcement officer investigating at the scene of a motor vessel accident may arrest the operator of a motor vessel involved in the accident if the officer has probable cause to believe that the operator has committed, in connection with the accident, a criminal violation of chapter 79A.60 RCW.

(b) A law enforcement officer investigating at the scene of a motor vessel accident may issue a citation for an infraction to the operator of a motor vessel involved in the accident if the officer has probable cause to believe that the operator has committed, in connection with the accident, a violation of any boating safety law of chapter 79A.60 RCW.

(6) Any police officer having probable cause to believe that a person has committed or is committing a violation of RCW 79A.60.040 shall have the authority to arrest the person.

(7) An officer may act upon the request of a law enforcement officer in whose presence a traffic infraction was committed, to stop, detain, arrest, or issue a notice of traffic infraction to the driver who is believed to have committed the infraction. The request by the witnessing officer shall give an officer the authority to take appropriate action under the laws of the state of Washington.

(8) Any police officer having probable cause to believe that a person has committed or is committing any act of indecent exposure, as defined in RCW 9A.88.010, may arrest the person.

(9) A police officer may arrest and take into custody, pending release on bail, personal recognizance, or court order, a person without a warrant when the officer has probable cause to believe that an order has been issued of which the person has knowledge under chapter 10.14 RCW and the person has violated the terms of that order.

(10) Any police officer having probable cause to believe that a person has, within twenty-four hours of the alleged violation, committed a violation of RCW 9A.50.020 may arrest such person.

(11) A police officer having probable cause to believe that a person illegally possesses or illegally has possessed a firearm or other dangerous weapon on private or public elementary or secondary school premises shall have the authority to arrest the person.

For purposes of this subsection, the term "firearm" has the meaning defined in RCW 9.41.010 and the term "dangerous weapon" has the meaning defined in RCW 9.41.250 and 9.41.280(1) (c) through (e).

(12) Except as specifically provided in subsections (2), (3), (4), and (7) of this section, nothing in this section extends or otherwise affects the powers of arrest prescribed in Title 46 RCW.

(13) No police officer may be held criminally or civilly liable for making an arrest pursuant to subsection (2) or (9) of this section if the police officer acts in good faith and without malice.

NEW SECTION, Sec. 23. There is created a 24/7 sobriety program to be administered by the Washington traffic safety commission in conjunction with the Washington association of sheriffs and police chiefs. The program shall

coordinate efforts among various local government entities for the purpose of implementing alternatives to incarceration for offenders convicted under RCW 46.61.502 or 46.61.504 with one or more prior convictions under RCW 46.61.502 or 46.61.504.

NEW SECTION. Sec. 24. The Washington association of sheriffs and police chiefs shall conduct a 24/7 sobriety program pilot project.

(1) Pilot project sites shall be established in no more than three counties and two cities. Local jurisdictions outside of the pilot project sites are encouraged to establish a 24/7 sobriety program as soon as practicable.

(2) The Washington association of sheriffs and police chiefs must, to the greatest extent possible, select pilot project sites from diverse geographic areas. The cities selected for participation in the project must not be from within a county selected for the program.

(3) The Washington association of sheriffs and police chiefs shall develop criteria for participation in the 24/7 sobriety program pilot project including, but not limited to:

(a) Geographic diversity;

(b) Sufficient volume of eligible participants to provide useable data for the pilot;

(c) County or city commitment to administration of the program; and

(d) Capability of the county or city law enforcement agency to effectively accommodate and administer the program.

(4) The Washington association of sheriffs and police chiefs shall provide a study of the 24/7 sobriety program project measuring changes in recidivism and related county or city savings or costs.

(5) The Washington association of sheriffs and police chiefs shall report preliminary findings and final results of the study to the governor and the legislature on an annual basis. It is the intent of the legislature that the 24/7 sobriety program shall achieve the goal of implementation statewide by January 1, 2017.

NEW SECTION. Sec. 25. There is hereby established in the state treasury the 24/7 sobriety account. The account shall be maintained and administered by the Washington traffic safety commission to reimburse the state for costs associated with establishing the program and the Washington association of sheriffs and police chiefs for ongoing program administration costs. The Washington traffic safety commission may accept for deposit in the account money from donations, gifts, grants, participation fees, and user fees or payments. Expenditures from the account shall be budgeted through the normal budget process.

NEW SECTION. Sec. 26. The definitions in this section apply throughout sections 23 through 32 of this act unless the context clearly requires otherwise.

(1) "24/7 electronic alcohol/drug monitoring" means the monitoring by the use of any electronic instrument that is capable of determining and monitoring the presence of alcohol or drugs in a person's body and includes any associated equipment a participant needs in order for the device to properly perform. Monitoring may also include mandatory urine analysis tests as ordered by the court.

(2) "Participant" means a person who has one or more prior convictions for a violation of RCW 46.61.502 or 46.61.504 and who has been ordered by a court to participate in the 24/7 sobriety program.

(3) "Participating agency" means a sheriff's office or a designated entity named by a sheriff that has agreed to participate in the 24/7 sobriety program by enrolling participants, administering one or more of the tests, and submitting reports to the Washington association of sheriffs and police chiefs.

(4) "Participation agreement" means a written document executed by a participant agreeing to participate in the 24/7 sobriety program in a form approved by the Washington association of sheriffs and police chiefs that contains the following information:

- (a) The type, frequency, and time period of testing;
- (b) The location of testing;
- (c) The fees and payment procedures required for testing; and
- (d) The responsibilities and obligations of the participant under the 24/7 sobriety program.

(5) "24/7 sobriety program" means a twenty-four hour and seven day a week sobriety program in which a participant submits to the testing of the participant's blood, breath, urine, or other bodily substances in order to determine the presence of alcohol, marijuana, or any controlled substance in the participant's body.

NEW SECTION. Sec. 27. Each county or city, through its sheriff or chief, may participate in the 24/7 sobriety program. If a sheriff or chief is unwilling or unable to participate in the 24/7 sobriety program, the sheriff or chief may designate an entity willing to provide the service.

NEW SECTION. Sec. 28. The court may condition any bond or pretrial release upon participation in the 24/7 sobriety program and payment of associated costs and expenses, if available.

NEW SECTION. Sec. 29. The Washington association of sheriffs and police chiefs may adopt policies and procedures for the administration of the 24/7 sobriety program to:

- (1) Provide for procedures and apparatus for testing;
- (2) Establish fees and costs for participation in the program to be paid by the participants;
- (3) Require the submission of reports and information by law enforcement agencies within this state.

NEW SECTION. Sec. 30. (1) Funds in the 24/7 sobriety account shall be distributed as follows:

(a) Any daily user fee, installation fee, deactivation fee, enrollment fee, or monitoring fee collected under the 24/7 sobriety program shall be collected by the sheriff or chief, or an entity designated by the sheriff or chief, and deposited with the county or city treasurer of the proper county or city, the proceeds of which shall be applied and used only to defray the recurring costs of the 24/7 sobriety program including maintaining equipment, funding support services, and ensuring compliance; and

(b) Any participation fee collected in the administration of testing under the 24/7 sobriety program to cover program administration costs incurred by the Washington association of sheriffs and police chiefs shall be collected by the

sheriff or chief, or an entity designated by the sheriff or chief, and deposited in the 24/7 sobriety account.

(2) All applicable fees shall be paid by the participant contemporaneously or in advance of the time when the fee becomes due.

NEW SECTION. Sec. 31. The court shall not waive or reduce fees or associated costs charged for participation in the 24/7 sobriety program.

NEW SECTION. Sec. 32. (1) A participant who violates the terms of participation in the 24/7 sobriety program or does not pay the required fees or associated costs shall:

- (a) Receive a written warning notice for a first violation;
- (b) Serve a term of two days imprisonment for a second violation;
- (c) Serve a term of up to five days imprisonment for a third violation;
- (d) Serve a term of up to ten days imprisonment for a fourth violation; and
- (e) For a fifth violation, the participant shall serve the entire remaining sentence imposed by the court.

(2) A sheriff or chief, or the designee of a sheriff or chief, who has probable cause to believe that a participant has violated the terms of participation in the 24/7 sobriety program or has not paid the required fees or associated costs shall immediately take the participant into custody and cause him or her to be held until an appearance before a judge on the next judicial day.

Sec. 33. RCW 4.24.545 and 2006 c 130 s 3 are each amended to read as follows:

Local governments, their subdivisions and employees, the department of corrections and its employees, and the Washington association of sheriffs and police chiefs and its employees are immune from civil liability for damages arising from incidents involving offenders who are placed on electronic monitoring or who are participating in the 24/7 sobriety program, unless it is shown that an employee acted with gross negligence or bad faith.

NEW SECTION. Sec. 34. (1) Any funding provided during the 2013-2015 biennium for the ignition interlock program at the Washington state patrol that is in addition to any funding identified in chapter 306, Laws of 2013 (omnibus transportation appropriations act) may only be used to provide field officers to work directly with manufacturers, service centers, technicians, and participants in the program. This may include up to one full-time equivalent noncommissioned staff to provide administrative support for the program. Any funding provided as identified in this section must be used to supplement and not supplant other funds being used to fund the ignition interlock program.

(2) This section expires July 1, 2015.

NEW SECTION. Sec. 35. A new section is added to chapter 43.43 RCW to read as follows:

(1) Any officer conducting field inspections of ignition interlock devices under the ignition interlock program shall report violations by program participants to the court.

(2) The Washington state patrol may not be held liable for any damages resulting from any act or omission in conducting activities under the ignition interlock program, other than acts or omissions constituting gross negligence or willful or wanton misconduct.

Sec. 36. RCW 46.20.308 and 2013 c 3 s 31 (Initiative Measure No. 502), 2012 c 183 s 7, and 2012 c 80 s 12 are each reenacted and amended to read as follows:

(1) Any person who operates a motor vehicle within this state is deemed to have given consent, subject to the provisions of RCW 46.61.506, to a test or tests of his or her breath (~~(or blood)~~) for the purpose of determining the alcohol concentration, THC concentration, or presence of any drug in his or her breath (~~(or blood)~~) if arrested for any offense where, at the time of the arrest, the arresting officer has reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle while under the influence of intoxicating liquor or any drug or was in violation of RCW 46.61.503. Neither consent nor this section precludes a police officer from obtaining a search warrant for a person's breath or blood.

(2) The test or tests of breath shall be administered at the direction of a law enforcement officer having reasonable grounds to believe the person to have been driving or in actual physical control of a motor vehicle within this state while under the influence of intoxicating liquor or any drug or the person to have been driving or in actual physical control of a motor vehicle while having alcohol or THC in a concentration in violation of RCW 46.61.503 in his or her system and being under the age of twenty-one. (~~(However, in those instances where the person is incapable due to physical injury, physical incapacity, or other physical limitation, of providing a breath sample or where the person is being treated in a hospital, clinic, doctor's office, emergency medical vehicle, ambulance, or other similar facility or where the officer has reasonable grounds to believe that the person is under the influence of a drug, a blood test shall be administered by a qualified person as provided in RCW 46.61.506(5).))~~ The officer shall inform the person of his or her right to refuse the breath (~~(or blood)~~) test, and of his or her right to have additional tests administered by any qualified person of his or her choosing as provided in RCW 46.61.506. The officer shall warn the driver, in substantially the following language, that:

(a) If the driver refuses to take the test, the driver's license, permit, or privilege to drive will be revoked or denied for at least one year; and

(b) If the driver refuses to take the test, the driver's refusal to take the test may be used in a criminal trial; and

(c) If the driver submits to the test and the test is administered, the driver's license, permit, or privilege to drive will be suspended, revoked, or denied for at least ninety days if:

(i) The driver is age twenty-one or over and the test indicates either that the alcohol concentration of the driver's breath (~~(or blood)~~) is 0.08 or more or that the THC concentration of the driver's blood is 5.00 or more; or

(ii) The driver is under age twenty-one and the test indicates either that the alcohol concentration of the driver's breath (~~(or blood)~~) is 0.02 or more or that the THC concentration of the driver's blood is above 0.00; or

(iii) The driver is under age twenty-one and the driver is in violation of RCW 46.61.502 or 46.61.504; and

(d) If the driver's license, permit, or privilege to drive is suspended, revoked, or denied the driver may be eligible to immediately apply for an ignition interlock driver's license.

(3) Except as provided in this section, the test administered shall be of the breath only. If an individual is unconscious or is under arrest for the crime of felony driving under the influence of intoxicating liquor or drugs under RCW 46.61.502(6), felony physical control of a motor vehicle while under the influence of intoxicating liquor or any drug under RCW 46.61.504(6), vehicular homicide as provided in RCW 46.61.520, or vehicular assault as provided in RCW 46.61.522, or if an individual is under arrest for the crime of driving while under the influence of intoxicating liquor or drugs as provided in RCW 46.61.502, which arrest results from an accident in which there has been serious bodily injury to another person, a breath or blood test may be administered without the consent of the individual so arrested pursuant to a search warrant, a valid waiver of the warrant requirement, or when exigent circumstances exist.

~~(4) ((Any person who is dead, unconscious, or who is otherwise in a condition rendering him or her incapable of refusal, shall be deemed not to have withdrawn the consent provided by subsection (1) of this section and the test or tests may be administered, subject to the provisions of RCW 46.61.506, and the person shall be deemed to have received the warnings required under subsection (2) of this section.~~

~~(5))~~ If, following his or her arrest and receipt of warnings under subsection (2) of this section, the person arrested refuses upon the request of a law enforcement officer to submit to a test or tests of his or her breath ~~((or blood))~~, no test shall be given except as authorized ~~((under subsection (3) or (4) of this section))~~ by a search warrant.

~~((6))~~ (5) If, after arrest and after the other applicable conditions and requirements of this section have been satisfied, a test or tests of the person's blood or breath is administered and the test results indicate that the alcohol concentration of the person's breath or blood is 0.08 or more, or the THC concentration of the person's blood is 5.00 or more, if the person is age twenty-one or over, or that the alcohol concentration of the person's breath or blood is 0.02 or more, or the THC concentration of the person's blood is above 0.00, if the person is under the age of twenty-one, or the person refuses to submit to a test, the arresting officer or other law enforcement officer at whose direction any test has been given, or the department, where applicable, if the arrest results in a test of the person's blood, shall:

(a) Serve notice in writing on the person on behalf of the department of its intention to suspend, revoke, or deny the person's license, permit, or privilege to drive as required by subsection ~~((7))~~ (6) of this section;

(b) Serve notice in writing on the person on behalf of the department of his or her right to a hearing, specifying the steps he or she must take to obtain a hearing as provided by subsection ~~((8))~~ (7) of this section and that the person waives the right to a hearing if he or she receives an ignition interlock driver's license;

~~(c) ((Mark the person's Washington state driver's license or permit to drive, if any, in a manner authorized by the department;~~

~~(d))~~ Serve notice in writing that the ~~((marked))~~ license or permit, if any, is a temporary license that is valid for sixty days from the date of arrest or from the date notice has been given in the event notice is given by the department following a blood test, or until the suspension, revocation, or denial of the person's license, permit, or privilege to drive is sustained at a hearing pursuant to

subsection ~~((8))~~ (7) of this section, whichever occurs first. No temporary license is valid to any greater degree than the license or permit that it replaces; and

~~((e))~~ (d) Immediately notify the department of the arrest and transmit to the department within seventy-two hours, except as delayed as the result of a blood test, a sworn report or report under a declaration authorized by RCW 9A.72.085 that states:

(i) That the officer had reasonable grounds to believe the arrested person had been driving or was in actual physical control of a motor vehicle within this state while under the influence of intoxicating liquor or drugs, or both, or was under the age of twenty-one years and had been driving or was in actual physical control of a motor vehicle while having an alcohol or THC concentration in violation of RCW 46.61.503;

(ii) That after receipt of the warnings required by subsection (2) of this section the person refused to submit to a test of his or her ~~((blood or))~~ breath, or a test was administered and the results indicated that the alcohol concentration of the person's breath or blood was 0.08 or more, or the THC concentration of the person's blood was 5.00 or more, if the person is age twenty-one or over, or that the alcohol concentration of the person's breath or blood was 0.02 or more, or the THC concentration of the person's blood was above 0.00, if the person is under the age of twenty-one; and

(iii) Any other information that the director may require by rule.

~~((7))~~ (6) The department of licensing, upon the receipt of a sworn report or report under a declaration authorized by RCW 9A.72.085 under subsection ~~((6)(e))~~ (5)(d) of this section, shall suspend, revoke, or deny the person's license, permit, or privilege to drive or any nonresident operating privilege, as provided in RCW 46.20.3101, such suspension, revocation, or denial to be effective beginning sixty days from the date of arrest or from the date notice has been given in the event notice is given by the department following a blood test, or when sustained at a hearing pursuant to subsection ~~((8))~~ (7) of this section, whichever occurs first.

~~((8))~~ (7) A person receiving notification under subsection ~~((6))~~ (5)(b) of this section may, within twenty days after the notice has been given, request in writing a formal hearing before the department. The person shall pay a fee of three hundred seventy-five dollars as part of the request. If the request is mailed, it must be postmarked within twenty days after receipt of the notification. Upon timely receipt of such a request for a formal hearing, including receipt of the required three hundred seventy-five dollar fee, the department shall afford the person an opportunity for a hearing. The department may waive the required three hundred seventy-five dollar fee if the person is an indigent as defined in RCW 10.101.010. Except as otherwise provided in this section, the hearing is subject to and shall be scheduled and conducted in accordance with RCW 46.20.329 and 46.20.332. The hearing shall be conducted in the county of the arrest, except that all or part of the hearing may, at the discretion of the department, be conducted by telephone or other electronic means. The hearing shall be held within sixty days following the arrest or following the date notice has been given in the event notice is given by the department following a blood test, unless otherwise agreed to by the department and the person, in which case the action by the department shall be stayed, and any valid temporary license

marked under subsection ~~((6)(e))~~ (5) of this section extended, if the person is otherwise eligible for licensing. For the purposes of this section, the scope of the hearing shall cover the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle within this state while under the influence of intoxicating liquor or any drug or had been driving or was in actual physical control of a motor vehicle within this state while having alcohol in his or her system in a concentration of 0.02 or more, or THC in his or her system in a concentration above 0.00, if the person was under the age of twenty-one, whether the person was placed under arrest, and (a) whether the person refused to submit to the test or tests upon request of the officer after having been informed that such refusal would result in the revocation of the person's license, permit, or privilege to drive, or (b) if a test or tests were administered, whether the applicable requirements of this section were satisfied before the administration of the test or tests, whether the person submitted to the test or tests, or whether a test was administered without express consent as permitted under this section, and whether the test or tests indicated that the alcohol concentration of the person's breath or blood was 0.08 or more, or the THC concentration of the person's blood was 5.00 or more, if the person was age twenty-one or over at the time of the arrest, or that the alcohol concentration of the person's breath or blood was 0.02 or more, or the THC concentration of the person's blood was above 0.00, if the person was under the age of twenty-one at the time of the arrest. The sworn report or report under a declaration authorized by RCW 9A.72.085 submitted by a law enforcement officer is prima facie evidence that the officer had reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle within this state while under the influence of intoxicating liquor or drugs, or both, or the person had been driving or was in actual physical control of a motor vehicle within this state while having alcohol in his or her system in a concentration of 0.02 or more, or THC in his or her system in a concentration above 0.00, and was under the age of twenty-one and that the officer complied with the requirements of this section.

A hearing officer shall conduct the hearing, may issue subpoenas for the attendance of witnesses and the production of documents, and shall administer oaths to witnesses. The hearing officer shall not issue a subpoena for the attendance of a witness at the request of the person unless the request is accompanied by the fee required by RCW 5.56.010 for a witness in district court. The sworn report or report under a declaration authorized by RCW 9A.72.085 of the law enforcement officer and any other evidence accompanying the report shall be admissible without further evidentiary foundation and the certifications authorized by the criminal rules for courts of limited jurisdiction shall be admissible without further evidentiary foundation. The person may be represented by counsel, may question witnesses, may present evidence, and may testify. The department shall order that the suspension, revocation, or denial either be rescinded or sustained.

~~((9))~~ (8) If the suspension, revocation, or denial is sustained after such a hearing, the person whose license, privilege, or permit is suspended, revoked, or denied has the right to file a petition in the superior court of the county of arrest to review the final order of revocation by the department in the same manner as

an appeal from a decision of a court of limited jurisdiction. Notice of appeal must be filed within thirty days after the date the final order is served or the right to appeal is waived. Notwithstanding RCW 46.20.334, RALJ 1.1, or other statutes or rules referencing de novo review, the appeal shall be limited to a review of the record of the administrative hearing. The appellant must pay the costs associated with obtaining the record of the hearing before the hearing officer. The filing of the appeal does not stay the effective date of the suspension, revocation, or denial. A petition filed under this subsection must include the petitioner's grounds for requesting review. Upon granting petitioner's request for review, the court shall review the department's final order of suspension, revocation, or denial as expeditiously as possible. The review must be limited to a determination of whether the department has committed any errors of law. The superior court shall accept those factual determinations supported by substantial evidence in the record: (a) That were expressly made by the department; or (b) that may reasonably be inferred from the final order of the department. The superior court may reverse, affirm, or modify the decision of the department or remand the case back to the department for further proceedings. The decision of the superior court must be in writing and filed in the clerk's office with the other papers in the case. The court shall state the reasons for the decision. If judicial relief is sought for a stay or other temporary remedy from the department's action, the court shall not grant such relief unless the court finds that the appellant is likely to prevail in the appeal and that without a stay the appellant will suffer irreparable injury. If the court stays the suspension, revocation, or denial it may impose conditions on such stay.

~~((4))~~ (9)(a) If a person whose driver's license, permit, or privilege to drive has been or will be suspended, revoked, or denied under subsection ~~((7))~~ (6) of this section, other than as a result of a breath ~~((or blood))~~ test refusal, and who has not committed an offense for which he or she was granted a deferred prosecution under chapter 10.05 RCW, petitions a court for a deferred prosecution on criminal charges arising out of the arrest for which action has been or will be taken under subsection ~~((7))~~ (6) of this section, or notifies the department of licensing of the intent to seek such a deferred prosecution, then the license suspension or revocation shall be stayed pending entry of the deferred prosecution. The stay shall not be longer than one hundred fifty days after the date charges are filed, or two years after the date of the arrest, whichever time period is shorter. If the court stays the suspension, revocation, or denial, it may impose conditions on such stay. If the person is otherwise eligible for licensing, the department shall issue a temporary license, or extend any valid temporary license ~~((marked))~~ under subsection ~~((6))~~ (5) of this section, for the period of the stay. If a deferred prosecution treatment plan is not recommended in the report made under RCW 10.05.050, or if treatment is rejected by the court, or if the person declines to accept an offered treatment plan, or if the person violates any condition imposed by the court, then the court shall immediately direct the department to cancel the stay and any temporary marked license or extension of a temporary license issued under this subsection.

(b) A suspension, revocation, or denial imposed under this section, other than as a result of a breath ~~((or blood))~~ test refusal, shall be stayed if the person is accepted for deferred prosecution as provided in chapter 10.05 RCW for the incident upon which the suspension, revocation, or denial is based. If the

deferred prosecution is terminated, the stay shall be lifted and the suspension, revocation, or denial reinstated. If the deferred prosecution is completed, the stay shall be lifted and the suspension, revocation, or denial canceled.

(c) The provisions of (b) of this subsection relating to a stay of a suspension, revocation, or denial and the cancellation of any suspension, revocation, or denial do not apply to the suspension, revocation, denial, or disqualification of a person's commercial driver's license or privilege to operate a commercial motor vehicle.

~~((H))~~ (10) When it has been finally determined under the procedures of this section that a nonresident's privilege to operate a motor vehicle in this state has been suspended, revoked, or denied, the department shall give information in writing of the action taken to the motor vehicle administrator of the state of the person's residence and of any state in which he or she has a license.

Sec. 37. RCW 9.94A.535 and 2013 c 256 s 2 and 2013 c 84 s 26 are each reenacted and amended to read as follows:

The court may impose a sentence outside the standard sentence range for an offense if it finds, considering the purpose of this chapter, that there are substantial and compelling reasons justifying an exceptional sentence. Facts supporting aggravated sentences, other than the fact of a prior conviction, shall be determined pursuant to the provisions of RCW 9.94A.537.

Whenever a sentence outside the standard sentence range is imposed, the court shall set forth the reasons for its decision in written findings of fact and conclusions of law. A sentence outside the standard sentence range shall be a determinate sentence.

If the sentencing court finds that an exceptional sentence outside the standard sentence range should be imposed, the sentence is subject to review only as provided for in RCW 9.94A.585(4).

A departure from the standards in RCW 9.94A.589 (1) and (2) governing whether sentences are to be served consecutively or concurrently is an exceptional sentence subject to the limitations in this section, and may be appealed by the offender or the state as set forth in RCW 9.94A.585 (2) through (6).

(1) Mitigating Circumstances - Court to Consider

The court may impose an exceptional sentence below the standard range if it finds that mitigating circumstances are established by a preponderance of the evidence. The following are illustrative only and are not intended to be exclusive reasons for exceptional sentences.

(a) To a significant degree, the victim was an initiator, willing participant, aggressor, or provoker of the incident.

(b) Before detection, the defendant compensated, or made a good faith effort to compensate, the victim of the criminal conduct for any damage or injury sustained.

(c) The defendant committed the crime under duress, coercion, threat, or compulsion insufficient to constitute a complete defense but which significantly affected his or her conduct.

(d) The defendant, with no apparent predisposition to do so, was induced by others to participate in the crime.

(e) The defendant's capacity to appreciate the wrongfulness of his or her conduct, or to conform his or her conduct to the requirements of the law, was significantly impaired. Voluntary use of drugs or alcohol is excluded.

(f) The offense was principally accomplished by another person and the defendant manifested extreme caution or sincere concern for the safety or well-being of the victim.

(g) The operation of the multiple offense policy of RCW 9.94A.589 results in a presumptive sentence that is clearly excessive in light of the purpose of this chapter, as expressed in RCW 9.94A.010.

(h) The defendant or the defendant's children suffered a continuing pattern of physical or sexual abuse by the victim of the offense and the offense is a response to that abuse.

(i) The defendant was making a good faith effort to obtain or provide medical assistance for someone who is experiencing a drug-related overdose.

(j) The current offense involved domestic violence, as defined in RCW 10.99.020, and the defendant suffered a continuing pattern of coercion, control, or abuse by the victim of the offense and the offense is a response to that coercion, control, or abuse.

(2) Aggravating Circumstances - Considered and Imposed by the Court

The trial court may impose an aggravated exceptional sentence without a finding of fact by a jury under the following circumstances:

(a) The defendant and the state both stipulate that justice is best served by the imposition of an exceptional sentence outside the standard range, and the court finds the exceptional sentence to be consistent with and in furtherance of the interests of justice and the purposes of the sentencing reform act.

(b) The defendant's prior unscored misdemeanor or prior unscored foreign criminal history results in a presumptive sentence that is clearly too lenient in light of the purpose of this chapter, as expressed in RCW 9.94A.010.

(c) The defendant has committed multiple current offenses and the defendant's high offender score results in some of the current offenses going unpunished.

(d) The failure to consider the defendant's prior criminal history which was omitted from the offender score calculation pursuant to RCW 9.94A.525 results in a presumptive sentence that is clearly too lenient.

(3) Aggravating Circumstances - Considered by a Jury - Imposed by the Court

Except for circumstances listed in subsection (2) of this section, the following circumstances are an exclusive list of factors that can support a sentence above the standard range. Such facts should be determined by procedures specified in RCW 9.94A.537.

(a) The defendant's conduct during the commission of the current offense manifested deliberate cruelty to the victim.

(b) The defendant knew or should have known that the victim of the current offense was particularly vulnerable or incapable of resistance.

(c) The current offense was a violent offense, and the defendant knew that the victim of the current offense was pregnant.

(d) The current offense was a major economic offense or series of offenses, so identified by a consideration of any of the following factors:

(i) The current offense involved multiple victims or multiple incidents per victim;

(ii) The current offense involved attempted or actual monetary loss substantially greater than typical for the offense;

(iii) The current offense involved a high degree of sophistication or planning or occurred over a lengthy period of time; or

(iv) The defendant used his or her position of trust, confidence, or fiduciary responsibility to facilitate the commission of the current offense.

(e) The current offense was a major violation of the Uniform Controlled Substances Act, chapter 69.50 RCW (VUCSA), related to trafficking in controlled substances, which was more onerous than the typical offense of its statutory definition: The presence of ANY of the following may identify a current offense as a major VUCSA:

(i) The current offense involved at least three separate transactions in which controlled substances were sold, transferred, or possessed with intent to do so;

(ii) The current offense involved an attempted or actual sale or transfer of controlled substances in quantities substantially larger than for personal use;

(iii) The current offense involved the manufacture of controlled substances for use by other parties;

(iv) The circumstances of the current offense reveal the offender to have occupied a high position in the drug distribution hierarchy;

(v) The current offense involved a high degree of sophistication or planning, occurred over a lengthy period of time, or involved a broad geographic area of disbursement; or

(vi) The offender used his or her position or status to facilitate the commission of the current offense, including positions of trust, confidence or fiduciary responsibility (e.g., pharmacist, physician, or other medical professional).

(f) The current offense included a finding of sexual motivation pursuant to RCW 9.94A.835.

(g) The offense was part of an ongoing pattern of sexual abuse of the same victim under the age of eighteen years manifested by multiple incidents over a prolonged period of time.

(h) The current offense involved domestic violence, as defined in RCW 10.99.020, or stalking, as defined in RCW 9A.46.110, and one or more of the following was present:

(i) The offense was part of an ongoing pattern of psychological, physical, or sexual abuse of a victim or multiple victims manifested by multiple incidents over a prolonged period of time;

(ii) The offense occurred within sight or sound of the victim's or the offender's minor children under the age of eighteen years; or

(iii) The offender's conduct during the commission of the current offense manifested deliberate cruelty or intimidation of the victim.

(i) The offense resulted in the pregnancy of a child victim of rape.

(j) The defendant knew that the victim of the current offense was a youth who was not residing with a legal custodian and the defendant established or promoted the relationship for the primary purpose of victimization.

(k) The offense was committed with the intent to obstruct or impair human or animal health care or agricultural or forestry research or commercial production.

(l) The current offense is trafficking in the first degree or trafficking in the second degree and any victim was a minor at the time of the offense.

(m) The offense involved a high degree of sophistication or planning.

(n) The defendant used his or her position of trust, confidence, or fiduciary responsibility to facilitate the commission of the current offense.

(o) The defendant committed a current sex offense, has a history of sex offenses, and is not amenable to treatment.

(p) The offense involved an invasion of the victim's privacy.

(q) The defendant demonstrated or displayed an egregious lack of remorse.

(r) The offense involved a destructive and foreseeable impact on persons other than the victim.

(s) The defendant committed the offense to obtain or maintain his or her membership or to advance his or her position in the hierarchy of an organization, association, or identifiable group.

(t) The defendant committed the current offense shortly after being released from incarceration.

(u) The current offense is a burglary and the victim of the burglary was present in the building or residence when the crime was committed.

(v) The offense was committed against a law enforcement officer who was performing his or her official duties at the time of the offense, the offender knew that the victim was a law enforcement officer, and the victim's status as a law enforcement officer is not an element of the offense.

(w) The defendant committed the offense against a victim who was acting as a good samaritan.

(x) The defendant committed the offense against a public official or officer of the court in retaliation of the public official's performance of his or her duty to the criminal justice system.

(y) The victim's injuries substantially exceed the level of bodily harm necessary to satisfy the elements of the offense. This aggravator is not an exception to RCW 9.94A.530(2).

(z)(i)(A) The current offense is theft in the first degree, theft in the second degree, possession of stolen property in the first degree, or possession of stolen property in the second degree; (B) the stolen property involved is metal property; and (C) the property damage to the victim caused in the course of the theft of metal property is more than three times the value of the stolen metal property, or the theft of the metal property creates a public hazard.

(ii) For purposes of this subsection, "metal property" means commercial metal property, private metal property, or nonferrous metal property, as defined in RCW 19.290.010.

(aa) The defendant committed the offense with the intent to directly or indirectly cause any benefit, aggrandizement, gain, profit, or other advantage to or for a criminal street gang as defined in RCW 9.94A.030, its reputation, influence, or membership.

(bb) The current offense involved paying to view, over the internet in violation of RCW 9.68A.075, depictions of a minor engaged in an act of sexually explicit conduct as defined in RCW 9.68A.011(4) (a) through (g).

(cc) The offense was intentionally committed because the defendant perceived the victim to be homeless, as defined in RCW 9.94A.030.

(dd) The current offense involved a felony crime against persons, except for assault in the third degree pursuant to RCW 9A.36.031(1)(k), that occurs in a courtroom, jury room, judge's chamber, or any waiting area or corridor immediately adjacent to a courtroom, jury room, or judge's chamber. This subsection shall apply only: (i) During the times when a courtroom, jury room, or judge's chamber is being used for judicial purposes during court proceedings; and (ii) if signage was posted in compliance with section 3, chapter 256, Laws of 2013 at the time of the offense.

(ee) During the commission of the current offense, the defendant was driving in the opposite direction of the normal flow of traffic on a multiple lane highway, as defined by RCW 46.04.350, with a posted speed limit of forty-five miles per hour or greater.

NEW SECTION. Sec. 38. (1) The legislature finds that Washington state has one of the weakest driving under the influence felony laws (in noninjury cases) in the nation. Of the forty-five states that have felony driving under the influence laws for convictions, Washington state and North Dakota were the only states where a convicted driving under the influence offender in a noninjury crash could be charged with a felony starting on the fifth offense. This year, North Dakota changed its law making a fourth time driving under the influence offender a felon, leaving Washington state with the dubious distinction as the state with the greatest number of prior convictions required to constitute a driving under the influence felony. The legislature further notes that there have been several high profile driving under the influence fatalities in Washington state committed by offenders with multiple prior driving under the influence offenses on their record or while waiting to have their cases resolved pretrial. The Washington impaired driving work group is established to study effective strategies to reduce vehicle-related deaths and serious injuries that are a result of impaired driving incidents in Washington state.

(2) Members of the work group shall consist of the following members:

- (a) One member from each of the two largest caucuses of the senate, appointed by the president of the senate;
- (b) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;
- (c) The chief of the Washington state patrol, or the chief's designee;
- (d) The director of the liquor control board, or the director's designee;
- (e) The director of the department of licensing, or the director's designee;
- (f) The secretary of the department of corrections, or the secretary's designee;
- (g) The secretary of the department of social and health services, or the secretary's designee;
- (h) One member representing the Washington traffic safety commission;
- (i) The executive director of the Washington association of sheriffs and police chiefs, or the executive director's designee;
- (j) One member representing the superior court judges' association;
- (k) One member representing the district and municipal court judges' association;
- (l) One member representing the Washington state association of counties;

(m) One member representing the Washington association of prosecuting attorneys;

(n) One member representing the Washington defender's association or the Washington association of criminal defense lawyers;

(o) One member representing the Washington state association of drug court professionals;

(p) One member representing the ignition interlock industry;

(q) One member representing the Washington retail association;

(r) One member representing the Washington state association of cities;

(s) One member representing treatment providers;

(t) One representative representing driving under the influence victim impact panels; and

(u) Representatives, appointed by the governor, that shall include, but are not limited to:

(i) City law enforcement;

(ii) County law enforcement;

(iii) Court administrators; and

(iv) Driving under the influence victims or family members of a victim.

(3) The Washington traffic safety commission shall convene the initial meeting of the work group and provide staff support.

(4) Members of the work group shall select the chair of the work group.

(5) At a minimum, the work group shall research, review, and make recommendations on the following:

(a) Lowering the minimum number of previous impaired driving convictions that must be counted before constituting and being punishable as a felony offense;

(b) Providing effective strategies for reducing motor vehicle-related deaths and serious injuries due to impaired driving;

(c) Increasing mandatory minimum penalties and fines for repeat offenders;

(d) Promoting and monitoring the use of mandatory ignition interlocks;

(e) The advantages and disadvantages of creating sobriety checkpoints;

(f) Requiring mandatory arrests for a first offense for an impaired driving offense;

(g) Increasing treatment and rehabilitation for repeat offenders;

(h) Reviewing the penalties for refusing to take a breath or blood test for the purpose of determining the alcohol concentration or presence of any drugs;

(i) Increasing funding for prevention, intervention, suppression, and prosecution of impaired driving offenses;

(j) Prohibiting the sale of alcohol to offenders convicted of repeat impaired driving offenses;

(k) Improving prosecution and encouraging prosecutors to aggressively enforce impaired driving laws;

(l) Increasing the number of driving under the influence courts and court-related services;

(m) Creating state and local impaired driving enforcement task forces to increase the visibility of enforcement;

(n) Promoting education and prevention strategies; and

(o) Encouraging private sector collaboration.

(6) The work group shall compile its findings and recommendations into a final report and provide its report to the legislature and governor by December 1, 2013.

(7) The work group shall function within existing resources and no specific budget may be provided to complete the study. The participants of the study group are encouraged to donate their time to offset any costs.

(8) This section expires January 1, 2014.

NEW SECTION. Sec. 39. The sum of one hundred seventy-six thousand dollars of the state general fund for the fiscal year ending June 30, 2014, and one hundred seventy-six thousand dollars of the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated to the Washington traffic safety commission solely for the purposes of section 25 of this act.

NEW SECTION. Sec. 40. The sum of two hundred seventy thousand dollars of the state general fund for the fiscal year ending June 30, 2014, and three hundred sixty thousand dollars of the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated to the Washington traffic safety commission solely for allocation to counties for the increased incarceration costs incurred as a result of mandatory arrest of repeat offenders under RCW 10.31.100(2)(d).

NEW SECTION. Sec. 41. The sum of one million two hundred seventy thousand five hundred dollars of the general fund—state appropriation for the fiscal year ending June 30, 2014, and one million two hundred seventy thousand five hundred dollars of the general fund—state appropriation for the fiscal year ending June 30, 2015, are provided as a grant to the Washington association of prosecuting attorneys for funding up to eleven deputy prosecuting attorney positions focused upon rush filing charges against repeat DUI offenders. The new positions will be in addition to current resources and not supplant existing positions. The Washington association of prosecuting attorneys will provide a report by December 1, 2014, on the number of cases rush filed by the new positions and the overall effect on case processing within each jurisdiction.

NEW SECTION. Sec. 42. The sum of one hundred thousand dollars of the state general fund for the fiscal year ending June 30, 2014, and one hundred twenty-two thousand dollars of the state general fund for the fiscal year ending June 30, 2015, or as much thereof as may be necessary, are appropriated to the department of corrections solely for the increased supervision of offenders under RCW 9.94A.501(4)(h).

NEW SECTION. Sec. 43. The sum of four hundred twenty-three thousand dollars of the state general fund for the fiscal year ending June 30, 2014, eight hundred fourteen thousand dollars of the state general fund for the fiscal year ending June 30, 2015, and one million four hundred seventy-eight thousand dollars of the state general fund federal appropriation, or as much thereof as may be necessary, are appropriated to the department of social and health services to provide court ordered chemical dependency assessment and treatment services for low-income or medicaid eligible repeat DUI offenders.

NEW SECTION. Sec. 44. Sections 27, 28, and 30 through 32 of this act take effect January 1, 2014.

NEW SECTION. Sec. 45. Sections 23 through 32 of this act are each added to chapter 36.28A RCW.

NEW SECTION. Sec. 46. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the Senate June 26, 2013.

Passed by the House June 27, 2013.

Approved by the Governor July 18, 2013.

Filed in Office of Secretary of State July 18, 2013.

AUTHENTICATION

I, K. Kyle Thiessen, Code Reviser of the State of Washington, certify that, with the exception of such corrections as I have made in accordance with the powers vested in me by RCW 44.20.060, the laws published in this volume are a true and correct reproduction of the copies of the enrolled laws of the 2013 1st special session (63rd Legislature), and the 2013 2nd special session, chapters 1 through 35, respectively, as certified and transmitted to the Statute Law Committee by the Secretary of State under RCW 44.20.020.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Olympia, Washington, this 14th day of August, 2013.



K. KYLE THIESSEN
Code Reviser

BILL NO. TO CHAPTER NO. OF 2013 STATUTES

Number	Chapter Number Laws of 2013	Number	Chapter Number Laws of 2013
SSB	5400	61	
E2SSB	5405	332	
SB	5411	160	
SSB	5416	276	
SB	5417	333	
SSB	5434	277	
SSB	5437	278	
SSB	5444	235	
SB	5446	50	
ESSB	5449	279	
SSB	5456	334	
ESSB	5458	51	
SSB	5459	262	
SB	5465	280	
SB	5466	62	
SB	5472	281	
SB	5476	141	
ESSB	5480	335	
ESB	5484	256	
SB	5488	9	
ESSB	5491	282	
SB	5496	161	
SSB	5507	283	
SB	5510	263	
SSB	5517	52	
SSB	5518	11	PV
SSB	5524	12	
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ESHB	1515		SHB	1779
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ESHB	1519		HB	1800
ESHB	1524		SHB	1806
SHB	1525		EHB	1808
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HB	1534		HB	1818
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SHB	1617		SHB	1886
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HB	1645		SHB	1961
ESHB	1647		ESHB	1968
EHB	1677		2E2SHB	1971
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SHB	1686		HB	2043
ESHB	1688		HB	2044
ESHB	1717		ESHB	2051
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LEGEND				RCW	CH.	SEC.	
ADD	=	Add a new section		7.90	ADD	74	4
AMD	=	Amend existing law					6-8
DECD	=	Decodify existing law		7.90.040	AMD	74	1
RECD	=	Recodify existing law		7.90.050	AMD	74	2
REEN	=	Reenact existing law		7.90.120	AMD	74	3
REMD	=	Reenact and amend		7.90.140	AMD	74	5
REP	=	Repeal existing law		7.90.170	AMD	74	9
				8.16.090	AMD	23	3
				9.41	ADD	183	3-5
1.16.050	AMD	5	1	9.41.010	REMD	183	2
1.20.017	AMD	5	2	9.41.800	AMD	84	25
2.08.063	AMD	210	1	9.46	ADD	310	1
2.08.064	AMD	142	1	9.68A	ADD	9	1
2.24.010	AMD	27	3	9.68A.090	AMD	302	1
2.28	ADD	256	3	9.68A.100	AMD	302	2
2.28	ADD	257	2	9.68A.101	AMD	302	3
2.28.170	AMD	4 E2	951	9.68A.102	AMD	302	4
2.28.170	AMD	4 E2	952	9.68A.103	AMD	302	5
2.28.170	AMD	257	5	9.68A.104	REP	9	2
2.28.175	AMD	35 E2	2	9.68A.105	AMD	121	4
2.28.175	AMD	257	6	9.91.020	AMD	23	4
2.28.180	AMD	257	7	9.92.151	AMD	14 E2	3
2.28.190	AMD	257	8	9.94A	ADD	270	1
2.36.095	AMD	246	1	9.94A.500	AMD	200	33
2.48.210	AMD	23	1	9.94A.501	AMD	35 E2	15
2.68.020	AMD	4 E2	950	9.94A.515	REMD	153	2
3.50.320	AMD	35 E2	5	9.94A.515	REMD	267	2
3.50.330	AMD	35 E2	6	9.94A.515	REMD	290	8
3.62.060	AMD	7 E2	1	9.94A.515	REMD	322	26
3.66.067	AMD	35 E2	3	9.94A.517	AMD	14 E2	1
3.66.068	AMD	35 E2	4	9.94A.525	AMD	35 E2	8
3.74.030	AMD	22	1	9.94A.533	AMD	270	2
4	ADD	175	1-9	9.94A.535	REMD	35 E2	37
4.24.545	AMD	35 E2	33	9.94A.535	AMD	84	26
4.92.100	AMD	188	1	9.94A.535	AMD	256	2
6.13.080	AMD	23	2	9.94A.729	AMD	14 E2	2
6.23.010	AMD	53	1	9.94A.729	AMD	266	1
7	ADD	84	1-19	9A.04.080	AMD	17	1
			22-24	9A.36.031	REMD	256	1
7	ADD	119	1-22	9A.40.100	REMD	302	6
7	ADD	294	2-12	9A.44.020	AMD	302	7
7.04A.090	AMD	92	1	9A.44.060	AMD	94	1
7.16.370	REP	11	94	9A.44.100	AMD	94	2
7.68	ADD	253	1	9A.44.128	AMD	302	8
7.68.031	AMD	125	1	9A.44.150	AMD	302	9
7.68.033	AMD	125	2	9A.46	ADD	84	28
7.68.034	AMD	125	3	9A.46.040	AMD	84	27
7.70.100	AMD	82	1	9A.46.110	AMD	84	29
7.71.030	AMD	301	1	9A.48.100	AMD	322	1
7.80.120	REMD	278	3	9A.52.100	AMD	267	1

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9A.56.030	AMD	322	2	11.118.050	AMD	272	27
9A.56.040	AMD	322	3	13.32A.030	AMD	4	1
9A.56.360	AMD	153	1	13.32A.082	AMD	4	2
9A.76.010	REMD	43	1	13.32A.085	AMD	4	3
9A.76.140	AMD	43	3	13.34	ADD	182	3,5
9A.76.150	AMD	43	4	13.34	ADD	254	4
9A.76.160	AMD	43	5	13.34	ADD	332	6
9A.82.010	AMD	302	10	13.34.030	REMD	182	2
9A.84.010	AMD	20	1	13.34.030	REMD	332	2
9A.88.120	AMD	121	5	13.34.065	AMD	162	6
9A.88.140	AMD	121	6	13.34.067	AMD	173	1
10.05.140	AMD	35 E2	21	13.34.069	AMD	182	4
10.14	ADD	84	20,21	13.34.105	AMD	23	5
10.14.070	AMD	84	30	13.34.130	REMD	254	1
10.21	ADD	35 E2	1	13.34.132	AMD	302	11
10.31.100	REMD	35 E2	22	13.34.136	AMD	173	2
10.31.100	AMD	84	32	13.34.136	AMD	254	2
10.31.100	AMD	278	4	13.34.136	AMD	316	2
10.77	ADD	284	1	13.34.145	AMD	173	3
10.77.065	AMD	214	1	13.34.145	AMD	206	1
10.77.086	AMD	289	2	13.34.145	AMD	332	3
10.77.200	AMD	289	7	13.34.180	REMD	173	4
10.77.270	AMD	289	3	13.34.267	AMD	332	4
10.98.100	AMD	62	1	13.34.380	AMD	254	3
11.36.010	AMD	272	1	13.40	ADD	179	2
11.36.021	AMD	272	2	13.40.0357	AMD	20	2
11.88.125	AMD	304	1	13.40.070	AMD	179	3
11.96A.050	AMD	272	3	13.40.080	AMD	179	4
11.96A.070	AMD	272	4	13.40.127	AMD	179	5
11.96A.090	AMD	246	2	13.40.466	AMD	4 E2	953
11.96A.120	AMD	272	5	13.50.010	AMD	23	6
11.96A.125	AMD	272	6	13.50.100	AMD	23	7
11.96A.250	AMD	272	21	13.50.140	AMD	23	8
11.97.010	AMD	272	7	13.60.010	AMD	285	1
11.98	ADD	272	8,10,16	13.60.020	AMD	285	2
11.98.005	AMD	272	9	15.13.250	AMD	144	1
11.98.015	AMD	272	22	15.13.250	AMD	144	2
11.98.019	AMD	272	11	15.13.280	AMD	144	3
11.98.039	AMD	272	12	15.13.290	AMD	144	4
11.98.041	AMD	272	13	15.17.247	AMD	46	1
11.98.045	AMD	272	14	15.36.201	AMD	7	1
11.98.051	AMD	272	15	15.36.451	AMD	7	2
11.98.078	AMD	272	23	15.36.454	AMD	7	3
11.98.080	AMD	272	17	15.36.457	REP	7	4
11.98.090	REP	272	18	15.36.471	REP	7	4
11.103.030	AMD	272	24	15.49.011	AMD	144	5
11.103.040	AMD	272	19	15.49.380	AMD	144	6
11.103.050	AMD	272	20	15.49.390	AMD	144	7
11.106.010	AMD	272	25	15.54.275	AMD	144	8
11.106.020	AMD	272	26	15.58.030	REMD	144	9

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15.58.180	AMD	144	10	18.53.010	AMD	19	2
15.58.235	AMD	144	11	18.55.040	AMD	39	2
15.65	ADD	40	1	18.57A	ADD	203	1
16.36.025	AMD	45	1	18.57A.030	AMD	203	3
16.52	ADD	245	1	18.57A.040	AMD	203	4
16.57.160	AMD	313	1	18.57A.080	AMD	203	5
16.57.300	AMD	313	4	18.64	ADD	262	1
16.57.303	REP	313	3	18.64.001	AMD	19	3
16.57.370	AMD	313	2	18.64.003	AMD	19	4
17.28.160	AMD	208	1	18.64.005	AMD	19	5
18.16	ADD	201	2	18.64.009	AMD	19	6
18.16.020	AMD	187	1	18.64.011	REMD	19	7
18.16.030	AMD	187	2	18.64.011	REMD	144	13
18.16.050	AMD	187	3	18.64.011	REMD	146	1
18.16.060	AMD	187	4	18.64.044	AMD	19	8
18.16.130	AMD	187	5	18.64.044	AMD	144	14
18.16.170	AMD	187	6	18.64.046	AMD	19	9
18.16.175	AMD	187	7	18.64.047	AMD	19	10
18.16.180	AMD	187	8	18.64.080	REMD	19	11
18.16.190	AMD	187	9	18.64.140	AMD	19	12
18.16.200	AMD	187	10	18.64.160	AMD	19	13
18.16.260	AMD	187	11	18.64.165	AMD	19	14
18.16.290	AMD	187	12	18.64.200	AMD	19	15
18.19.210	AMD	338	6	18.64.205	AMD	19	16
18.20.185	AMD	23	9	18.64.245	AMD	19	17
18.20.270	REMD	259	4	18.64.246	AMD	19	18
18.20.305	AMD	23	10	18.64.255	AMD	19	19
18.20.390	AMD	23	11	18.64.257	AMD	19	20
18.20.420	AMD	23	12	18.64.270	AMD	146	2
18.25	ADD	81	2	18.64.310	AMD	19	21
18.25.210	AMD	81	1	18.64.360	AMD	19	22
18.27.090	AMD	23	13	18.64.390	AMD	19	23
18.29	ADD	87	3	18.64.410	AMD	19	24
18.29.050	AMD	87	1	18.64.420	AMD	19	25
18.29.056	AMD	87	2	18.64.450	AMD	19	26
18.30	ADD	172	2	18.64.470	AMD	19	27
18.30.010	AMD	172	1	18.64.480	AMD	19	28
18.30.030	AMD	171	1	18.64.490	AMD	19	29
18.30.065	AMD	171	2	18.64.500	AMD	19	30
18.30.090	AMD	171	3	18.64.510	AMD	19	31
18.30.095	AMD	171	4	18.64A.010	AMD	19	32
18.30.130	AMD	171	5	18.64A.020	AMD	19	33
18.30.135	AMD	171	6	18.64A.025	AMD	19	34
18.32.534	AMD	129	1	18.64A.030	AMD	19	35
18.43.150	AMD	4 E2	954	18.64A.040	AMD	19	36
18.44.011	AMD	64	1	18.64A.050	AMD	19	37
18.44.031	AMD	144	12	18.64A.060	AMD	19	38
18.44.201	AMD	64	4	18.64A.070	AMD	19	39
18.44.457	AMD	64	3	18.64A.080	AMD	19	40
18.50.115	AMD	19	1	18.71	ADD	81	4

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RCW		CH.	SEC.	RCW		CH.	SEC.
18.71.0191	REP	81	8	18.130.050	AMD	86	2
18.71.430	AMD	81	3	18.130.050	AMD	109	1
18.71A	ADD	203	2	18.130.095	AMD	109	2
18.71A.030	AMD	203	6	18.225	ADD	73	1,5
18.71A.040	REMD	203	7	18.225.010	AMD	73	2
18.74.150	AMD	280	1	18.225.090	AMD	73	3
18.74.180	AMD	280	2	18.225.145	AMD	73	4
18.79	ADD	81	6	18.235.020	AMD	322	29
18.79.110	AMD	229	1	18.260.040	AMD	87	4
18.79.130	REP	81	8	18.310.040	AMD	90	1
18.79.2021	REP	77	3	18.360.005	AMD	128	1
18.79.390	AMD	81	5	18.360.040	AMD	128	2
18.85.061	AMD	4 E2	955	18.360.050	AMD	128	3
18.86.010	AMD	58	1	18.360.060	AMD	128	4
18.86.020	AMD	58	2	18.360.080	AMD	128	5
18.86.030	AMD	58	3	19.02	ADD	111	2
18.86.031	AMD	58	4	19.02	ADD	156	1
18.86.040	AMD	58	5	19.02.010	AMD	144	15
18.86.050	AMD	58	6	19.02.020	REMD	144	16
18.86.060	AMD	58	7	19.02.030	AMD	111	3
18.86.070	AMD	58	8	19.02.030	AMD	144	17
18.86.080	AMD	58	9	19.02.035	AMD	144	18
18.86.090	AMD	58	10	19.02.050	AMD	111	1
18.86.100	AMD	58	11	19.02.070	AMD	144	19
18.86.110	AMD	58	12	19.02.075	AMD	144	20
18.86.120	AMD	58	13	19.02.080	AMD	144	21
18.88B	ADD	259	2	19.02.085	AMD	144	22
18.88B.021	AMD	259	1	19.02.090	AMD	144	23
18.92.012	AMD	19	41	19.02.100	AMD	144	24
18.92.013	AMD	19	42	19.02.110	AMD	144	25
18.92.015	AMD	19	43	19.02.115	AMD	144	26
18.106.010	AMD	23	14	19.02.210	AMD	144	27
18.106.020	AMD	23	15	19.02.220	REP	144	55
18.106.030	AMD	23	16	19.02.310	AMD	144	28
18.106.040	AMD	23	17	19.02.800	AMD	144	29
18.106.050	AMD	23	18	19.02.810	REP	144	55
18.106.070	AMD	23	19	19.02.890	AMD	144	30
18.106.075	AMD	23	20	19.16.100	AMD	148	1
18.106.080	AMD	23	21	19.16.250	AMD	148	2
18.106.090	AMD	23	22	19.16.260	AMD	148	3
18.106.100	AMD	23	23	19.28.006	AMD	23	27
18.106.110	AMD	23	24	19.28.041	REMD	23	28
18.106.150	AMD	23	25	19.28.161	AMD	23	29
18.106.155	AMD	23	26	19.28.191	AMD	23	30
18.130	ADD	86	1	19.28.201	AMD	23	31
18.130	ADD	293	5	19.28.205	AMD	23	32
18.130.040	REMD	19	44	19.28.211	AMD	23	33
18.130.040	REMD	19	45	19.28.221	AMD	23	34
18.130.040	REMD	171	7	19.28.231	AMD	23	35
18.130.040	REMD	171	8	19.28.241	AMD	23	36

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RCW		CH.	SEC.	RCW		CH.	SEC.
19.28.261	AMD	23	37	19.310.110	AMD	228	6
19.28.351	AMD	4 E2	956	19.310.120	AMD	228	7
19.68	ADD	297	2,3	20.01.030	AMD	23	38
19.80	ADD	144	31	22.09.860	AMD	23	39
19.80.010	AMD	144	32	23B.13.020	REMD	97	1
19.80.065	REP	144	55	23B.13.220	AMD	97	2
19.80.075	AMD	144	33	23B.13.230	AMD	97	3
19.94.015	REMD	144	34	24.34.010	AMD	23	40
19.94.2582	AMD	144	35	26.09	ADD	91	1
19.112.110	AMD	225	601	26.12.185	AMD	23	41
19.112.120	AMD	225	602	26.26.610	AMD	246	3
19.146.010	AMD	30	1	26.28.080	AMD	47	1
19.146.020	AMD	30	2	26.33.345	AMD	321	1
19.146.0201	AMD	30	3	26.44.030	AMD	23	42
19.146.060	AMD	30	4	26.44.030	REMD	23	43
19.146.220	AMD	30	5	26.44.030	AMD	48	1
19.146.240	AMD	30	6	26.44.030	REMD	48	2
19.230.010	REMD	106	1	26.44.030	AMD	273	1
19.230.020	AMD	106	2	26.44.030	REMD	273	2
19.230.040	AMD	106	3	26.44.220	AMD	23	44
19.230.110	AMD	106	4	26.50.110	REMD	84	31
19.230.120	AMD	106	5	27.53.030	REMD	23	45
19.230.150	AMD	106	6	28A	ADD	2	101
19.230.200	AMD	106	7				201-225
19.230.310	AMD	106	8	28A	ADD	18 E2	501,503
19.280.010	AMD	149	1				517
19.280.020	AMD	149	2	28A	ADD	25 E2	1-5
19.280.030	AMD	149	3	28A	ADD	242	1-5
19.280.060	AMD	149	4	28A.150	ADD	282	2
19.285.030	REMD	61	1	28A.150.010	AMD	2	301
19.285.030	REMD	99	1	28A.150.100	AMD	18 E2	512
19.285.030	REMD	158	1	28A.150.220	AMD	9 E2	2
19.285.040	AMD	158	2	28A.150.220	AMD	323	2
19.290	ADD	322	12-23	28A.150.262	REP	18 E2	516
			25	28A.150.305	AMD	39	3
			27,28	28A.150.325	AMD	18 E2	502
			32	28A.150.325	RECD	18 E2	517
19.290.010	AMD	322	4	28A.155	ADD	202	3
19.290.020	AMD	322	5	28A.165	ADD	18 E2	204
19.290.030	AMD	322	6	28A.165.005	AMD	18 E2	201
19.290.040	AMD	322	7	28A.165.015	AMD	18 E2	202
19.290.050	AMD	322	8	28A.165.025	REP	18 E2	601
19.290.060	AMD	322	9	28A.165.035	AMD	18 E2	203
19.290.070	AMD	322	10	28A.165.045	REP	18 E2	601
19.290.090	AMD	322	11	28A.165.055	AMD	18 E2	205
19.310.010	AMD	228	1	28A.165.065	AMD	18 E2	206
19.310.040	AMD	228	2	28A.175.075	AMD	23	46
19.310.050	AMD	228	3	28A.175.105	AMD	39	5
19.310.080	AMD	228	4	28A.175.140	AMD	23	47
19.310.100	AMD	228	5	28A.180.030	AMD	9 E2	3

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RCW		CH.	SEC.	RCW		CH.	SEC.
28A.180.040	AMD	9 E2	4	28A.400.205	AMD	5 E2	1
28A.195	ADD	161	2	28A.400.317	AMD	10	4
28A.205.030	REMD	39	6	28A.405.415	AMD	5 E2	4
28A.205.040	AMD	39	7	28A.410	ADD	151	2
28A.210	ADD	268	2	28A.410	ADD	197	2
28A.210.260	AMD	180	1	28A.410.035	AMD	10	2
28A.210.270	AMD	180	2	28A.410.035	AMD	197	3
28A.225	ADD	182	9	28A.410.090	AMD	163	1
28A.225.220	REMD	18 E2	510	28A.410.220	AMD	193	2
28A.225.225	AMD	18 E2	511	28A.415	ADD	18 E2	103,401
28A.225.225	AMD	192	2	28A.415.010	AMD	18 E2	402
28A.225.330	AMD	182	10	28A.415.250	REP	18 E2	601
28A.230	ADD	181	3	28A.415.260	REP	18 E2	601
28A.230.020	AMD	23	48	28A.500.020	AMD	4 E2	957
28A.230.097	AMD	241	2	28A.525.162	AMD	18 E2	513
28A.230.180	AMD	25	1	28A.525.166	AMD	18 E2	514
28A.250	ADD	18 E2	509	28A.600	ADD	18 E2	301,308
28A.250.010	AMD	18 E2	504	28A.600	ADD	202	2,4
28A.250.020	AMD	18 E2	505	28A.600.015	AMD	18 E2	302
28A.250.050	AMD	18 E2	506	28A.600.020	AMD	18 E2	303
28A.250.060	AMD	18 E2	507	28A.600.460	AMD	18 E2	305
28A.250.070	AMD	18 E2	508	28A.625.200	RECD	25 E2	8
28A.290.010	AMD	25 E2	7	28A.625.210	RECD	25 E2	8
28A.300	ADD	18 E2	101	28A.625.220	RECD	25 E2	8
28A.300	ADD	181	2	28A.625.230	RECD	25 E2	8
28A.300	ADD	184	4	28A.625.240	RECD	25 E2	8
28A.300	ADD	233	4	28A.630.065	RECD	25 E2	8
28A.300.042	AMD	18 E2	307	28A.630.066	RECD	25 E2	8
28A.300.046	AMD	18 E2	306	28A.642	ADD	242	6
28A.300.136	AMD	23	49	28A.655	ADD	18 E2	105,106
28A.300.145	AMD	10	3	28A.655.061	AMD	22 E2	2
28A.300.145	AMD	85	1	28A.655.066	AMD	22 E2	3
28A.300.285	AMD	23	50	28A.655.066	REP	22 E2	13
28A.300.2851	AMD	23	51	28A.655.068	AMD	22 E2	4
28A.300.515	RECD	25 E2	8	28A.655.070	AMD	22 E2	5
28A.300.515	AMD	55	1	28A.655.185	AMD	22 E2	9
28A.305.130	AMD	22 E2	7	28A.657	ADD	159	11,13
28A.305.190	AMD	39	8	28A.657.005	AMD	159	1
28A.310	ADD	197	6	28A.657.010	AMD	159	2
28A.315.005	AMD	2	302	28A.657.020	AMD	159	3
28A.320	ADD	18 E2	102,104	28A.657.030	AMD	159	4
28A.320	ADD	22 E2	8	28A.657.050	AMD	159	5
28A.320	ADD	176	2	28A.657.050	AMD	159	6
28A.320	ADD	184	2,3	28A.657.060	AMD	159	7
28A.320	ADD	197	4,5	28A.657.070	AMD	159	8
28A.320	ADD	233	1	28A.657.090	AMD	159	9
28A.320.125	AMD	14	1	28A.657.100	AMD	159	10
28A.335.010	AMD	233	2	28A.657.110	AMD	159	12
28A.335.190	AMD	223	1	28A.657.125	REP	159	14
28A.340.080	AMD	192	1	28A.700.120	RECD	25 E2	8

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RCW		CH.	SEC.	RCW		CH.	SEC.
28B.07.030	AMD	217	1	28B.119.010	AMD	39	12
28B.10	ADD	218	2	28B.133.010	AMD	248	4
28B.10	ADD	291	25,26	28B.133.050	AMD	248	5
28B.10.029	AMD	291	27	28B.145.010	AMD	39	13
28B.10.053	AMD	23	52	28B.145.060	AMD	39	14
28B.10.270	AMD	271	1	28C.04.420	AMD	103	1
28B.15	ADD	67	1	28C.04.535	AMD	4 E2	964
28B.15	ADD	175	11	28C.10.050	AMD	39	15
28B.15	ADD	218	4	28C.10.082	AMD	4 E2	965
28B.15.067	REMD	4 E2	958	28C.18.010	REMD	39	16
28B.15.069	AMD	4 E2	959	29A.04.008	AMD	11	1
28B.15.102	AMD	23	53	29A.04.013	AMD	11	2
28B.15.210	AMD	19 E2	7026	29A.04.079	AMD	11	3
28B.15.310	AMD	19 E2	7028	29A.04.086	AMD	11	4
28B.20.476	AMD	4 E2	960	29A.04.169	AMD	11	6
28B.20.725	AMD	19 E2	7027	29A.04.216	AMD	11	7
28B.30.750	AMD	19 E2	7029	29A.04.225	REP	11	94
28B.35	ADD	281	1	29A.04.240	RECD	11	93
28B.35.202	AMD	296	1	29A.04.321	AMD	11	8
28B.35.370	AMD	19 E2	7030	29A.04.330	AMD	11	9
28B.40	ADD	296	2	29A.04.410	AMD	11	10
28B.45.020	AMD	23	54	29A.04.420	AMD	11	11
28B.45.030	AMD	23	55	29A.08	ADD	11	93
28B.45.040	AMD	23	56	29A.08.020	AMD	11	12
28B.50	ADD	55	2	29A.08.220	AMD	11	13
28B.50.090	AMD	57	1	29A.08.230	AMD	11	14
28B.50.100	REMD	23	58	29A.08.250	REP	11	94
28B.50.278	AMD	23	57	29A.08.260	AMD	11	15
28B.50.360	AMD	19 E2	7031	29A.08.330	AMD	11	16
28B.50.465	AMD	5 E2	2	29A.08.340	AMD	11	17
28B.50.468	AMD	5 E2	3	29A.08.350	AMD	11	18
28B.50.536	AMD	39	9	29A.08.520	REEN	11	19
28B.67.030	AMD	4 E2	961	29A.08.785	REP	11	94
28B.76.502	AMD	23	59	29A.08.820	AMD	11	20
28B.77.020	AMD	25 E2	6	29A.12.005	AMD	11	21
28B.77.090	AMD	23	60	29A.12.080	AMD	11	22
28B.77.220	AMD	23	61	29A.12.120	AMD	11	23
28B.85.020	AMD	218	3	29A.12.150	AMD	11	24
28B.92.030	AMD	248	2	29A.12.170	REP	11	94
28B.95.160	AMD	4 E2	962	29A.16	ADD	11	93
28B.105.010	AMD	22 E2	10	29A.20.010	RECD	11	93
28B.105.020	AMD	248	3	29A.20.021	AMD	11	25
28B.105.030	AMD	22 E2	11	29A.20.021	RECD	11	93
28B.105.060	AMD	22 E2	12	29A.20.030	RECD	11	93
28B.105.110	AMD	4 E2	963	29A.20.040	RECD	11	93
28B.115.020	REMD	19	46	29A.20.111	AMD	11	26
28B.115.030	AMD	298	1	29A.20.111	RECD	11	93
28B.116.010	AMD	39	10	29A.20.121	AMD	11	27
28B.117.005	AMD	39	11	29A.20.121	RECD	11	93
28B.117.030	AMD	182	8	29A.20.131	RECD	11	93

RCW SECTIONS AFFECTED BY 2013 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
29A.20.141	REP	11	94	29A.52.011	REP	195	2
29A.20.151	RECD	11	93	29A.52.106	REP	11	94
29A.20.161	AMD	11	28	29A.52.111	REP	11	94
29A.20.161	RECD	11	93	29A.52.112	AMD	11	50
29A.20.171	RECD	11	93	29A.52.116	REP	11	94
29A.20.181	RECD	11	93	29A.52.130	REP	11	94
29A.20.191	AMD	11	29	29A.52.141	REP	11	94
29A.20.191	RECD	11	93	29A.52.151	REP	11	94
29A.20.201	REP	11	94	29A.52.210	AMD	11	51
29A.24	ADD	11	93	29A.52.220	AMD	195	1
29A.24.020	AMD	11	30	29A.52.321	AMD	11	52
29A.24.030	REP	11	94	29A.52.355	AMD	11	53
29A.24.031	AMD	11	31	29A.53.010	REP	11	94
29A.24.101	AMD	11	32	29A.53.020	REP	11	94
29A.24.120	REP	11	94	29A.53.030	REP	11	94
29A.24.311	AMD	11	91	29A.53.040	REP	11	94
29A.24.320	AMD	11	33	29A.53.050	REP	11	94
29A.28.011	REP	11	94	29A.53.060	REP	11	94
29A.28.021	REP	11	94	29A.53.070	REP	11	94
29A.28.041	AMD	11	34	29A.53.080	REP	11	94
29A.28.050	AMD	11	35	29A.53.090	REP	11	94
29A.28.061	AMD	11	36	29A.53.900	REP	11	94
29A.28.071	RECD	11	93	29A.53.901	REP	11	94
29A.32.031	AMD	283	2	29A.53.902	REP	11	94
29A.32.036	REP	11	94	29A.56	ADD	11	93
29A.32.050	REP	11	94	29A.56.040	AMD	11	54
29A.32.100	AMD	11	37	29A.56.210	AMD	11	55
29A.32.210	AMD	11	38	29A.56.320	AMD	11	56
29A.36.010	AMD	11	39	29A.56.350	AMD	38	1
29A.36.040	AMD	11	92	29A.56.360	AMD	11	57
29A.36.050	REP	11	94	29A.56.490	AMD	11	58
29A.36.060	AMD	11	40	29A.60	ADD	11	93
29A.36.101	AMD	11	41	29A.60.010	AMD	11	59
29A.36.104	REP	11	94	29A.60.060	AMD	11	60
29A.36.106	REP	11	94	29A.60.110	AMD	11	61
29A.36.121	AMD	11	42	29A.60.160	AMD	11	62
29A.36.131	AMD	11	43	29A.60.165	AMD	11	63
29A.36.161	AMD	11	44	29A.60.240	AMD	11	64
29A.36.161	AMD	283	3	29A.60.250	AMD	11	65
29A.36.170	REMD	11	45	29A.64.021	AMD	11	66
29A.36.170	REMD	143	1	29A.64.030	AMD	11	67
29A.36.171	REP	11	94	29A.64.050	AMD	11	68
29A.36.171	REP	143	2	29A.64.061	AMD	11	69
29A.36.191	REP	11	94	29A.64.090	AMD	11	70
29A.36.201	AMD	11	46	29A.68.011	AMD	11	71
29A.40.010	AMD	11	47	29A.68.020	AMD	11	72
29A.40.070	REMD	11	48	29A.72.080	AMD	11	73
29A.40.091	REMD	11	49	29A.72.130	AMD	11	74
29A.52.010	REP	195	2	29A.72.250	AMD	11	75
29A.52.011	REP	11	94	29A.72.290	AMD	11	76

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RCW		CH.	SEC.	RCW		CH.	SEC.
29A.76.020	AMD	11	77	31.12.225	AMD	34	3
29A.76.030	AMD	11	78	31.12.235	AMD	34	4
29A.76.030	RECD	11	93	31.12.285	AMD	34	5
29A.80	ADD	11	93	31.12.365	AMD	34	6
29A.80.011	REP	11	94	31.12.426	AMD	34	7
29A.80.020	AMD	11	79	31.12.436	AMD	34	8
29A.84.210	AMD	11	80	31.12.438	AMD	34	9
29A.84.261	AMD	11	81	31.12.461	AMD	34	10
29A.84.510	AMD	11	82	31.12.630	AMD	34	11
29A.84.520	AMD	11	83	32.04	ADD	76	23
29A.84.711	AMD	11	84	32.04.030	AMD	76	22
29A.88.020	AMD	11	85	32.08.140	AMD	76	24
29A.88.040	AMD	11	86	32.08.140	AMD	76	25
30.04.010	AMD	76	1	32.08.142	AMD	76	26
30.04.070	AMD	76	2	32.08.146	REP	76	32
30.04.111	AMD	76	3	32.08.153	AMD	76	27
30.04.215	AMD	76	4	32.08.155	REP	76	32
30.04.217	AMD	76	5	32.08.1551	REP	76	32
30.04.240	AMD	76	6	32.50.030	AMD	76	28
30.04.260	AMD	76	7	33.12.012	AMD	76	29
30.04.280	AMD	76	8	33.24.010	AMD	76	30
30.08.095	REP	76	32	33.32.060	AMD	76	31
30.08.140	AMD	76	9	34.05	ADD	68	2
30.08.140	AMD	76	10	34.05	ADD	69	2
30.08.155	AMD	76	11	34.05.010	AMD	110	3
30.38.010	AMD	76	12	34.05.425	AMD	109	4
30.38.015	AMD	76	13	34.05.434	AMD	110	1
30.46.020	AMD	76	14	34.05.461	AMD	110	2
30.46.030	AMD	76	15	34.12.040	AMD	109	5
30.46.040	AMD	76	16	35.13.238	AMD	27 E2	3
30.46.050	AMD	76	17	35.17.020	REMD	11	87
30.46.060	AMD	76	18	35.20.255	AMD	35 E2	7
30.46.070	AMD	76	19	35.21	ADD	247	1
30.46.080	AMD	76	20	35.21	ADD	291	15,16
30.46.090	AMD	76	21	35.21.333	AMD	39	17
31.04.015	AMD	29	1	35.21.392	AMD	144	36
31.04.025	AMD	29	2	35.39.060	AMD	23	62
31.04.025	AMD	64	2	35.49.160	AMD	221	1
31.04.027	AMD	29	3	35.50.260	AMD	23	63
31.04.035	AMD	29	4	35.91	ADD	243	2
31.04.093	AMD	29	5	35.91.020	REMD	243	3
31.04.102	AMD	29	6	35A.14.295	AMD	27 E2	1
31.04.105	AMD	29	7	35A.14.295	AMD	333	1
31.04.155	AMD	29	8	35A.14.480	AMD	27 E2	2
31.04.221	AMD	29	9	35A.21	ADD	291	17,18
31.04.290	AMD	29	10	35A.21.340	AMD	144	37
31.04.293	AMD	29	11	35A.37.010	AMD	23	64
31.04.297	AMD	29	12	35A.42.040	AMD	23	65
31.12.005	AMD	34	1	35A.81.010	AMD	225	603
31.12.195	AMD	34	2	35A.84.010	AMD	23	66

RCW SECTIONS AFFECTED BY 2013 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
36.18.018	AMD	7 E2	2	39.26.100	AMD	33 E2	2
36.18.020	AMD	7 E2	3	39.26.200	AMD	34 E2	1
36.28A	ADD	35 E2	23-32	39.30.040	AMD	24	1
36.28A	ADD	322	24	39.32.090	AMD	132	1
36.32	ADD	291	19,20	39.102	ADD	21 E2	1
36.35.110	AMD	221	2	39.102.020	AMD	21 E2	6
36.35.140	AMD	221	3	39.102.140	REMD	21 E2	5
36.35.190	AMD	221	4	39.102.150	AMD	21 E2	4
36.35.220	AMD	221	5	39.102.904	REP	21 E2	2
36.35.250	AMD	221	6	41.04.007	AMD	42	1
36.39.060	AMD	23	67	41.04.010	AMD	83	1
36.70A.200	AMD	275	5	41.04.015	AMD	39	19
36.70A.300	AMD	275	1	41.04.130	AMD	23	68
36.70A.340	AMD	225	604	41.04.230	AMD	124	1
36.95.100	AMD	191	1	41.04.240	AMD	164	1
36.95.130	AMD	191	2	41.05.011	AMD	2	306
36.95.160	AMD	191	3	41.05.140	AMD	251	10
36.95.180	AMD	191	4	41.06.280	AMD	4 E2	967
36.110.130	AMD	144	38	41.06.280	AMD	4 E2	968
36.110.140	AMD	39	18	41.06.280	AMD	251	1
38.52.540	AMD	4 E2	966	41.24.160	AMD	100	1
39.08.010	REMD	113	2	41.26.110	AMD	23	69
39.08.030	AMD	28	1	41.26.110	AMD	213	1
39.08.030	AMD	28	2	41.26.150	AMD	23	70
39.08.030	AMD	113	3	41.26.470	AMD	287	2
39.08.030	AMD	113	4	41.26.802	AMD	4 E2	969
39.10.210	REMD	222	1	41.32	ADD	2	303
39.10.220	AMD	222	2	41.35	ADD	2	304
39.10.230	AMD	222	3	41.40	ADD	2	305
39.10.240	AMD	222	4	41.56	ADD	2	307
39.10.250	AMD	222	5	41.59	ADD	2	308
39.10.260	AMD	222	6	41.60.050	REMD	4 E2	970
39.10.270	AMD	222	7	41.80.010	REMD	4 E2	971
39.10.280	AMD	222	8	41.80.020	REMD	4 E2	972
39.10.300	AMD	222	9	42.12.040	AMD	11	88
39.10.320	AMD	222	10	42.12.070	AMD	11	89
39.10.330	AMD	222	11	42.17A.055	AMD	166	2
39.10.340	AMD	222	12	42.17A.320	AMD	138	1
39.10.360	AMD	222	13	42.17A.405	AMD	311	1
39.10.380	AMD	222	14	42.17A.750	AMD	166	1
39.10.385	AMD	222	15	42.52	ADD	134	1
39.10.390	AMD	222	16	42.52	ADD	190	6
39.10.400	AMD	222	17	42.52.360	AMD	190	3
39.10.420	AMD	186	1	42.52.410	AMD	190	2
39.10.420	AMD	222	18	42.52.420	AMD	190	4
39.10.440	AMD	222	19	42.52.460	AMD	190	5
39.10.490	AMD	222	20	42.56.230	REMD	220	1
39.10.500	REP	222	23	42.56.230	REMD	336	3
39.10.510	REP	222	23	42.56.240	AMD	183	1
39.12.040	AMD	113	5	42.56.240	AMD	190	7

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RCW		CH.	SEC.	RCW		CH.	SEC.
42.56.240	AMD	315	2	43.21C.0384	AMD	317	1
42.56.270	AMD	305	14	43.22	ADD	30 E2	3
42.56.360	REMD	19	47	43.22.035	AMD	144	39
42.56.400	AMD	65	5	43.24.150	AMD	4 E2	977
42.56.400	AMD	277	5	43.24.150	AMD	4 E2	978
42.56.420	AMD	33 E2	9	43.24.150	AMD	322	30
43	ADD	20 E2	1-5	43.24.160	REP	144	55
43	ADD	274	5-7	43.30	ADD	204	4,5
43.03.011	AMD	340	1	43.30	ADD	291	7,8
43.03.012	AMD	340	2	43.34.080	AMD	19 E2	7015
43.03.013	AMD	340	3	43.41	ADD	33 E2	5
43.06.210	AMD	21	1	43.41A	ADD	31 E2	2
43.06.400	AMD	225	605	43.41A	ADD	33 E2	8
43.06A.010	AMD	23	71	43.41A.010	AMD	33 E2	3
43.06A.020	AMD	23	72	43.41A.025	AMD	33 E2	1
43.06A.030	AMD	23	73	43.43	ADD	35 E2	35
43.06A.050	AMD	23	74	43.43	ADD	183	6
43.06A.060	AMD	23	75	43.43	ADD	322	31,33
43.06A.070	AMD	23	76	43.43.395	AMD	35 E2	9
43.06A.080	AMD	23	77	43.43.510	AMD	4	4
43.06A.085	AMD	23	78	43.63A.740	AMD	121	3
43.06A.090	AMD	23	79	43.70	ADD	30 E2	4
43.06A.100	AMD	23	80	43.70	ADD	109	3
43.06A.110	AMD	23	81	43.70.056	AMD	319	1
43.06B.010	AMD	23	82	43.70.056	AMD	319	2
43.06B.020	AMD	23	83	43.70.110	AMD	77	1
43.06B.030	AMD	23	84	43.70.110	AMD	249	1
43.06B.040	AMD	23	85	43.70.240	AMD	81	7
43.06B.050	AMD	23	86	43.70.250	AMD	77	2
43.06B.060	AMD	23	87	43.70.325	REP	251	13
43.08.190	AMD	4 E2	973	43.70.442	AMD	73	6
43.09	ADD	50	2	43.70.442	AMD	78	1
43.09.475	AMD	4 E2	974	43.71	ADD	6 E2	3
43.10.150	AMD	4 E2	975	43.71.010	AMD	6 E2	1
43.17.250	AMD	275	2	43.71.060	AMD	6 E2	2
43.19	ADD	291	6	43.79.445	AMD	4 E2	979
43.19.025	AMD	251	2	43.79.480	AMD	4 E2	980
43.19.1919	AMD	291	5	43.79A.040	REMD	88	1
43.19.642	AMD	306	701	43.79A.040	REMD	251	5
43.19.648	AMD	328	1	43.82.010	AMD	4 E2	981
43.19.730	REP	251	13	43.84.092	REMD	1 E2	15
43.19.791	AMD	4 E2	976	43.84.092	REMD	1 E2	16
43.20A	ADD	338	2,7	43.84.092	REMD	11 E2	15
43.20A.725	AMD	8 E2	109	43.84.092	REMD	11 E2	16
43.21A	ADD	30 E2	2	43.84.092	AMD	23 E2	24
43.21A	ADD	291	23,24	43.84.092	AMD	23 E2	25
43.21B.110	REMD	291	33	43.84.092	REMD	96	3
43.21B.110	REMD	291	34	43.84.092	REMD	96	4
43.21B.305	AMD	291	44	43.84.092	REMD	251	3
43.21C	ADD	243	1	43.84.092	REMD	251	4

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RCW		CH.	SEC.	RCW		CH.	SEC.
43.88	ADD	32	E2 1	43.190.050	AMD	23	91
43.88	ADD	63	1	43.190.060	AMD	23	92
43.88.092	AMD	33	E2 4	43.190.065	AMD	23	93
43.88C.010	AMD	332	11	43.190.070	AMD	23	94
43.99G.162	AMD	20	E2 6	43.190.080	AMD	23	95
43.101	ADD	265	1	43.190.090	AMD	23	96
43.101.200	AMD	4	E2 982	43.190.110	AMD	23	97
43.131	ADD	222	24	43.190.120	AMD	23	98
43.131.407	AMD	222	21	43.215	ADD	16	E2 5
43.131.408	AMD	186	2	43.215	ADD	29	E2 2
43.131.408	AMD	222	22	43.215	ADD	323	1
43.131.416	AMD	332	13	43.215	ADD	337	1
43.131.417	AMD	24	E2 2	43.215.010	REMD	130	1
43.131.418	AMD	24	E2 3	43.215.010	REMD	323	3
43.131.900	AMD	44	2	43.215.020	REMD	323	5
43.135	ADD	6	E2 4	43.215.100	AMD	323	6
43.135.031	AMD	1	5	43.215.130	AMD	165	1
43.135.034	AMD	1	2	43.215.135	REMD	323	9
43.135.035	REP	1	3	43.215.141	RECD	16	E2 5
43.135.041	AMD	1	6	43.215.142	RECD	16	E2 5
43.135.045	REMD	9	E2 5	43.215.143	RECD	16	E2 5
43.135.055	AMD	1	4	43.215.210	AMD	227	1
43.136	ADD	13	E2 304	43.215.405	REMD	16	E2 4
			1005	43.215.430	AMD	323	7
			1504	43.215.510	AMD	39	20
			1703	43.215.520	AMD	23	99
43.140.010	REP	274	9	43.215.545	AMD	323	8
43.140.020	REP	274	9	43.280	ADD	121	2,7
43.140.030	REP	274	9	43.325.040	REMD	4	E2 984
43.140.040	REP	274	9	43.330	ADD	324	2
43.140.050	REP	274	9	43.330.250	AMD	24	E2 1
43.140.060	REP	274	9	43.338.030	REP	251	13
43.140.900	REP	274	9	43.372.070	AMD	318	3
43.143	ADD	318	1,2	44.04.015	REP	11	94
43.155.050	AMD	4	E2 983	44.04.220	AMD	23	100
43.155.070	AMD	19	E2 7032	44.48.150	AMD	63	2
43.155.070	AMD	275	3	44.48.150	AMD	327	2
43.180.050	AMD	13	1	46.01.040	AMD	225	606
43.185.020	AMD	145	1	46.01.130	AMD	224	1
43.185.050	AMD	145	2	46.01.130	AMD	336	1
43.185.070	AMD	145	3	46.01.140	AMD	169	1
43.185A.010	AMD	145	4	46.04	ADD	3	3
43.185A.030	AMD	145	5	46.04	ADD	286	6,7
43.185A.050	AMD	145	6	46.04.181	AMD	299	3
43.185C.030	AMD	200	25	46.04.330	AMD	174	1
43.185C.220	AMD	10	E2 4	46.08	ADD	60	1
43.185C.230	AMD	10	E2 5	46.08.066	AMD	336	2
43.190.010	AMD	23	88	46.09	ADD	23	E2 4-10
43.190.030	AMD	23	89	46.09.310	AMD	23	E2 2
43.190.040	AMD	23	90	46.09.310	AMD	23	E2 3

RCW SECTIONS AFFECTED BY 2013 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
46.09.310	AMD	225	607	46.44.0915	AMD	115	1
46.09.360	AMD	23	E2 11	46.44.170	AMD	198	2
46.09.400	AMD	23	E2 12	46.55	ADD	37	2
46.09.410	AMD	23	E2 13	46.55.120	AMD	150	1
46.09.420	AMD	23	E2 14	46.61.165	AMD	26	2
46.09.450	AMD	23	E2 15	46.61.415	AMD	264	1
46.09.460	AMD	23	E2 16	46.61.419	AMD	269	1
46.09.470	REMD	23	E2 17	46.61.502	AMD	3	33
46.09.520	REMD	225	608	46.61.503	REMD	3	34
46.09.530	AMD	23	E2 18	46.61.504	AMD	3	35
46.12.630	AMD	306	702	46.61.5055	REMD	35	E2 13
46.12.635	REMD	232	1	46.61.50571	AMD	3	36
46.16A.080	AMD	299	2	46.61.5058	AMD	35	E2 18
46.16A.180	AMD	157	3	46.61.506	AMD	3	37
46.16A.420	REMD	299	1	46.61.5249	AMD	35	E2 16
46.17.210	AMD	329	6	46.61.608	AMD	139	1
46.17.220	AMD	286	2	46.61.625	AMD	155	1
46.17.350	AMD	23	E2 19	46.61.667	AMD	224	15
46.18.060	AMD	286	5	46.61.668	AMD	224	16
46.18.060	AMD	306	703	46.63.020	AMD	23	E2 21
46.18.100	AMD	286	4	46.63.020	REMD	135	2
46.18.200	AMD	286	1	46.63.030	AMD	23	E2 23
46.18.245	AMD	137	1	46.63.060	AMD	170	1
46.20.155	AMD	11	90	46.63.160	AMD	226	1
46.20.270	AMD	35	E2 17	46.63.170	REMD	306	711
46.20.308	AMD	3	31	46.63.180	AMD	306	716
46.20.308	REMD	35	E2 36	46.66.080	AMD	4	E2 985
46.20.3101	REMD	3	32	46.68.060	REMD	306	717
46.20.385	AMD	35	E2 20	46.68.080	AMD	225	644
46.20.500	AMD	174	2	46.68.090	AMD	225	645
46.20.720	AMD	35	E2 19	46.68.113	AMD	306	704
46.20.745	AMD	306	712	46.68.170	AMD	306	705
46.25	ADD	224	5,10,11	46.68.210	REP	251	13
46.25.010	AMD	224	2	46.68.300	AMD	104	3
46.25.010	AMD	224	3	46.68.310	AMD	104	4
46.25.050	AMD	224	4	46.68.325	AMD	306	706
46.25.060	AMD	224	6	46.68.330	REP	251	13
46.25.070	AMD	224	7	46.68.340	AMD	4	E2 986
46.25.075	AMD	224	8	46.68.340	AMD	35	E2 14
46.25.080	AMD	224	9	46.68.350	AMD	19	E2 7040
46.25.090	AMD	35	E2 10	46.68.370	AMD	306	713
46.25.100	AMD	224	12	46.68.420	AMD	286	3
46.25.110	AMD	35	E2 11	46.72A.020	AMD	144	40
46.25.120	AMD	35	E2 12	46.81A.010	REMD	174	3
46.25.130	AMD	224	13	46.81A.020	AMD	33	1
46.25.160	AMD	224	14	46.83.070	AMD	41	1
46.30.020	AMD	23	E2 20	46.87.080	AMD	225	609
46.30.020	AMD	157	1	47.01	ADD	291	13,14
46.30.030	AMD	157	2	47.02.070	AMD	225	610
46.37	ADD	135	1	47.02.160	AMD	225	611

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RCW		CH.	SEC.	RCW		CH.	SEC.
47.04.082	AMD	113	6	48.14.020	AMD	325	4
47.04.280	AMD	199	1	48.14.0201	AMD	6 E2	5
47.06A	ADD	306	707	48.14.0201	AMD	325	3
47.06A.020	AMD	104	1	48.18	ADD	152	8
47.06A.050	AMD	104	2	48.18.103	AMD	152	1
47.10.040	AMD	225	612	48.18A.070	AMD	23	102
47.10.180	AMD	225	613	48.19.040	AMD	152	2
47.10.310	AMD	225	614	48.19.043	AMD	152	3
47.10.440	AMD	225	615	48.29	ADD	65	1,2
47.10.714	AMD	225	616	48.41.060	AMD	279	2
47.10.729	AMD	225	617	48.41.090	AMD	6 E2	7
47.10.756	AMD	225	618	48.41.100	REMD	279	3
47.10.766	AMD	225	619	48.41.160	AMD	279	4
47.10.793	AMD	225	620	48.41.240	AMD	279	5
47.10.804	AMD	225	621	48.43	ADD	277	1
47.10.815	AMD	225	622	48.43.715	AMD	325	1
47.10.822	AMD	225	623	48.44.070	AMD	277	2
47.10.838	AMD	225	624	48.46.030	AMD	277	4
47.10.846	AMD	225	625	48.46.243	AMD	277	3
47.10.864	AMD	225	626	48.46.243	AMD	325	2
47.10.876	AMD	225	627	48.83.090	AMD	8	1
47.10.883	AMD	225	628	48.83.170	AMD	8	2
47.12.244	AMD	306	714	48.110	ADD	117	2
47.12.340	AMD	306	715	48.110.020	AMD	117	1
47.26.404	AMD	225	629	48.120.015	AMD	152	4
47.26.424	AMD	225	630	48.120.020	AMD	152	5
47.26.4252	AMD	225	631	48.120.020	AMD	152	6
47.26.4254	AMD	225	632	48.120.025	AMD	152	7
47.26.504	AMD	225	633	48.150.010	REMD	126	1
47.28	ADD	113	8	48.150.040	AMD	126	2
47.28.140	AMD	113	7	49.28.120	REP	11	94
47.29.170	AMD	306	708	49.44	ADD	330	1,2
47.39.020	AMD	154	2	49.46.010	REMD	141	1
47.42.048	REP	312	4	49.46.130	AMD	207	1
47.42.080	AMD	312	2	49.60.400	AMD	242	7
47.42.120	AMD	312	1	49.86.030	AMD	26 E2	1
47.42.130	AMD	312	3	49.86.210	AMD	26 E2	2
47.52.025	AMD	26	3	50.04.080	AMD	250	3
47.56.403	AMD	306	709	50.04.090	AMD	250	4
47.56.771	AMD	225	634	50.04.165	AMD	250	2
47.56.876	AMD	306	710	50.04.170	AMD	75	2
47.60.580	AMD	225	635	50.04.240	AMD	141	2
47.64.170	AMD	306	521	50.04.310	AMD	66	1
47.64.270	AMD	306	522	50.12.070	AMD	250	1
47.68.250	AMD	13 E2	1102	50.12.290	AMD	144	41
48	ADD	293	1-4	50.16.010	AMD	189	1
48.02.093	AMD	23	101	50.20.070	AMD	189	2
48.03.010	AMD	65	3	50.20.190	AMD	189	4
48.03.060	AMD	65	4	50.22.010	AMD	23	103
48.14.020	AMD	6 E2	6	50.24.020	AMD	122	1

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RCW		CH.	SEC.	RCW		CH.	SEC.
50.24.160	AMD	75	1	60.36.030	AMD	23	123
50.29.021	AMD	189	3	60.36.040	AMD	23	124
50.29.021	AMD	244	1	60.42.040	AMD	23	125
50.60.020	REMD	79	1	61.24.110	AMD	114	1
50.60.030	AMD	79	2	62A.11-109	AMD	23	174
50.60.090	AMD	79	3	62A.2-201	AMD	23	126
50.60.110	AMD	79	4	62A.2-210	AMD	23	127
51.04	ADD	134	2	62A.2-304	AMD	23	128
51.04	ADD	339	2	62A.2-305	AMD	23	129
51.04.063	AMD	23	104	62A.2-308	AMD	23	130
51.04.080	AMD	125	4	62A.2-311	AMD	23	131
51.12.020	AMD	141	3	62A.2-312	AMD	23	132
51.14.300	AMD	23	105	62A.2-313	AMD	23	133
51.14.310	AMD	23	106	62A.2-316	AMD	23	134
51.14.320	AMD	23	107	62A.2-318	AMD	23	135
51.14.330	AMD	23	108	62A.2-319	AMD	23	136
51.14.340	AMD	23	109	62A.2-320	AMD	23	137
51.14.350	AMD	23	110	62A.2-324	AMD	23	138
51.14.360	AMD	23	111	62A.2-325	AMD	23	139
51.14.370	AMD	23	112	62A.2-328	AMD	23	140
51.14.380	AMD	23	113	62A.2-402	AMD	23	141
51.14.390	AMD	23	114	62A.2-501	AMD	23	142
51.14.400	AMD	23	115	62A.2-502	AMD	23	143
51.16.210	AMD	80	1	62A.2-504	AMD	23	144
51.28.060	AMD	125	5	62A.2-507	AMD	23	145
51.32.040	AMD	125	6	62A.2-508	AMD	23	146
51.32.045	AMD	125	7	62A.2-510	AMD	23	147
51.32.095	AMD	331	1	62A.2-602	AMD	23	148
51.32.099	AMD	326	1	62A.2-603	AMD	23	149
51.32.099	AMD	331	2	62A.2-604	AMD	23	150
51.36.010	AMD	19	48	62A.2-606	AMD	23	151
51.44.110	AMD	125	8	62A.2-607	AMD	23	152
51.44.150	AMD	23	116	62A.2-608	AMD	23	153
52.18.050	AMD	49	1	62A.2-609	AMD	23	154
53.08	ADD	291	21,22	62A.2-610	AMD	23	155
53.12.175	AMD	160	1	62A.2-611	AMD	23	156
54.28	ADD	13 E2	1722	62A.2-612	AMD	23	157
58.17.140	AMD	16	1	62A.2-613	AMD	23	158
58.17.170	AMD	16	2	62A.2-615	AMD	23	159
59.18.060	AMD	35	1	62A.2-616	AMD	23	160
59.18.580	AMD	54	1	62A.2-702	AMD	23	161
59.20.210	AMD	23	117	62A.2-704	AMD	23	162
59.30.050	AMD	144	42	62A.2-706	AMD	23	163
59.30.090	AMD	144	43	62A.2-707	AMD	23	164
60.13.010	REMD	23	118	62A.2-709	AMD	23	165
60.13.020	AMD	23	119	62A.2-711	AMD	23	166
60.13.040	AMD	23	120	62A.2-712	AMD	23	167
60.13.050	AMD	23	121	62A.2-714	AMD	23	168
60.13.060	AMD	23	122	62A.2-716	AMD	23	169
60.28.011	AMD	113	1	62A.2-717	AMD	23	170

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RCW		CH.	SEC.	RCW		CH.	SEC.
62A.2-718	AMD	23	171	66.24	ADD	89	1
62A.2-722	AMD	23	172	66.24	ADD	219	1
62A.2-723	AMD	23	173	66.24	ADD	234	1
62A.4A-103	AMD	118	2	66.24	ADD	237	1
62A.4A-104	AMD	118	3	66.24	ADD	238	1
62A.4A-105	AMD	118	4	66.24.055	AMD	12 E2	1
62A.4A-106	AMD	118	5	66.24.145	AMD	98	1
62A.4A-108	AMD	118	1	66.24.170	AMD	238	2
62A.4A-202	AMD	118	6	66.24.244	AMD	238	3
62A.4A-203	AMD	118	7	66.24.363	AMD	52	1
62A.4A-204	AMD	118	8	66.28.310	REMD	107	1
62A.4A-205	AMD	118	9	66.44.270	AMD	112	2
62A.4A-206	AMD	118	10	67.08.080	AMD	23	177
62A.4A-207	AMD	118	11	67.16.200	AMD	18	1
62A.4A-208	AMD	118	12	67.16.200	AMD	23	178
62A.4A-209	AMD	118	13	67.16.280	AMD	88	2
62A.4A-210	AMD	118	14	67.28.080	REMD	196	2
62A.4A-211	AMD	118	15	67.28.1816	AMD	196	1
62A.4A-212	AMD	118	16	67.70.190	AMD	4 E2	987
62A.4A-301	AMD	118	17	67.70.240	AMD	136	1
62A.4A-302	AMD	118	18	67.70.500	REP	136	2
62A.4A-303	AMD	118	19	68.50	ADD	295	2
62A.4A-304	AMD	118	20	68.50.105	AMD	295	1
62A.4A-305	AMD	118	21	68.52.100	AMD	167	1
62A.4A-402	AMD	118	22	68.52.110	AMD	167	2
62A.4A-403	AMD	118	23	68.52.120	AMD	167	3
62A.4A-404	AMD	118	24	68.52.130	AMD	167	4
62A.4A-405	AMD	118	25	68.52.140	AMD	167	5
62A.4A-406	AMD	118	26	68.52.150	AMD	167	6
62A.4A-501	AMD	118	27	68.52.170	AMD	167	7
62A.4A-502	AMD	118	28	68.52.180	AMD	167	8
62A.4A-503	AMD	118	29	68.52.220	AMD	167	9
62A.4A-504	AMD	118	30	69	ADD	260	1-10
62A.4A-506	AMD	118	31	69.04	ADD	290	7
62A.4A-507	AMD	118	32	69.04.060	AMD	290	1
62A.9A-502	AMD	118	33	69.04.315	REP	290	9
62A.9A-503	AMD	118	34	69.04.565	AMD	19	50
64.04.130	AMD	120	1	69.04.730	AMD	19	51
64.34.364	AMD	23	175	69.04.928	AMD	290	2
64.38.035	AMD	108	1	69.04.932	AMD	290	3
64.44.010	AMD	19	49	69.04.933	AMD	290	4
64.44.060	AMD	251	6	69.04.934	AMD	290	5
66.08	ADD	95	2	69.04.935	AMD	290	6
66.20.010	AMD	59	1	69.25.020	REMD	144	44
66.20.120	AMD	23	176	69.25.050	AMD	144	45
66.20.300	AMD	219	2	69.25.060	AMD	144	46
66.20.300	AMD	237	2	69.38.010	AMD	19	52
66.20.310	AMD	219	3	69.38.060	AMD	19	53
66.20.310	AMD	237	3	69.40.055	AMD	19	54
66.24	ADD	12 E2	3	69.41.010	AMD	19	55

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RCW		CH.	SEC.	RCW		CH.	SEC.
69.41.010	AMD	276	1	69.50.213	AMD	19	95
69.41.030	REMD	12	1	69.50.214	AMD	19	96
69.41.030	REMD	71	1	69.50.301	AMD	19	97
69.41.075	AMD	19	56	69.50.302	AMD	19	98
69.41.080	AMD	19	57	69.50.303	AMD	19	99
69.41.180	AMD	19	58	69.50.304	AMD	19	100
69.41.210	AMD	19	59	69.50.305	AMD	19	101
69.41.240	AMD	19	60	69.50.306	AMD	19	102
69.41.250	AMD	19	61	69.50.308	AMD	19	103
69.41.280	AMD	19	62	69.50.308	AMD	276	3
69.41.310	AMD	19	63	69.50.310	AMD	19	104
69.43.010	AMD	19	64	69.50.312	AMD	19	105
69.43.020	AMD	19	65	69.50.312	AMD	276	4
69.43.030	AMD	19	66	69.50.320	AMD	19	106
69.43.035	AMD	19	67	69.50.401	AMD	3	19
69.43.040	AMD	19	68	69.50.4013	AMD	3	20
69.43.043	AMD	19	69	69.50.402	AMD	19	107
69.43.048	AMD	19	70	69.50.412	AMD	3	22
69.43.050	AMD	19	71	69.50.4121	AMD	3	23
69.43.060	AMD	19	72	69.50.500	AMD	3	24
69.43.090	AMD	19	73	69.50.501	AMD	19	108
69.43.100	AMD	19	74	69.50.504	AMD	19	109
69.43.105	AMD	19	75	69.50.505	REMD	3	25
69.43.110	AMD	19	76	69.50.507	AMD	19	110
69.43.130	AMD	19	77	69.50.508	AMD	19	111
69.43.140	AMD	19	78	69.50.601	AMD	19	112
69.43.165	AMD	19	79	69.51.030	AMD	19	113
69.43.180	AMD	19	80	69.51.040	AMD	19	114
69.45.010	AMD	19	81	69.51.050	AMD	19	115
69.45.020	AMD	19	82	69.51.060	AMD	19	116
69.45.060	AMD	19	83	69.60.020	AMD	19	117
69.45.080	AMD	19	84	69.60.040	AMD	19	118
69.45.090	AMD	19	85	69.60.060	AMD	19	119
69.50	ADD	3	4-18	69.60.080	AMD	19	120
			21	69.60.090	AMD	19	121
			26-30	70	ADD	51	1-5
69.50	ADD	19	86	70	ADD	127	1-9
69.50	ADD	133	1	70	ADD	320	1-6
69.50.101	AMD	3	2	70.02	ADD	200	4-19
69.50.101	REMD	12	2	70.02.010	AMD	200	1
69.50.101	AMD	116	1	70.02.020	AMD	200	2
69.50.101	REMD	276	2	70.02.050	AMD	200	3
69.50.201	AMD	19	87	70.02.900	AMD	200	20
69.50.203	AMD	19	88	70.05.070	AMD	200	26
69.50.205	AMD	19	89	70.24.105	REP	200	34
69.50.207	AMD	19	90	70.24.280	AMD	19	122
69.50.208	AMD	19	91	70.24.450	AMD	200	27
69.50.209	AMD	19	92	70.41.200	REMD	301	2
69.50.210	AMD	19	93	70.41.230	AMD	301	3
69.50.211	AMD	19	94	70.41.440	AMD	252	1

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RCW		CH.	SEC.	RCW		CH.	SEC.
70.42.090	AMD	4 E2	988	70.128.163	AMD	23	182
70.47.100	REMD	251	7	70.128.200	AMD	23	183
70.54.140	AMD	19	123	70.128.230	AMD	259	5
70.74.191	AMD	140	1	70.129.030	AMD	23	184
70.93.180	AMD	4 E2	989	70.129.090	AMD	23	185
70.93.180	AMD	15 E2	6	70.129.110	AMD	23	186
70.94.431	AMD	51	6	70.129.160	AMD	23	187
70.94.531	AMD	26	1	70.129.170	AMD	23	188
70.95N.020	AMD	305	1	70.146.070	AMD	275	4
70.95N.040	AMD	305	2	70.148.020	AMD	4 E2	993
70.95N.050	AMD	305	3	70.225.020	AMD	19	126
70.95N.090	AMD	305	4	70.225.020	AMD	36	2
70.95N.110	AMD	305	5	70.230.080	AMD	301	4
70.95N.140	AMD	292	1	70.230.140	AMD	301	5
70.95N.140	AMD	305	6	70.290	ADD	144	47
70.95N.180	AMD	305	7	70.290.030	AMD	144	48
70.95N.190	AMD	305	8	71.05	ADD	216	2
70.95N.200	AMD	305	9	71.05	ADD	334	1,2
70.95N.210	AMD	305	10	71.05	ADD	338	4
70.95N.230	AMD	305	11	71.05.137	AMD	27	1
70.95N.290	AMD	305	12	71.05.280	AMD	289	4
70.95N.300	AMD	305	13	71.05.320	AMD	289	5
70.96A	ADD	303	1	71.05.385	REP	200	34
70.96A.320	AMD	320	8	71.05.390	REP	200	34
70.96A.350	AMD	4 E2	990	71.05.420	REP	200	34
70.97	ADD	338	3	71.05.425	AMD	200	30
70.97.040	AMD	23	179	71.05.425	AMD	289	6
70.97.100	AMD	23	180	71.05.427	REP	200	34
70.105	ADD	1 E2	12	71.05.440	REP	200	34
70.105.280	AMD	1 E2	14	71.05.445	AMD	200	31
70.105D	ADD	1 E2	3-5	71.05.620	AMD	200	23
			10	71.05.630	REP	200	34
70.105D.020	AMD	1 E2	2	71.05.640	REP	200	34
70.105D.030	AMD	1 E2	6	71.05.660	AMD	200	21
70.105D.040	AMD	1 E2	7	71.05.680	AMD	200	22
70.105D.050	AMD	1 E2	8	71.05.690	REP	200	34
70.105D.070	REMD	1 E2	9	71.09.800	AMD	43	2
70.105D.070	AMD	4 E2	992	71.20.110	AMD	123	1
70.105D.070	AMD	19 E2	7033	71.24	ADD	197	9
70.106.150	AMD	19	124	71.24	ADD	230	1
70.116.134	AMD	251	8	71.24	ADD	303	2
70.122.130	AMD	251	12	71.24.025	AMD	338	5
70.122.140	REP	251	13	71.24.035	AMD	200	24
70.127.130	AMD	19	125	71.24.310	REMD	4 E2	994
70.128	ADD	300	1,3,5	71.24.330	AMD	320	9
70.128.060	AMD	300	2	71.24.350	AMD	23	189
70.128.065	AMD	185	1	71.34.315	AMD	27	2
70.128.120	AMD	39	21	71.34.340	REP	200	34
70.128.150	AMD	23	181	71.34.345	REP	200	34
70.128.160	AMD	300	4	71.34.350	REP	200	34

RCW SECTIONS AFFECTED BY 2013 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
72.09	ADD	175	12	74.13.020	REMD	162	5
72.09	ADD	266	2	74.13.020	AMD	332	7
72.09	ADD	315	1	74.13.020	REMD	332	8
72.09.015	REMD	39	22	74.13.031	AMD	32	1
72.09.410	AMD	39	23	74.13.031	REMD	32	2
72.09.460	AMD	39	24	74.13.031	AMD	332	9
72.09.585	AMD	200	32	74.13.031	REMD	332	10
72.09.670	AMD	39	25	74.13.107	AMD	332	12
73.08.005	AMD	42	2	74.13.280	AMD	200	28
73.08.080	AMD	123	2	74.13.289	AMD	200	29
73.16.061	AMD	23	190	74.13.333	REMD	23	206
73.20.010	AMD	23	191	74.13.334	AMD	23	207
74.04	ADD	10 E2	3	74.13.360	AMD	205	4
74.04.011	AMD	23	192	74.13.368	AMD	23	208
74.04.014	AMD	23	193	74.13.368	AMD	205	5
74.04.080	AMD	23	194	74.13.540	AMD	39	30
74.04.350	AMD	23	195	74.13.621	AMD	4 E2	996
74.04.385	AMD	23	196	74.13.640	AMD	23	209
74.04.480	AMD	23	197	74.13A.025	AMD	23	210
74.04.535	AMD	39	26	74.13A.040	AMD	23	211
74.08.050	AMD	23	198	74.13A.075	AMD	23	212
74.08.280	AMD	23	199	74.13B.020	AMD	205	3
74.08.340	AMD	23	200	74.14B.010	AMD	254	5
74.08.370	AMD	23	201	74.15	ADD	105	3
74.08A.250	AMD	39	27	74.15.020	AMD	105	2
74.08A.380	AMD	39	28	74.15.140	AMD	23	213
74.09	ADD	17 E2	18	74.15.230	AMD	39	31
74.09	ADD	178	2	74.20.260	AMD	23	214
74.09	ADD	261	1	74.20A.040	AMD	23	215
74.09	ADD	320	7	74.20A.130	AMD	23	216
74.09.010	REMD	10 E2	8	74.20A.150	AMD	23	217
74.09.035	REMD	10 E2	7	74.34.020	AMD	263	1
74.09.210	AMD	23	202	74.34.035	AMD	263	2
74.09.215	AMD	4 E2	995	74.34.067	AMD	263	3
74.09.215	AMD	4 E2	997	74.34.095	AMD	23	218
74.09.215	AMD	4 E2	1902	74.34.200	AMD	23	219
74.09.215	AMD	36	3	74.36.110	AMD	23	222
74.09.230	AMD	23	203	74.36.120	AMD	23	223
74.09.510	REMD	10 E2	6	74.36.130	AMD	23	224
74.09.522	AMD	17 E2	13	74.38.040	AMD	23	225
74.09.522	REMD	261	2	74.38.050	AMD	23	226
74.09.523	AMD	258	1	74.39A.060	AMD	23	227
74.12.010	AMD	23	204	74.39A.090	AMD	320	10
74.12.035	AMD	39	29	74.39A.341	AMD	259	3
74.12.250	AMD	23	205	74.39A.380	AMD	23	228
74.13	ADD	162	2,3	74.42.450	AMD	23	229
74.13	ADD	182	6,7	74.42.640	AMD	23	230
74.13	ADD	205	2	74.46.431	AMD	3 E2	1
74.13	ADD	332	5	74.46.501	AMD	3 E2	2
74.13.020	AMD	162	4	74.60	ADD	17 E2	17

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RCW		CH.	SEC.	RCW		CH.	SEC.
74.60.005	AMD	17 E2	1	77.65.280	AMD	23	244
74.60.010	AMD	17 E2	2	77.65.340	AMD	23	245
74.60.020	AMD	17 E2	3	77.65.370	AMD	314	3
74.60.030	AMD	17 E2	4	77.65.410	AMD	204	1
74.60.050	AMD	17 E2	5	77.65.480	AMD	314	2
74.60.070	AMD	17 E2	6	77.85.050	REMD	194	1
74.60.080	AMD	17 E2	7	77.95.030	AMD	23	246
74.60.090	AMD	17 E2	8	77.95.320	AMD	93	1
74.60.100	AMD	17 E2	9	78.04.030	AMD	23	247
74.60.110	AMD	17 E2	10	78.08.080	AMD	23	248
74.60.120	AMD	17 E2	11	78.08.100	AMD	23	249
74.60.130	AMD	17 E2	12	78.12.070	AMD	23	250
74.60.140	AMD	17 E2	14	78.16.030	AMD	23	251
74.60.150	AMD	17 E2	15	78.16.040	AMD	23	252
74.60.900	AMD	17 E2	16	78.52.550	AMD	23	253
74.60.901	AMD	17 E2	19	78.60.030	AMD	274	2
74.62.030	AMD	10 E2	1	78.60.040	AMD	274	3
74.62.030	AMD	10 E2	2	78.60.060	AMD	274	4
76.09.100	AMD	23	220	78.60.110	AMD	23	254
76.09.320	AMD	23	231	78.60.170	AMD	23	255
76.14.080	AMD	23	232	78.60.250	AMD	23	256
76.14.090	AMD	23	233	79.02.150	AMD	23	257
76.14.100	AMD	23	234	79.10.130	AMD	15	1
76.14.110	AMD	23	235	79.14.060	AMD	23	258
76.36.100	AMD	23	221	79.17.010	AMD	19 E2	7034
76.42.030	AMD	23	236	79.17.020	AMD	19 E2	7035
76.48.121	AMD	144	49	79.17.210	AMD	19 E2	7041
76.52.020	AMD	23	237	79.22.120	AMD	23	259
77.04.060	AMD	23	238	79.24.030	AMD	23	260
77.12	ADD	291	9,10	79.24.150	AMD	23	261
77.12.201	AMD	4 E2	998	79.24.660	AMD	23	262
77.12.203	AMD	4 E2	999	79.44.050	AMD	23	263
77.12.370	AMD	23	239	79.44.100	AMD	23	264
77.12.620	AMD	23	240	79.64.020	AMD	4 E2	1000
77.12.760	AMD	23	241	79.64.040	AMD	4 E2	1001
77.12.879	REMD	307	1	79.100	ADD	291	35,38
77.15.160	AMD	307	2				42
77.15.570	AMD	23	242	79.100.040	AMD	291	37
77.15.670	AMD	102	1	79.100.060	AMD	291	40
77.32.155	AMD	23	243	79.100.100	AMD	291	2
77.32.480	AMD	101	1	79.100.120	AMD	291	32
77.36	ADD	329	2,3	79.100.130	AMD	291	4
77.36.010	REMD	329	1	79.105.150	REMD	4 E2	1002
77.36.100	AMD	329	4	79.135.210	REMD	204	6
77.36.130	AMD	329	5	79.155	ADD	11 E2	14
77.60.130	REP	307	3	79A.05	ADD	291	11,12
77.65	ADD	204	3	79A.05.085	AMD	23	265
77.65	ADD	314	1	79A.05.105	AMD	23	266
77.65.100	AMD	288	1	79A.05.215	AMD	15 E2	7
77.65.130	AMD	288	2	79A.05.700	AMD	23	267

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RCW		CH.		SEC.	RCW		CH.		SEC.
79A.25.010	AMD	225		636	81.40.060	AMD	23		296
79A.25.040	AMD	225		637	81.40.110	AMD	23		297
79A.25.050	AMD	225		638	81.44.070	AMD	23		298
79A.30.030	AMD	31		2	81.48.060	AMD	23		299
79A.60	ADD	278		2,5	81.48.070	AMD	23		300
79A.60.040	AMD	278		1	81.52.050	AMD	23		301
79A.60.150	AMD	278		6	81.53.010	AMD	23		302
79A.65.020	AMD	291		3	81.53.030	AMD	23		303
79A.80	ADD	15	E2	4	81.53.120	AMD	23		304
79A.80.010	AMD	23	E2	22	81.53.261	AMD	23		305
79A.80.020	AMD	15	E2	1	81.64.160	AMD	23		306
79A.80.030	AMD	15	E2	2	81.77.020	AMD	23		307
79A.80.080	AMD	15	E2	3	81.80.100	AMD	23		308
80.01.020	AMD	23		268	81.80.355	AMD	23		309
80.01.100	AMD	23		269	81.96.030	AMD	23		310
80.04.020	AMD	23		270	82.02.020	AMD	243		4
80.04.040	AMD	23		271	82.03.050	AMD	23		311
80.04.050	AMD	23		272	82.03.060	AMD	23		312
80.04.070	AMD	23		273	82.03.080	AMD	23		313
80.04.120	AMD	23		274	82.04	ADD	6	E2	8
80.04.170	AMD	23		275	82.04	ADD	13	E2	102,602
80.04.280	AMD	23		276					1704
80.04.460	AMD	23		277	82.04.050	AMD	13	E2	802
80.04.470	AMD	23		278	82.04.260	REMD	13	E2	202
80.04.510	AMD	23		279	82.04.260	AMD	13	E2	203
80.08.110	AMD	23		280	82.04.272	AMD	19		127
80.32.100	AMD	23		281	82.04.290	AMD	23		314
80.36	ADD	8	E2202-206		82.04.294	AMD	13	E2	902
			208,211		82.04.324	AMD	13	E2	1202
80.36.420	AMD	8	E2	115	82.04.425	AMD	23		315
80.36.430	AMD	8	E2	108	82.04.4268	AMD	13	E2	204
80.36.450	AMD	8	E2	116	82.04.4285	AMD	225		639
80.36.460	AMD	8	E2	117	82.04.629	AMD	13	E2	306
80.36.470	AMD	8	E2	118	82.04.630	AMD	13	E2	307
80.36.600	REP	8	E2	210	82.08	ADD	13	E2	302,402
80.36.610	AMD	8	E2	209					502,702
80.50.080	AMD	23		282					1103
80.50.150	REMD	23		283					1302
81.04.020	AMD	23		284					1705
81.04.040	AMD	23		285	82.08	ADD	211		2
81.04.050	AMD	23		286	82.08.0204	AMD	13	E2	308
81.04.070	AMD	23		287	82.08.0255	AMD	225		640
81.04.120	AMD	23		288	82.08.0266	AMD	23		316
81.04.280	AMD	23		289	82.08.0269	AMD	23		317
81.04.460	AMD	23		290	82.08.0289	REMD	8	E2	107
81.04.500	AMD	23		291	82.08.100	AMD	23		318
81.04.510	AMD	23		292	82.08.160	AMD	4	E2	1003
81.08.110	AMD	23		293	82.08.956	AMD	13	E2	1002
81.24.070	AMD	23		294	82.08.962	AMD	13	E2	1502
81.28.290	AMD	23		295	82.08.963	AMD	13	E2	1602

RCW SECTIONS AFFECTED BY 2013 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
82.12	ADD	13	E2 303,403	82.32.270	AMD	23	326
			503,703	82.32.290	AMD	309	2
			1104	82.32.310	AMD	23	327
			1303	82.36.010	REP	225	501
			1402	82.36.020	REP	225	501
			1706	82.36.022	REP	225	501
82.12	ADD	211	3	82.36.025	REP	225	501
82.12.0204	AMD	13	E2 309	82.36.026	REP	225	501
82.12.0256	AMD	225	646	82.36.027	REP	225	501
82.12.070	AMD	23	319	82.36.028	REP	225	501
82.12.956	AMD	13	E2 1003	82.36.029	REP	225	501
82.12.962	AMD	13	E2 1505	82.36.031	REP	225	501
82.12.963	AMD	13	E2 1603	82.36.032	REP	225	501
82.14.310	AMD	4	E2 1004	82.36.035	REP	225	501
82.14.475	AMD	21	E2 3	82.36.040	REP	225	501
82.14B	ADD	13	E2 1707	82.36.044	REP	225	501
82.14B.020	REMD	8	E2 102	82.36.045	REP	225	501
82.14B.030	AMD	8	E2 105	82.36.047	REP	225	501
82.14B.040	AMD	8	E2 103	82.36.050	REP	225	501
82.14B.042	AMD	8	E2 104	82.36.060	REP	225	501
82.14B.200	AMD	8	E2 106	82.36.070	REP	225	501
82.16	ADD	13	E2 1708	82.36.075	REP	225	501
82.16.020	AMD	9	E2 7	82.36.080	REP	225	501
82.18	ADD	13	E2 1709	82.36.090	REP	225	501
82.18.040	AMD	9	E2 8	82.36.095	REP	225	501
82.19	ADD	13	E2 1710	82.36.100	REP	225	501
82.19.040	AMD	15	E2 5	82.36.110	AMD	23	328
82.21	ADD	13	E2 1711	82.36.110	REP	225	501
82.23A	ADD	13	E2 1712	82.36.120	REP	225	501
82.23B	ADD	13	E2 1713	82.36.130	REP	225	501
82.24	ADD	13	E2 1714	82.36.140	REP	225	501
82.24.210	AMD	23	320	82.36.150	REP	225	501
82.24.250	AMD	23	321	82.36.160	REP	225	501
82.24.510	AMD	144	50	82.36.170	REP	225	501
82.24.520	AMD	144	51	82.36.180	REP	225	501
82.26	ADD	13	E2 1715	82.36.190	REP	225	501
82.26.150	AMD	144	52	82.36.200	REP	225	501
82.27	ADD	13	E2 1716	82.36.210	REP	225	501
82.29A	ADD	13	E2 1717	82.36.230	REP	225	501
82.29A.120	AMD	235	3	82.36.240	REP	225	501
82.32	ADD	13	E2 1004	82.36.245	REP	225	501
			1503	82.36.247	REP	225	501
			1701	82.36.250	AMD	23	329
			1702	82.36.250	REP	225	501
82.32	ADD	309	3,4	82.36.260	REP	225	501
82.32.070	AMD	23	322	82.36.270	REP	225	501
82.32.120	AMD	23	323	82.36.275	REP	225	501
82.32.170	AMD	23	324	82.36.280	REP	225	501
82.32.215	AMD	309	1	82.36.285	REP	225	501
82.32.260	AMD	23	325	82.36.290	REP	225	501

RCW SECTIONS AFFECTED BY 2013 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
82.36.300	REP	225	501	82.38.140	AMD	225	115
82.36.310	REMD	23	330	82.38.150	AMD	225	116
82.36.310	REP	225	501	82.38.160	AMD	225	117
82.36.320	REP	225	501	82.38.170	AMD	225	118
82.36.330	REP	225	501	82.38.180	AMD	225	119
82.36.335	REP	225	501	82.38.190	AMD	225	120
82.36.340	REP	225	501	82.38.210	AMD	225	121
82.36.350	REP	225	501	82.38.220	AMD	225	122
82.36.370	REP	225	501	82.38.230	AMD	225	123
82.36.375	REP	225	501	82.38.235	AMD	225	124
82.36.380	REP	225	501	82.38.240	REP	225	501
82.36.390	REP	225	501	82.38.245	AMD	225	125
82.36.400	REP	225	501	82.38.250	REP	225	501
82.36.410	AMD	23	331	82.38.260	AMD	225	126
82.36.410	REP	225	501	82.38.265	REP	225	501
82.36.415	REP	225	501	82.38.270	AMD	225	127
82.36.420	REP	225	501	82.38.275	AMD	23	333
82.36.430	REP	225	501	82.38.280	AMD	225	128
82.36.435	REP	225	501	82.38.290	AMD	225	129
82.36.440	REP	225	501	82.38.310	AMD	225	130
82.36.450	REP	225	501	82.38.320	AMD	225	131
82.36.460	REP	225	501	82.38.350	REP	225	501
82.36.470	REP	225	501	82.38.360	AMD	225	132
82.36.475	REP	225	501	82.38.365	AMD	225	133
82.36.480	REP	225	501	82.38.370	AMD	225	134
82.36.485	REP	225	501	82.38.380	AMD	225	135
82.36.490	REP	225	501	82.38.385	AMD	225	136
82.36.495	REP	225	501	82.38.800	DECD	225	647
82.36.800	REP	225	501	82.38.900	DECD	225	647
82.36.900	REP	225	501	82.38.910	DECD	225	647
82.36.901	REP	225	501	82.38.920	DECD	225	647
82.38	ADD	225	201-208	82.38.930	DECD	225	647
82.38.010	AMD	225	101	82.38.940	DECD	225	647
82.38.020	AMD	225	102	82.38.941	DECD	225	647
82.38.030	AMD	225	103	82.41.060	REP	225	501
82.38.032	AMD	225	104	82.41.080	AMD	23	334
82.38.035	AMD	225	105	82.42	ADD	225	401-420
82.38.045	REP	225	501	82.42.010	AMD	225	301
82.38.047	REP	225	501	82.42.020	AMD	225	302
82.38.050	AMD	225	106	82.42.030	AMD	225	303
82.38.060	AMD	23	332	82.42.040	AMD	23	335
82.38.060	AMD	225	107	82.42.040	AMD	225	304
82.38.065	AMD	225	108	82.42.050	REP	225	501
82.38.066	AMD	225	109	82.42.060	REP	225	501
82.38.075	AMD	225	110	82.42.070	REP	225	501
82.38.080	AMD	225	111	82.42.080	REP	225	501
82.38.090	AMD	225	112	82.42.090	AMD	225	305
82.38.110	AMD	225	113	82.42.100	AMD	23	336
82.38.120	REMD	225	114	82.42.110	AMD	225	306
82.38.130	REP	225	501	82.42.120	REP	225	501

RCW SECTIONS AFFECTED BY 2013 STATUTES

RCW		CH.	SEC.	RCW		CH.	SEC.
82.42.125	AMD	225	307	84.36.300	AMD	23	348
82.44.140	AMD	23	337	84.36.320	AMD	23	349
82.44.180	REMD	251	9	84.36.400	AMD	23	350
82.45	ADD	13 E2	1718	84.36.480	AMD	212	2
82.45.060	REMD	9 E2	6	84.36.805	REMD	212	3
82.45.180	AMD	251	11	84.36.813	AMD	23	351
82.48	ADD	13 E2	1719	84.36.850	AMD	23	352
82.48.010	AMD	56	2	84.37.070	AMD	221	7
82.48.030	AMD	56	3	84.38.040	AMD	23	353
82.48.100	AMD	13 E2	1105	84.38.060	AMD	23	354
82.50.520	AMD	23	338	84.38.080	AMD	23	355
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85.05.150	AMD	23	386	85.24.160	AMD	23	436
85.05.160	AMD	23	387	85.24.170	AMD	23	437
85.05.180	AMD	23	388	85.24.180	AMD	23	438
85.06.100	AMD	23	389	85.24.290	AMD	23	439
85.06.120	AMD	23	390	85.28.030	AMD	23	440
85.06.130	AMD	23	391	85.28.040	AMD	23	441
85.06.150	AMD	23	392	85.28.060	AMD	23	442
85.06.160	AMD	23	393	85.28.080	AMD	23	443
85.06.180	AMD	23	394	85.28.090	AMD	23	444
85.06.210	AMD	23	395	85.32.050	AMD	23	445
85.06.250	AMD	23	396	85.32.060	AMD	23	446
85.06.330	AMD	23	397	85.32.170	AMD	23	447
85.06.550	AMD	23	398	86.09.259	AMD	23	448
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85.06.570	AMD	23	400	86.09.301	AMD	23	450
85.06.600	AMD	23	401	86.09.304	AMD	23	451
85.06.630	AMD	23	402	86.09.310	AMD	23	452
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85.07.120	AMD	23	406	86.09.391	AMD	23	456
85.07.140	AMD	23	407	86.09.430	AMD	23	457
85.08.340	AMD	23	408	86.09.433	AMD	23	458
85.08.360	AMD	23	409	86.09.448	AMD	23	459
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85.08.410	AMD	23	411	86.09.493	AMD	23	461
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87.03.032	AMD	23	482	87.53.150	AMD	23	522
87.03.033	AMD	23	483	87.56.040	AMD	23	523
87.03.045	AMD	23	484	87.56.180	AMD	23	524
87.03.075	AMD	23	485	87.56.190	AMD	23	525
87.03.080	AMD	23	486	87.56.203	AMD	23	526
87.03.081	AMD	23	487	87.56.210	AMD	23	527
87.03.082	AMD	23	488	87.64.010	AMD	23	528
87.03.090	AMD	23	489	87.64.020	AMD	23	529
87.03.100	AMD	23	490	87.64.040	AMD	23	530
87.03.110	AMD	23	491	87.84.070	AMD	23	531
87.03.115	AMD	23	492	88.02.340	AMD	291	30
87.03.175	AMD	23	493	88.02.380	AMD	291	29
87.03.180	AMD	23	494	88.02.550	AMD	291	31
87.03.245	AMD	23	495	88.02.640	AMD	291	1
87.03.250	AMD	23	496	88.08.060	AMD	23	532
87.03.255	AMD	23	497	88.16.130	AMD	23	533
87.03.260	AMD	23	498	88.24.010	AMD	23	534
87.03.270	AMD	23	499	88.24.020	AMD	23	535
87.03.272	AMD	23	500	88.24.030	AMD	23	536
87.03.280	AMD	23	501	88.26.020	AMD	291	41
87.03.440	REMD	23	502	88.32.020	AMD	23	537
87.03.442	AMD	23	503	88.32.040	AMD	23	538
87.03.480	AMD	177	3	88.32.090	AMD	23	539
87.03.485	AMD	177	4	88.32.100	AMD	23	540
87.03.490	AMD	177	5	88.32.140	AMD	23	541
87.03.495	AMD	177	6	88.32.160	AMD	23	542
87.03.510	AMD	177	7	88.32.170	AMD	23	543
87.03.515	AMD	177	8	88.32.190	AMD	23	544
87.03.527	AMD	177	9	88.32.200	AMD	23	545
87.03.570	AMD	23	504	88.32.210	AMD	23	546
87.03.610	AMD	23	505	89.08.010	AMD	23	547
87.03.660	AMD	23	506	89.08.170	AMD	23	548
87.03.690	AMD	23	507	89.08.180	AMD	23	549
87.03.760	AMD	23	508	89.08.200	AMD	23	550
87.03.765	AMD	23	509	89.08.210	AMD	23	551
87.03.820	AMD	23	510	89.08.215	AMD	164	2
87.04.010	AMD	23	511	89.12.020	AMD	23	552
87.06.020	AMD	177	10	89.12.050	AMD	23	553
87.22.065	AMD	23	512	89.12.050	AMD	177	13
87.22.215	AMD	23	513	89.12.150	AMD	23	554
87.25.030	AMD	23	514	89.16.040	AMD	23	555
87.25.060	AMD	23	515	89.16.045	AMD	23	556
87.25.100	AMD	23	516	89.16.050	AMD	23	557
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87.52.040	AMD	23	518	89.30.058	AMD	23	561
87.52.060	AMD	23	519	89.30.109	AMD	23	562
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89.30.265	AMD	23	565	90.14.101	AMD	23	606
89.30.301	AMD	23	566	90.14.130	AMD	23	607
89.30.304	AMD	23	567	90.14.170	AMD	23	608
89.30.307	AMD	23	568	90.24.020	AMD	23	609
89.30.313	AMD	23	569	90.24.050	AMD	23	610
89.30.316	AMD	23	570	90.38	ADD	11 E2	3-6
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89.30.325	AMD	23	572	90.38.005	AMD	11 E2	1
89.30.328	AMD	23	573	90.38.010	AMD	11 E2	2
89.30.352	AMD	23	574	90.38.900	AMD	11 E2	7
89.30.367	AMD	23	575	90.38.902	AMD	11 E2	8
89.30.382	AMD	23	576	90.44.110	AMD	23	611
89.30.565	AMD	23	577	90.44.130	AMD	23	612
89.30.604	AMD	23	578	90.48.095	AMD	23	613
89.30.625	AMD	23	579	90.50A	ADD	96	2
89.30.649	AMD	23	580	90.50A.010	AMD	96	1
89.30.652	AMD	23	581	90.56.410	AMD	291	36
89.30.655	AMD	23	582	90.58.170	AMD	23	614
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89.30.676	AMD	23	584	90.76.020	AMD	144	54
89.30.685	AMD	23	585	91.08.030	AMD	23	615
89.30.700	AMD	23	586	91.08.080	AMD	23	616
89.30.709	AMD	23	587	91.08.130	AMD	23	617
89.30.721	AMD	23	588	91.08.150	AMD	23	618
89.30.724	AMD	23	589	91.08.170	AMD	23	619
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89.30.790	AMD	23	591	91.08.250	AMD	23	621
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90.03.070	AMD	23	593	91.08.370	AMD	23	625
90.03.210	AMD	23	594	91.08.390	AMD	23	626
90.03.220	AMD	23	595	91.08.400	AMD	23	627
90.03.250	AMD	23	596	91.08.410	AMD	23	628
90.03.270	AMD	23	597	91.08.430	AMD	23	629
90.03.410	AMD	23	598	91.08.460	AMD	23	630
90.03.440	AMD	23	599	91.08.500	AMD	23	631
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306	518	AMD	4	948
306	519	AMD	4	949

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INITIATIVES TO THE PEOPLE

For information on Initiatives to the People, see <http://secstate.wa.gov/elections/initiatives/statistics.aspx>. For additional information, call the Office of the Secretary of State at (360) 902-4180.

INITIATIVES TO THE LEGISLATURE

For information on Initiatives to the Legislature, see <http://secstate.wa.gov/elections/initiatives/statistics.aspx>. For additional information, call the Office of the Secretary of State at (360) 902-4180.

REFERENDUM MEASURES

For information on Referendum Measures, see <http://secstate.wa.gov/elections/initiatives/statistics.aspx>. For additional information, call the Office of the Secretary of State at (360) 902-4180.

REFERENDUM BILLS

For information on Referendum Bills, see <http://secstate.wa.gov/elections/initiatives/statistics.aspx>. For additional information, call the Office of the Secretary of State at (360) 902-4180.

HISTORY OF CONSTITUTIONAL AMENDMENTS ADOPTED SINCE STATEHOOD

- No. 1. Section 5, Article XVI. Re: **Permanent School Fund.** Adopted November, 1894.
- No. 2. Section 1, Article VI. Re: **Qualification of Electors.** Adopted November, 1896.
- No. 3. Section 2, Article VII. Re: **Uniform Rates of Taxation.** Adopted November, 1900.
- No. 4. Section 11, Article I. Re: **Religious Freedom.** Adopted November, 1904.
- No. 5. Section 1, Article VI. Re: **Equal Suffrage.** Adopted November, 1910.
- No. 6. Section 10, Article III. Re: **Succession in Office of Governor.** Adopted November, 1910.
- No. 7. Section 1, Article II. Re: **Initiative and Referendum.** Adopted November, 1912.
- No. 8. Adding Sections 33 and 34, Article I. Re: **Recall.** Adopted November, 1912.
- No. 9. Section 16, Article I. Re: **Taking of Private Property.** Adopted November, 1922.
- No. 10. Section 22, Article I. Re: **Right of Appeal.** Adopted November, 1922.
- No. 11. Section 4, Article VIII. Re: **Appropriation.** Adopted November, 1922.
- No. 12. Section 5, Article XI. Re: **Consolidation of County Offices.** Adopted November, 1924.
- No. 13. Section 15, Article II. Re: **Vacancies in the Legislature.** Adopted November, 1930.
- No. 14. Article VII. Re: **Revenue and Taxation.** Adopted November, 1930.
- No. 15. Section 1, Article XV. Re: **Harbors and Harbor Areas.** Adopted November, 1932.
- No. 16. Section 11, Article XII. Re: **Double Liability of Stockholders.** Adopted November, 1940.
- No. 17. Section 2, Article VII. Re: **40-Mill Tax Limit.** Adopted November, 1944.
- No. 18. Adding Section 40, Article II. Re: **Restriction of motor vehicle license fees and excise taxes on motor fuels to highway purposes only.** Adopted November, 1944.
- No. 19. Adding Section 3, Article VII. Re: **State to tax the United States and its instrumentalities to the extent that the laws of the United States will allow.** Adopted November, 1946.
- No. 20. Adding Section 1, Article XXVIII. Re: **Legislature to fix the salaries of state elective officials.** Adopted November, 1948.
- No. 21. Section 4, Article XI. Re: **Permit counties to adopt "Home Rule" charters.** Adopted November, 1948.
- No. 22. Repealing Section 7 of Article XI. Re: **County elective officials.** (These officials can now hold same office more than two terms in succession.) Adopted November, 1948.
- No. 23. Adding Section 16, Article XI. Re: **Permitting the formation, under a charter, of combined city and county municipal corporations having a population of 300,000 or more.** Adopted November, 1948.
- No. 24. Article II, Section 33. Re: **Permitting ownership of land by Canadians who are citizens of provinces wherein citizens of the State of Washington may own land.** (All provinces of Canada authorize such ownership.) Adopted November, 1950.

HISTORY OF ADOPTED CONSTITUTIONAL AMDTS.

- No. 25. Adding Section 3(a), Article IV. Re: **Establishing Retirement Age for Judges of Supreme and Superior Courts.** Adopted November, 1952.
- No. 26. Adding Section 41, Article II. Re: **Permitting the Legislature to Amend Initiative Measures.** Adopted November, 1952.
- No. 27. Section 6, Article VIII. Re: **Extending Bonding Powers of School Districts.** Adopted November, 1952.
- No. 28. Sections 6 and 10, Article IV. Re: **Increasing Monetary Jurisdiction of Justice Courts.** Adopted November, 1952.
- No. 29. Article II, Section 33. Re: **Redefining "Alien," thereby permitting the Legislature to determine the policy of the state respecting the ownership of land by corporations having alien shareholders.** Adopted November, 1954.
- No. 30. Adding Section 1A, Article II. Re: **Increasing the number of signatures necessary to certify a state initiative or referendum measure.** Adopted November, 1956.
- No. 31. Section 25, Article III. Re: **Removing the restriction prohibiting the state treasurer from being elected for more than one successive term.** Adopted November, 1956.
- No. 32. Section 2, Article XV. Re: **Filling vacancies in the state legislature.** Adopted November, 1956.
- No. 33. Section 1, Article XXIV. Re: **Modification of state boundaries by compact.** Adopted November, 1958.
- No. 34. Section 11, Article I. Re: **Employment of chaplains at state institutions.** Adopted November, 1958.
- No. 35. Section 25, Article II. Re: **Pensions and Employees' Extra Compensation.** Adopted November, 1958.
- No. 36. Section 1, Article II by adding a new subsection (e). Re: **Publication and Distribution of Voters' Pamphlet.** Adopted November, 1962.
- No. 37. Section 1, Article XXIII. Re: **Publication of Proposed Constitutional Amendments.** Adopted November, 1962.
- No. 38. Adding Section 2(c), Article IV. Re: **Temporary Performance of Judicial Duties.** Adopted November, 1962.
- No. 39. Adding Section 42, Article II. Re: **Governmental Continuity During Emergency Periods.** Adopted November, 1962.
- No. 40. Section 10, Article XI. Re: **Lowering minimum population for first class cities from 20,000 to 10,000. Also changing newspaper publication requirements for proposed charters.** Adopted November, 1964.
- No. 41. Section 29, Article IV. Re: **Election of Superior Court Judges.** Adopted November, 1966.
- No. 42. Repealing Section 33, Article II and Amendments 24 and 29. Re: **Alien Ownership of Lands.** Adopted November, 1966.
- No. 43. Section 3, Article IX. Re: **Funds for Support of the Common Schools.** Adopted November, 1966.

HISTORY OF ADOPTED CONSTITUTIONAL AMDTS.

- No. 44. Section 5, Article XVI. Re: **Investment of Permanent Common School Fund.** Adopted November, 1966.
- No. 45. Adding Section 8, Article VIII. Re: **Port Expenditures—Industrial Development—Promotion.** Adopted November, 1966.
- No. 46. Adding Section 1A, Article VI. Re: **Voter Qualifications for Presidential Elections.** Adopted November, 1966.
- No. 47. Adding Section 10, Article VII. Re: **Retired Persons Property Tax Exemption.** Adopted November, 1966.
- No. 48. Section 3, Article VIII. Re: **Public Special Indebtedness, How Authorized.** Adopted November, 1966.
- No. 49. Adding Section 1, Article XXIX. Re: **Investments of Public Pension and Retirement Funds.** Adopted November, 1968.
- No. 50. Adding Section 30, Article IV. Re: **Court of Appeals.** Adopted November, 1968.
- No. 51. Adding Section 9, Article VIII. Re: **State Building Authority.** Adopted November, 1968.
- No. 52. Section 15, Article II. Re: **Vacancies in Legislature and in Partisan County Elective Office.** Also amending Section 6, Article XI. Re: **Vacancies in Township, Precinct or Road District Office.** Adopted November, 1968.
- No. 53. Adding Section 11, Article VII. Re: **Taxation Based on Actual Use.** Adopted November, 1968.
- No. 54. Adding Section 1, Article XXX. Re: **Authorizing Compensation Increase During Term.** Adopted November, 1968.
- No. 55. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1972.
- No. 56. Section 24, Article II. Re: **Lotteries and Divorce.** Adopted November, 1972.
- No. 57. Section 5, Article XI. Re: **County Government.** Adopted November, 1972.
- No. 58. Section 16, Article XI. Re: **Combined City-County.** Adopted November, 1972.
- No. 59. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1972.
- No. 60. Section 1, Article VIII. Re: **State Debt.** Also amending Section 3, Article VIII. Re: **Special Indebtedness, How Authorized.** Approved November, 1972.
- No. 61. Adding new Article XXXI. Re: **Sex Equality, Rights and Responsibilities.** Adopted November, 1972.
- No. 62. Section 12, Article III. Re: **Veto Power.** Adopted November, 1974.
- No. 63. Section 1, Article VI. Re: **Qualifications of Electors.** Adopted November, 1974.
- No. 64. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1976.
- No. 65. Section 6, Article IV. Re: **Jurisdiction of Superior Courts.** Also amending Section 10, Article IV. Re: **Justices of the Peace.** Adopted November, 1976.
- No. 66. Section 18, Article XII. Re: **Rates for Transportation.** Adopted November, 1977.
- No. 67. Repealing Section 14, Article XII. Re: **Prohibition Against Combinations by Carriers.** Adopted November, 1977.

HISTORY OF ADOPTED CONSTITUTIONAL AMDTS.

- No. 68. Section 12, Article II. Re: **Legislative Sessions, When—Duration.** Adopted November, 1979.
- No. 69. Section 13, Article II. Re: **Limitation on Members Holding Office in the State.** Adopted November, 1979.
- No. 70. Adding Section 10, Article VIII. Re: **Residential Energy Conservation.** Adopted November, 1979.
- No. 71. Adding Section 31, Article IV. Re: **Judicial Qualifications Commission—Removal, Censure, Suspension, or Retirement of Judges or Justices.** Adopted November, 1980.
- No. 72. Sections 1 and 1(a), Article II. Re: **Legislative Powers, Where Vested and Initiative and Referendum, Signatures Required.** Adopted November, 1981.
- No. 73. Adding Section 1, Article XXXII. Re: **Special Revenue Financing.** Adopted November, 1981.
- No. 74. Adding Section 43, Article II. Re: **Redistricting.** Adopted November, 1983.
- No. 75. Section 1, Article XXIX. Re: **May be Invested as Authorized by Law.** Adopted November, 1985.
- No. 76. Adding Section 11, Article VIII. Re: **Agricultural Commodity Assessments—Development, Promotion, and Hosting.** Adopted November, 1985.
- No. 77. Section 31, Article IV. Re: **Commission on Judicial Conduct—Removal, Censure, Suspension, or Retirement of Judges or Justices—Proceedings.** Adopted November, 1986.
- No. 78. Section 1, Article XXVIII. Re: **Salaries for Legislators, Elected State Officials, and Judges—Independent Commission—Referendum.** Adopted November, 1986.
- No. 79. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1986.
- No. 80. Section 7, Article IV. Re: **Exchange of judges—Judge Pro Tempore.** Adopted November, 1987.
- No. 81. Section 1, Article VII. Re: **Taxation.** Adopted November, 1988.
- No. 82. Section 10, Article VIII. Re: **Residential Energy Conservation.** Adopted November, 1988.
- No. 83. Section 3, Article VI. Re: **Who disqualified.** Also amending Section 1, Article XIII. Re: **Educational, reformatory and penal institutions.** Adopted November, 1988.
- No. 84. Adding Section 35, Article I. Re: **Victims of Crimes—Rights.** Adopted November, 1989.
- No. 85. Section 31, Article IV. Re: **Commission on Judicial Conduct.** Adopted November, 1989.
- No. 86. Section 10, Article VIII. Re: **Energy and Water Conservation Assistance.** Adopted November, 1989.
- No. 87. Section 6, Article IV. Re: **Jurisdiction of Superior Courts.** Adopted November, 1993.
- No. 88. Section 11, Article I. Re: **Religious Freedom.** Adopted November, 1993.
- No. 89. Section 3, Article 4. Re: **Election and Terms of Supreme Court Judges.** Adopted November, 1995.
- No. 90. Section 2, Article VII. Re: **Limitation on levies.** Adopted November, 1997.

HISTORY OF ADOPTED CONSTITUTIONAL AMDTS.

- No. 91. Section 10, Article VIII. Re: **Energy, water, or stormwater or sewer services conservation assistance.** Adopted November, 1997.
- No. 92. Section 1, Article VIII. Re: **State debt.** Adopted November, 1999.
- No. 93. Section 1, Article XXIX. Re: **May be invested as authorized by law.** Adopted November, 2000.
- No. 94. Section 7, Article IV. Re: **Exchange of judges - Judge pro tempore.** Adopted November, 2001.
- No. 95. Section 2, Article VII. Re: **Limitation on levies.** Adopted November, 2002.
- No. 96. Section 15, Article II. Re: **Vacancies in legislative and in partisan county elective office.** Adopted November 2003.
- No. 97. Section 31, Article IV. Re: **Commission on judicial conduct.** Adopted November, 2005.
- No. 98. Section 1, Article VII. Re: **Taxation.** Adopted November 2006.
- No. 99. Section 12, Article VII. Re: **Budget stabilization account.** Adopted November 2007.
- No. 100. Section 29, Article II. Re: **Convict labor.** Adopted November 2007.
- No. 101. Section 2, Article VII. Re: **Limitation of levies.** Adopted November 2007.
- No. 102. Section 6, Article XVI. Re: **Investment of higher education permanent funds.** Adopted November 2007.
- No. 103. Section 1, Article VIII. Re: **State debt.** Adopted November 2010.
- No. 104. Section 20, Article I. Re: **Bail, when authorized.** Adopted November 2010.
- No. 105. Section 1A, Article VI. Re: **Voter qualifications for presidential elections.** Adopted November 2011.
- No. 106. Section 12, Article VII. Re: **Budget stabilization account.** Adopted November 2011.
- No. 106. Section 12, Article VII. Re: **Budget stabilization account.** Adopted November 2011.
- No. 107. Section 1, Article VIII. Re: **State debt.** Adopted November 2012.

