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## FIFTY FOURTH DAY

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House Chamber, Olympia, Friday, March 5, 2010

The House was called to order at 10:00 a.m. by the Speaker (Representative Moeller presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Marta Nelson and Benjamin Pratt. The Speaker (Representative Morris presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Representative Dan Roach, 31st District.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

The Speaker assumed the chair.

### SIGNED BY THE SPEAKER

The Speaker signed the following:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1418  
SUBSTITUTE HOUSE BILL NO. 1545  
HOUSE BILL NO. 1576  
SUBSTITUTE HOUSE BILL NO. 2403  
HOUSE BILL NO. 2406  
SUBSTITUTE HOUSE BILL NO. 2422  
SUBSTITUTE HOUSE BILL NO. 2429  
HOUSE BILL NO. 2428  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2496  
SUBSTITUTE HOUSE BILL NO. 2546  
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2564  
HOUSE BILL NO. 2575  
HOUSE BILL NO. 2592  
SUBSTITUTE HOUSE BILL NO. 2620  
SUBSTITUTE HOUSE BILL NO. 2678  
SUBSTITUTE HOUSE BILL NO. 2684  
HOUSE BILL NO. 2707  
HOUSE BILL NO. 2823  
HOUSE BILL NO. 2877  
SUBSTITUTE HOUSE BILL NO. 3145  
SENATE BILL NO. 6209  
SENATE BILL NO. 6279  
SENATE BILL NO. 6330  
SUBSTITUTE SENATE BILL NO. 6341  
SENATE BILL NO. 6453  
SENATE BILL NO. 6487  
SUBSTITUTE SENATE BILL NO. 6510  
SUBSTITUTE SENATE BILL NO. 6558  
SUBSTITUTE SENATE BILL NO. 6577  
SUBSTITUTE SENATE BILL NO. 6816

The Speaker called upon Representative Moeller to preside.

### MESSAGE FROM THE SENATE

March 4, 2010

Mr. Speaker:

The Senate has passed:

SUBSTITUTE HOUSE BILL 2403  
HOUSE BILL 2406  
SUBSTITUTE HOUSE BILL 2546  
ENGROSSED SUBSTITUTE HOUSE BILL 2564  
HOUSE BILL 2707  
HOUSE BILL 2823  
HOUSE BILL 2877

and the same are herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House advanced to the sixth order of business.

### SECOND READING

**ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6696, by Senate Committee on Ways & Means (originally sponsored by Senators McAuliffe, King, Gordon, Oemig, Hobbs, Kauffman, McDermott, Roach, Berkey, Murray, Tom, Prentice, Haugen, Fairley, Kline, Rockefeller, Keiser, Marr, Ranker, Regala, Eide, Kilmer, Hargrove, Franklin, Shin and Kohl-Welles)**

#### Regarding education reform.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Ways & Means was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 48, February 27, 2010).

With the consent of the House, amendment (1406) was withdrawn.

Representative Ericksen moved the adoption of amendment (1403) to the committee amendment.

On page 5, line 32 of the striking amendment, after "models." insert "School districts are encouraged to implement an innovation school as provided in sections 402 through 409 of this act in a persistently lowest-achieving school, as long as the innovation school plan under section 404 of this act also meets requirements of a federal intervention model."

On page 34, after line 5 of the striking amendment, insert the following:

**"NEW SECTION. Sec. 402.** (1) The legislature finds that:

(a) To further the goals of high quality public education throughout the state, each school district board of directors should have the authority to grant public schools of the district the maximum degree of flexibility possible to meet the needs of individual students and the communities in which they live; and

(b) Particularly in schools and communities that are struggling to improve student academic outcomes and close the achievement gap among groups of students, there is a critical need for innovative models of public education that are tailored to the unique circumstances and needs of the students in those schools and communities and implement evidence-based practices proven to be effective in reducing demographic disparities in student achievement.

(2) Therefore, the legislature intends to:

(a) Grant school districts and public schools greater ability to meet the educational needs of a diverse student population;

(b) Improve educational performance through greater individual school autonomy and managerial flexibility;

(c) Encourage innovation in education by providing local school communities and principals with greater control over levels of staffing, personnel selection and evaluation, scheduling, and educational programming with the goal of improving student achievement and closing the achievement gap; and

(d) Hold public schools that receive greater autonomy under this chapter accountable for student academic achievement as measured by the statewide assessments of student learning and other accountability measures.

(3) The legislature encourages school districts identified for required action under section 103 of this act to establish innovation schools as an intervention model under section 105 of this act in any persistently lowest-performing schools identified in the District

**NEW SECTION. Sec. 403.** Any school district board of directors may establish one or more innovation schools or innovation school zones within the district as provided in this section.

(1)(a) Any public school within a school district may submit to the board of directors of the district an innovation school plan as described under section 404 of this act. A group of public schools within a school district that share common interests, such as geographical location or educational focus, or that sequentially serve classes of students as they progress through elementary and secondary education may jointly submit to the board of directors of the district a plan to create an innovation school zone as described under section 404 of this act. An innovation school zone may include all public schools within a school District

(b) A school district board of directors that receives an innovation school plan or innovation school zone plan shall either approve or disapprove the plan within sixty days of receiving the plan. If the board of directors rejects the plan, the board must provide a written explanation of the reasons for the rejection. The public school or group of public schools may resubmit an amended plan any time after a plan is rejected.

(2) Any school district board of directors may initiate and collaborate with one or more public schools in the district to create one or more innovation schools through an innovation school plan or one or more innovation school zones through an innovation school zone plan. In creating an innovation school plan or an innovation school zone plan, the board of directors must ensure that each public school affected by the plan has substantial opportunity to participate in development of the plan.

(3) If a school district board of directors approves or creates an innovation school or an innovation school zone within the district, the board of directors may seek designation of the district as an innovation school district under section 406 of this act.

**NEW SECTION. Sec. 404.** (1) An innovation school plan shall include the following information:

(a) A statement of the mission of the public school and why designation as an innovation school would enhance the ability of the school to achieve its mission;

(b) A description of the innovations to be implemented by the public school, which may include but are not limited to innovations in school staffing, curriculum and assessment, class scheduling, use of

financial and other resources, and recruitment, employment, evaluation, and compensation of school employees;

(c) A listing of the programs, policies, or other operational aspects of the public school that would be affected by the innovations identified in the plan and the manner in which they would be affected, including but not limited to:

(i) The research-based educational program to be implemented by the school;

(ii) Unique learning opportunities for students to be implemented by the school;

(iii) The student promotion and graduation policies to be implemented at the school;

(iv) The student assessment plan at the school;

(v) The length of school day and school year at the school;

(vi) The proposed budget for the school; and

(vii) The proposed staffing plan for the school;

(d) Identification of the improvements in academic performance that the public school expects to achieve in implementing the innovations;

(e) A statement of the level of support for designation as an innovation school demonstrated by the personnel employed at the school, the students and parents of students enrolled in the school, and the community surrounding the school;

(f) An estimate of the cost savings and increased efficiencies, if any, the public school expects to achieve in implementing the identified innovations;

(g) A listing and description of any waivers of state rules or laws and state or school district policies that are necessary for the public school to implement the identified innovations and why the waivers are necessary; and

(h) Any additional information required by the school district board of directors to be included in an innovation school plan.

(2) An innovation school zone plan must include all of the information under subsection (1) of this section, plus the following additional information:

(a) A description of how innovations in the public schools within the innovation school zone would be integrated to achieve results that would be less likely to be accomplished by each school working alone;

(b) An estimate of any economies of scale that would be achieved by innovations implemented jointly by the public schools within the innovation school zone; and

(c) A statement of the level of support for creating an innovation school zone demonstrated by the personnel employed at each public school that would be included in the zone, the students and parents of students enrolled in each of the schools, and the community surrounding the innovation school zone. In determining the level of support, each public school shall specifically solicit input concerning the selection of schools included in the innovation school zone and the strategies and procedures that would be used in implementing and integrating the innovations within the schools in the zone.

(3) In considering or creating an innovation school plan or an innovation school zone plan, each public school involved in the plan and each school district board of directors is strongly encouraged to consider innovations in the following areas:

(a) Curriculum and assessments;

(b) Expanded accountability measures, including the use of a variety of accountability measures to more accurately present a complete measure of student learning and accomplishment, such as:

(i) Use of graduation or exit examinations, end-of-course examinations, student portfolio reviews, or national and international accountability measures;

(ii) Measuring the percentage of students continuing on to postsecondary education; and

(iii) Measuring the percentage of students concurrently obtaining a high school diploma and an associate degree or career and technical education certificate;

(c) Provision of services, including special education services, services for highly capable students, services for English language learner students, and educational and support services for students at risk of academic failure, suspension, or expulsion;

(d) Implementation of programs, services, and strategies specifically intended to close the achievement gap and increase graduation rates across all groups of students in the school;

(e) Teacher recruitment, training, and professional development;

(f) Employment and assignment policies;

(g) Performance expectations and evaluation procedures for teachers and principals;

(h) Compensation for teachers, principals, and other school building personnel, including but not limited to performance-based pay, total compensation plans, and other innovations;

(i) School governance and the roles, responsibilities, and expectations of principals in innovation schools or schools in an innovation school zone;

(j) School-based budgeting, hiring and assignment of school staff, and other management responsibilities; and

(k) Preparation and counseling of students for transition to postsecondary education and employment.

**NEW SECTION. Sec. 405.** Each school district board of directors is authorized and encouraged to seek and accept public and private gifts, grants, and donations to offset the costs of developing and implementing innovation school plans and innovation school zone plans.

**NEW SECTION. Sec. 406.** A school district board of directors that has approved or created an innovation school or an innovation school zone under section 403 of this act may seek designation by the state board of education as an innovation school district under this section.

(1) A school district board of directors that seeks designation as an innovation school district shall submit its innovation school plans or innovation school zone plans to the state board of education and the superintendent of public instruction for review and comment. Within sixty days after receiving such a plan, the state board of education and the superintendent of public instruction shall respond to the school district board of directors with any suggested changes or additions to the plan, including suggestions for further innovations or measures to increase the likelihood that the innovations will result in greater academic achievement within the innovation schools or innovation school zones. Based on the comments of the state board of education and the superintendent of public instruction, a school district board of directors may withdraw and resubmit the innovation school plan or innovation school zone plan.

(2) Within ten days of providing comment on an innovation school plan or innovation school zone plan under subsection (1) of this section, unless the school district board of directors withdraws the plan for purposes of revision, the state board of education shall designate the school district as an innovation school district unless the state board concludes that the plan:

(a) Is likely to result in a decrease in academic achievement in the innovation school or innovation school zone;

(b) Is not financially feasible to implement; or

(c) Would violate state or federal laws or rules that are not authorized to be waived under section 407 or 408 of this act.

(3) If the state board of education does not designate a school district as an innovation school district, the board shall provide a written explanation of the basis for the rejection to the school district board of directors. The school district board of directors may resubmit a revised innovation school plan or innovation school zone plan and seek designation as an innovation school district at any time after the designation is rejected.

**NEW SECTION. Sec. 407.** The superintendent of public instruction and the state board of education, within the scope of their statutory authority, shall waive the application of rules, policies, and procedures for an innovation school district designated under section 406 of this act to the extent the waiver of the rules, policies, and procedures are included in an approved innovation school plan or innovation school zone plan. The superintendent of public instruction and the state board of education shall not waive rules, policies, and procedures that jeopardize the receipt of state or federal funds that the innovation school district would otherwise be eligible to receive unless the innovation school district submits a written authorization for the waiver acknowledging that receipt of these funds could be jeopardized. A waiver of rules, policies, and procedures under this section applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

**NEW SECTION. Sec. 408.** (1) The superintendent of public instruction shall waive the statutory requirements and any related rules of the chapters of law specified under this section for an innovation school district designated under section 406 of this act to the extent the waiver is included in an approved innovation school plan or innovation school zone plan. A waiver of statutory requirements and any related rules under this section applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

(2) The following laws are subject to waiver under this section, except as provided under subsection (3) of this section:

(a) Chapter 28A.150 RCW, general provisions;

(b) Chapter 28A.165 RCW, learning assistance program;

(c) Chapter 28A.170 RCW, substance abuse awareness program;

(d) Chapter 28A.175 RCW, dropout prevention, intervention, and retrieval system;

(e) Chapter 28A.180 RCW, transitional bilingual instruction program;

(f) Chapter 28A.185 RCW, highly capable students;

(g) Chapter 28A.210 RCW, health screening and requirements;

(h) Chapter 28A.215 RCW, early childhood, preschools, and before-and-after school care;

(i) Chapter 28A.220 RCW, traffic safety;

(j) Chapter 28A.225 RCW, compulsory school attendance and admission;

(k) Chapter 28A.230 RCW, compulsory course work and activities;

(l) Chapter 28A.245 RCW, skill centers;

(m) Chapter 28A.250 RCW, online learning;

(n) Chapter 28A.300 RCW, superintendent of public instruction;

(o) Chapter 28A.320 RCW, provisions applicable to all districts;

(p) Chapter 28A.400 RCW, employees;

(q) Chapter 28A.405 RCW, certificated employees;

(r) Chapter 28A.410 RCW, certification;

(s) Chapter 28A.600 RCW, students;

(t) Chapter 28A.620 RCW, community education programs;

(u) Chapter 28A.650 RCW, education technology; and

(v) Chapter 28A.700 RCW, secondary career and technical education.

(3) The following laws may not be waived:

(a) State and federal laws and regulations pertaining to health, safety, civil rights, privacy, and nondiscrimination;

(b) The provisions of the basic education act relating to the basic education goals under RCW 28A.150.210 and funding allocations, formulas, and definitions under RCW 28A.150.250, 28A.150.260, 28A.150.390, and 28A.150.392, except for waivers provided in accordance with RCW 28A.150.250;

(c) Laws regarding financial examinations and audits as determined by the state auditor and the office of the superintendent of public instruction, including audits for legal and fiscal compliance;

(d) Laws pertaining to the election of school district boards of directors and to the organization and reorganization of school districts;

(e) Employee background and record check requirements under RCW 28A.400.301 and 28A.400.303 and mandatory termination for crimes against children under RCW 28A.400.320 through 28A.400.330; and

(f) All other applicable laws and rules not specifically waived under subsection (2) of this section or section 407 of this act.

**NEW SECTION. Sec. 409.** (1) An innovation school district designated under section 406 of this act shall permit but not require employees assigned to an innovation school or a school within an innovation school zone to elect to be removed from collective bargaining units and collective bargaining agreements as provided under sections 410 and 411 of this act.

(2) If the employees assigned to a school within an innovation school zone do not elect to be removed from the collective bargaining unit, the school district board of directors may revise the innovation school zone plan to remove that school from the innovation school zone plan.

(3) Any employee who is assigned to an innovation school or a school within an innovation school zone may request a transfer to another school within the school District. The superintendent and school district board of directors shall make every reasonable effort to accommodate the employee's request for a transfer.

**NEW SECTION. Sec. 410.** A new section is added to chapter 41.56 RCW to read as follows:

(1) Any collective bargaining agreement entered into, extended, amended, or renewed after the effective date of this section between a school district employer and employees under this chapter must contain a provision that allows employees of an innovation school district designated under section 406 of this act who are assigned to an innovation school or a school within an innovation school zone to elect to be removed from the bargaining unit and the collective bargaining agreement as provided under this section.

(2) Employees assigned to an innovation school or a school within an innovation school zone may elect, by means of a secret ballot approved by a majority of the employees under this chapter assigned to the school, to be removed from their bargaining unit and collective bargaining agreement. In the case of schools within an innovation school zone, the election shall be conducted separately for each school within the zone.

(3) Removal of employees of an innovation school or a school within an innovation school zone from bargaining units and collective bargaining agreements under this section shall continue so long as the school remains an innovation school or within an innovation school zone.

**NEW SECTION. Sec. 411.** A new section is added to chapter 41.59 RCW to read as follows:

(1) Any collective bargaining agreement entered into, extended, amended, or renewed after the effective date of this section between an employer and employees under this chapter must contain a provision that allows employees of an innovation school district designated under section 406 of this act who are assigned to an innovation school or a school within an innovation school zone to elect to be removed from the bargaining unit and the collective bargaining agreement as provided under this section.

(2) Employees assigned to an innovation school or a school within an innovation school zone may elect, by means of a secret ballot approved by a majority of the employees under this chapter assigned to the school, to be removed from their bargaining unit and collective bargaining agreement. In the case of schools within an

innovation school zone, the election shall be conducted separately for each school within the zone.

(3) Removal of employees of an innovation school or a school within an innovation school zone from bargaining units and collective bargaining agreements under this section shall continue so long as the school remains an innovation school or within an innovation school zone.

**NEW SECTION. Sec. 412.** A new section is added to chapter 28A.150 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

**NEW SECTION. Sec. 413.** A new section is added to chapter 28A.165 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

**NEW SECTION. Sec. 414.** A new section is added to chapter 28A.170 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

**NEW SECTION. Sec. 415.** A new section is added to chapter 28A.175 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

**NEW SECTION. Sec. 416.** A new section is added to chapter 28A.180 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

**NEW SECTION. Sec. 417.** A new section is added to chapter 28A.185 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation



**NEW SECTION. Sec. 431.** A new section is added to chapter 28A.620 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

**NEW SECTION. Sec. 432.** A new section is added to chapter 28A.650 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan.

**NEW SECTION. Sec. 433.** A new section is added to chapter 28A.700 RCW to read as follows:

An innovation school district designated under section 406 of this act shall be subject to the requirements of this chapter and related rules unless a waiver is included in an approved innovation school plan or innovation school zone plan of the District. A waiver as provided under section 407 or 408 of this act from the requirements of this chapter and related rules applies only to the approved innovation schools or innovation school zones in the designated innovation school district and only as specified in the approved plan."

On page 78, after line 29 of the striking amendment, insert the following:

**"NEW SECTION. Sec. 1105.** If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

**NEW SECTION. Sec. 1106.** 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. 1107.** Sections 402 through 409 of this act constitute a new chapter in Title 28A RCW."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representative Ericksen spoke in favor of the adoption of the amendment to the committee amendment.

Representative Sullivan spoke against the adoption of the amendment to the committee amendment.

Amendment (1403) to the committee amendment was not adopted.

Representative Priest moved the adoption of amendment (1401) to the committee amendment.

0)

On page 35, beginning on line 21 of the striking amendment, strike all of subsection (4)

On page 45, beginning on line 9 of the striking amendment, strike all of section 509 and insert the following:

**"NEW SECTION. Sec. 509.** In conjunction with the regional needs assessments in sections 506 through 508 of this act, the council of presidents shall convene an interinstitutional work group to implement the plans developed under section 601 of chapter 564, Laws of 2009 to increase the number of mathematics and science teacher endorsements and certificates. The work group must collaborate in evaluating regional needs and identifying strategies to meet those needs. The council of presidents shall report to the education and higher education committees of the legislature on demonstrated progress toward achieving outcomes identified in the plans no later than December 31, 2011."

Representatives Priest and Sullivan spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1401) to the committee amendment was adopted.

Representative Sullivan moved the adoption of amendment (1426) to the committee amendment.

0)

On page 60, line 19 of the striking amendment, after "more than" strike "15.0" and insert "17.0"

On page 63, line 16 of the striking amendment, after "in the" strike "2013-14" and insert "2014-15"

Representatives Sullivan and Priest spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1426) to the committee amendment was adopted.

Representative Sullivan moved the adoption of amendment (1427) to the committee amendment.

0)

On page 62, line 20 of the striking amendment, after "be" strike "5.45" and insert "5.30"

Representatives Sullivan and Priest spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1427) to the committee amendment was adopted.

Representative Bailey moved the adoption of amendment (1398) to the committee amendment.

0)

On page 70, line 11 of the amendment, after "Beginning" strike "~~(July)~~ April" and insert "July"

On page 79, beginning on line 1 of the amendment, strike all of section 1106

Representative Bailey spoke in favor of the adoption of the amendment to the committee amendment.

Representative Sullivan spoke against the adoption of the amendment to the committee amendment.

Amendment (1398) to the committee amendment was not adopted.

The committee amendment by the Committee on Ways & Means was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Sullivan, Priest, Maxwell, Dammeier, Probst, Carlyle, Angel and Probst (again) spoke in favor of the passage of the bill.

Representatives Miloscia and Alexander spoke against the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 6696, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6696, as amended by the House, and the bill passed the House by the following vote: Yeas, 76; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Representatives Anderson, Angel, Appleton, Armstrong, Blake, Campbell, Carlyle, Chase, Clibborn, Cody, Condotta, Conway, Dammeier, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kessler, Kirby, Liias, Linville, Maxwell, McCoy, McCune, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Parker, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Santos, Seaquist, Sells, Simpson, Smith, Springer, Sullivan, Takko, Uptegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Bailey, Chandler, Crouse, DeBolt, Ericksen, Fagan, Herrera, Johnson, Klippert, Kretz, Kristiansen, Miloscia, Nealey, Orcutt, Pearson, Roach, Ross, Schmick, Shea, Short and Taylor.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6696, as amended by the House, having received the necessary constitutional majority, was declared passed.

### POINT OF PERSONAL PRIVILEGE

Representative Morris congratulated Representative Quall on the passage of his last piece of major legislation through the House, and asked the Chamber to acknowledge his accomplishments.

### SECOND READING

**HOUSE BILL NO. 3209, by Representatives Clibborn, Rolfes, Seaquist and Morris**

#### Managing costs of the ferry system.

The bill was read the second time.

There being no objection, Substitute House Bill No. 3209 was substituted for House Bill No. 3209 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 3209 was read the second time.

Representative Clibborn moved the adoption of amendment (1511).

0)

On page 1, line 18, after "ferry" strike "labor unions" and insert "workforce"

On page 2, beginning on line 1, strike all of section 2

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 6, line 2, after "those of" insert ":(i)"

On page 6, line 7, after "involved" strike "or with" and insert ", or (ii)"

On page 6, line 7, after "employees" insert "doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved"

Correct the title.

Representative Clibborn spoke in favor of the adoption of the amendment.

Representative Roach spoke against the adoption of the amendment.

Amendment (1511) was adopted.

Representative Ericksen moved the adoption of amendment (1510).

0)

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** A new section is added to chapter 47.60 RCW to read as follows:

(1) By July 1, 2011, the department must transfer all management aspects of the Washington state ferries system, including vessels, terminals, docks, and facilities other than Eagle Harbor, to a private vendor, according to the following requirements:

(a) Notwithstanding the provisions of collective bargaining agreements and laws and rules governing vendor agreements, the private management firm must be allowed to negotiate food and vendor contracts;

(b) Within one year after the transfer of management to a private firm, and upon consultation with the legislature, the management firm must provide a strategy for employee collective bargaining and labor procedures; and

(c) The new management firm must allow private passenger-only ferry operators approved by the utilities and transportation commission access to docks and terminals where feasible.

(2) The department must contract for the design, construction and maintenance of new vessels using a design-build-maintain procedure.

(3) By July 1, 2011, the department must sell to the highest bidder the Eagle Harbor maintenance facility. Following the sale, all maintenance and preservation work must be performed by privately-owned shipyards."

Correct the title.

Representatives Ericksen, Ericksen (again), Hinkle, Ross, Orcutt, Parker and Rodne spoke in favor of the adoption of the amendment.

Representatives Liias, Simpson, Rolfes and Morris spoke against the adoption of the amendment.

An electronic roll call was requested.

The Speaker (Representative Moeller presiding) stated the question before the House to be the adoption of (1510) to Engrossed Substitute House Bill No. 3209.

### ROLL CALL

The Clerk called the roll on the adoption of (1510) to Engrossed Substitute House Bill No. 3209 and the amendment was

not adopted by the following vote: Yeas, 32; Nays, 66; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Armstrong, Campbell, Condotta, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Haler, Herrera, Hope, Johnson, Kelley, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Probst, Roach, Rodne, Ross, Schmick, Shea, Short, Walsh and Warnick.

Voting nay: Representatives Angel, Appleton, Bailey, Blake, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kenney, Kessler, Kirby, Lias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Priest, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Amendment (1510) was not adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Clibborn, Seaquist and Lias spoke in favor of the passage of the bill.

Representatives Roach and Ericksen spoke against the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute House Bill No. 3209.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 3209, and the bill passed the House by the following vote: Yeas, 90; Nays, 8; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Seaquist, Sells, Short, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Crouse, Ericksen, Haler, Klippert, Roach, Schmick, Shea and Simpson.

SUBSTITUTE HOUSE BILL NO. 3209, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6726, by Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, Kohl-Welles, Ranker, Murray, McDermott, Keiser, Prentice, Kauffman, Kline, Kilmer, Fraser and Pridemore)**

### **Making the governor the public employer of language access providers.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Commerce & Labor, was adopted. (For Committee amendment, see Journal, Day 44, February 23, 2010).

Representative Condotta moved the adoption of amendment (1498).

0) On page 1, beginning on line 9, strike all of subsection (2) and insert the following:

"(2) The working group shall include members that have experience and knowledge of language access services in Washington state, including representatives of: (a) A statewide association representing hospitals; (b) community health centers and providers for underserved and immigrant populations; (c) statewide associations representing physicians; (d) other health care providers who serve medicaid patients; (e) statewide professional interpreter associations; (f) community-based organizations that advocate for persons with limited English proficiency; (g) language access providers; (h) language access agencies; (i) brokers; and (j) the department of social and health services."

On page 2, beginning on line 7, after "costs" strike all material through "agencies," on line 8

On page 2, line 12, after "than" strike "September 30, 2010" and insert "December 1, 2010"

On page 2, beginning on line 13, strike all of sections 2 through 9

Correct the title.

Representatives Condotta and Chandler spoke in favor of the adoption of the amendment.

Representative Conway spoke against the adoption of the amendment.

Amendment (1498) was not adopted.

Representative Conway moved the adoption of amendment (1453).

0) On page 2, line 9, after "improved;" insert "access to services is maintained or improved;"

On page 3, beginning on line 3, after "to:" strike all material through "procedures" on line 7 and insert "(i) Economic compensation, such as the manner and rate of payments; (ii) professional development and training; (iii) labor-management committees; and (iv) grievance procedures"

On page 7, line 36, after "broker," strike "foreign language" and insert "language access"

On page 8, beginning on line 1, strike all of section 4 and insert the following:

"**Sec. 4.** RCW 41.56.113 and 2007 c 184 s 3 are each amended to read as follows:

(1) This subsection (1) applies only if the state makes the payments directly to a provider.

(a) Upon the written authorization of an individual provider, a family child care provider, ~~((or))~~ an adult family home provider, or a language access provider within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the state as payor, but not as the employer, shall, subject to ~~(c) of this subsection ((3) of this section))~~, deduct from the payments to an individual provider, a family child care



provider, ~~((#))~~ an adult family home provider, or a language access provider the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and shall transmit the same to the treasurer of the exclusive bargaining representative.

~~((2))~~(b) If the governor and the exclusive bargaining representative of a bargaining unit of individual providers, family child care providers, ~~((#))~~ adult family home providers, or language access providers enter into a collective bargaining agreement that:

~~((#))~~(i) Includes a union security provision authorized in RCW 41.56.122, the state as payor, but not as the employer, shall, subject to (c) of this subsection ~~((3) of this section)~~, enforce the agreement by deducting from the payments to bargaining unit members the dues required for membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or

~~((#))~~(ii) Includes requirements for deductions of payments other than the deduction under (a)(i) of this subsection, the state, as payor, but not as the employer, shall, subject to (c) of this subsection ~~((3) of this section)~~, make such deductions upon written authorization of the individual provider, family child care provider, ~~((#))~~ adult family home provider, or language access provider.

~~((3))~~(c)(i) The initial additional costs to the state in making deductions from the payments to individual providers, family child care providers, ~~((and))~~ adult family home providers, and language access providers under this section shall be negotiated, agreed upon in advance, and reimbursed to the state by the exclusive bargaining representative.

~~((#))~~(ii) The allocation of ongoing additional costs to the state in making deductions from the payments to individual providers, family child care providers, ~~((#))~~ adult family home providers, or language access providers under this section shall be an appropriate subject of collective bargaining between the exclusive bargaining representative and the governor unless prohibited by another statute. If no collective bargaining agreement containing a provision allocating the ongoing additional cost is entered into between the exclusive bargaining representative and the governor, or if the legislature does not approve funding for the collective bargaining agreement as provided in RCW 74.39A.300, 41.56.028, ~~((#))~~ 41.56.029, or section 2 of this act, as applicable, the ongoing additional costs to the state in making deductions from the payments to individual providers, family child care providers, ~~((#))~~ adult family home providers, or language access providers under this section shall be negotiated, agreed upon in advance, and reimbursed to the state by the exclusive bargaining representative.

~~((4))~~(d) The governor and the exclusive bargaining representative of a bargaining unit of family child care providers may not enter into a collective bargaining agreement that contains a union security provision unless the agreement contains a process, to be administered by the exclusive bargaining representative of a bargaining unit of family child care providers, for hardship dispensation for license-exempt family child care providers who are also temporary assistance for needy families recipients or WorkFirst participants.

(2) This subsection (2) applies only if the state does not make the payments directly to a provider.

(a) Upon the written authorization of a language access provider within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the state shall require through its contracts with third parties that:

(i) The monthly amount of dues as certified by the secretary of the exclusive bargaining representative be deducted from the payments to the language access provider and transmitted to the treasurer of the exclusive bargaining representative; and

(ii) A record showing that dues have been deducted as specified in (a)(i) of this subsection be provided to the state.

(b) If the governor and the exclusive bargaining representative of the bargaining unit of language access providers enter into a

collective bargaining agreement that includes a union security provision authorized in RCW 41.56.122, the state shall enforce the agreement by requiring through its contracts with third parties that:

(i) The monthly amount of dues required for membership in the exclusive bargaining representative as certified by the secretary of the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues, be deducted from the payments to the language access provider and transmitted to the treasurer of the exclusive bargaining representative; and

(ii) A record showing that dues or fees have been deducted as specified in (a)(i) of this subsection be provided to the state."

On page 10, beginning on line 18, after "with" strike all material through "providers" on line 19 and insert "~~((interpreters))~~ language access providers, local agencies, or other community resources"

On page 10, beginning on line 21, after "providers" strike all material through "providers" on line 23 and insert "as needed to maintain an adequate pool of providers"

On page 10, line 24, after "~~(5)~~" insert the following: "The department shall require compliance with RCW 41.56.113(2) through its contracts with third parties.

(6)"

On page 10, line 28, after "~~((5))~~" strike "~~(6)~~" and insert "~~(7)~~"

On page 11, line 1, after "~~((6))~~" strike "~~(7)~~" and insert "~~(8)~~"

On page 11, line 6, after "broker," strike "foreign language" and insert "language access"

Representatives Conway and Condotta spoke in favor of the adoption of the amendment.

Amendment (1453) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representative Wood and Conway spoke in favor of the passage of the bill.

Representatives Chandler and Condotta spoke against the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6726, as amended by the House.

## ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6726, as amended by the House, and the bill passed the House by the following vote: Yeas, 58; Nays, 40; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Campbell, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kirby, Lias, Maxwell, McCoy, Miloscia, Moeller, Morrell, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Blake, Chandler, Condotta, Crouse, Dammeier, DeBolt, Eddy, Ericksen, Fagan, Haler, Herrera, Hinkle, Hope, Johnson, Kessler, Klippert, Kretz, Kristiansen, Linville, McCune, Morris, Nealey, Orcutt, Parker, Pearson, Rodne, Ross, Schmick, Shea, Short, Smith, Takko, Taylor, Walsh and Warnick.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6726, as amended by the House, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the eighth order of business.

There being no objection, the Committee on Rules was relieved of SENATE BILL NO. 6308 and the bill was placed on the second reading calendar.

#### MESSAGE FROM THE SENATE

March 5, 2010

Mr. Speaker:

The Senate has passed:

SUBSTITUTE HOUSE BILL 2443  
HOUSE BILL 2748  
HOUSE BILL 2973  
HOUSE BILL 3007

and the same are herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House reverted to the sixth order of business.

#### SECOND READING

**ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6504, by Senate Committee on Ways & Means (originally sponsored by Senator Hargrove)**

**Reducing crime victims' compensation benefits and eligibility. Revised for 2nd Substitute: Modifying provisions of the crime victims' compensation program.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Ways & Means was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 49, February 28, 2010).

Representative Ross moved the adoption of amendment (1497) to the committee amendment:

0)

On page 3, line 8 of the striking amendment, after "of the" strike "worker's death" and insert "date upon which the death of the victim is officially recognized as a homicide. If there is a delay in the recovery of remains or the release of remains for burial, application for benefits must be received within twelve months of the date of the release of the remains for burial"

Representatives Ross and Hurst spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1497) to the committee amendment was adopted.

Representative Cody moved the adoption of amendment (1484) to the committee amendment.

0)

On page 6, after line 13 of the striking amendment, insert the following:

"(19) A victim is not eligible for benefits under this act if such victim:

(a) Has been convicted of a felony offense within five years preceding the criminal act for which they are applying where the felony offense is a violent offense under RCW 9.94A.030 or a crime against persons under 9.94A.411, or is convicted of such a felony offense after applying; and

(b) Has not completely satisfied all legal financial obligations owed prior to applying for benefits."

Representatives Cody and Pearson spoke in favor of the amendment to the committee amendment.

Amendment (1484) to the committee amendment was adopted.

The committee amendment by the Committee on Ways & Means was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Hurst and Ross spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 6504, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6504, as amended by the House, and the bill passed the House by the following vote: Yeas, 95; Nays, 3; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Appleton, Dammeier and Pearson.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6504, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6361, by Senate Committee on Human Services & Corrections (originally sponsored by Senators Brandland, Hargrove, Carrell, Roach and Marr)**

**Exempting a person's identifying information from public disclosure when submitted in the course of using the sex offender notification and registration program for the purpose of receiving notification regarding registered sex offenders.**

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Hunt and Armstrong spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6361.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6361, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

SUBSTITUTE SENATE BILL NO. 6361, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 5902, by Senate Committee on Ways & Means (originally sponsored by Senators Pridemore, Fraser, McAuliffe, Kline, Kohl-Welles and McDermott)**

#### **Promoting accessible communities for persons with disabilities.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Human Services was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 43, February 22, 2010).

With the consent of the House, amendments (1438), (1443), (1445) and (1494) were withdrawn.

Representative Liias moved the adoption of amendment (1505) to the committee amendment:

0)

On page 1, beginning on line 13 of the striking amendment, after "treasurer." strike all material through "penalty" on line 14 and insert "One hundred dollars of the assessment"

On page 1, beginning on line 15 of the striking amendment, after "account." strike all material through "proportionally" on line 17 and insert "Any reduction in the penalty or fine and assessment imposed under section 6 of this act shall be applied proportionally between the penalty or fine and the assessment"

On page 8, at the beginning of line 14 of the striking amendment, strike "~~two~~ four" and insert "two"

On page 8, line 14 of the striking amendment, after "dollars." insert "In addition to any penalty or fine imposed under this subsection, two hundred dollars shall be assessed."

On page 8, beginning on line 15 of the striking amendment, after "of" strike "~~two~~ four" and insert "two"

On page 8, line 18 of the striking amendment, after "disabilities." insert "In addition to any penalty or fine imposed under this subsection, two hundred dollars shall be assessed."

On page 8, beginning on line 20 of the striking amendment, after "of" strike "~~two~~ four" and insert "two"

On page 8, line 25 of the striking amendment, after "46.16.385." insert "In addition to any penalty or fine imposed under this subsection, two hundred dollars shall be assessed."

On page 9, beginning on line 1 of the striking amendment, strike all of subsection (10) and insert the following:

"(10) (~~The penalties~~) (a) The assessment imposed under subsections (7), (8), and (9) of this section shall be allocated as follows:

(i) One hundred dollars shall be deposited in the accessible communities account created in section 2 of this act; and

(ii) One hundred dollars shall be deposited in the multimodal account under RCW 47.66.070 for the sole purpose of supplementing a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation that is administered by the department of transportation.

(b) Any reduction in any penalty or fine and assessment imposed under subsections (7), (8), and (9) of this section shall be applied proportionally between the penalty or fine and the assessment. When a reduced penalty or fine and assessment are imposed, the amount deposited in the accounts identified in subsection (a) of this subsection shall be reduced equally and proportionally.

(c) The penalty or fine amounts shall be used by that local jurisdiction exclusively for law enforcement. The court may also impose an additional penalty sufficient to reimburse the local jurisdiction for any costs it may have incurred in removal and storage of the improperly parked vehicle."

Representatives Liias and Dammeier spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1505) to the committee amendment was adopted.

Representative Alexander moved the adoption of amendment (1506) to the committee amendment.

0)

On page 1, line 13 of the striking amendment, after "treasurer." strike "Two" and insert "One"

On page 9, beginning on line 1 of the striking amendment, strike all of subsection (10) and insert the following:

"(10) (~~The penalties~~) (a) Two hundred dollars from each full penalty imposed under subsections (7), (8), and (9) of this section shall be allocated as follows:

(i) One hundred dollars shall be deposited in the accessible communities account created in section 2 of this act; and

(ii) One hundred dollars shall be deposited in the multimodal account under RCW 47.66.070 for the sole purpose of supplementing a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation that is administered by the department of transportation.

(b) When a reduced penalty is imposed under subsections (7), (8), or (9) of this section, the amount deposited in the accounts identified in subsection (a) of this subsection shall be reduced equally and proportionally. The remaining penalty amounts shall be used by that local jurisdiction exclusively for law enforcement. The court may also impose an additional penalty sufficient to reimburse the local

jurisdiction for any costs it may have incurred in removal and storage of the improperly parked vehicle."

Representatives Alexander, Dickerson and Parker spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1506) to the committee amendment was adopted.

The committee amendment by the Committee on Human Services was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Dickerson, Dammeier, Wallace, Angel and Orcutt spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5902, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5902, as amended by the House, and the bill passed the House by the following vote: Yeas, 94; Nays, 4; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Anderson, Carlyle, Hudgins and Springer.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5902, as amended by the House, having received the necessary constitutional majority, was declared passed.

The Speaker (Representative Moeller presiding) called upon Representative Morris to preside.

### SECOND READING

**SENATE BILL NO. 6308, by Senators Carrell, King, Marr, Stevens, Becker and Roach**

**Controlling computer access by residents of the special commitment center.**

The bill was read the second time.

With the consent of the House, amendments (1513) and (1519) were withdrawn.

Representative Kirby moved the adoption of amendment (1520).

0)

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** The legislature finds that there have been ongoing, egregious examples of certain residents of the special commitment center having illegal child pornography, other prohibited pornography, and other banned materials on their computers. The legislature also finds that activities at the special commitment center must be designed and implemented to meet the treatment goals of the special commitment center, and proper and appropriate computer usage is one such activity. The legislature also finds that by linking computer usage to treatment plans, residents are less likely to have prohibited materials on their computers and are more likely to successfully complete their treatment plans. Therefore, the legislature finds that residents' computer usage in compliance with conditions placed on computer usage is essential to achieving their therapeutic goals. If residents' usage of computers is not in compliance or is not related to meeting their treatment goals, computer usage will be limited in order to prevent or reduce residents' access to prohibited materials.

**Sec. 2.** RCW 71.09.080 and 2009 c 409 s 7 are each amended to read as follows:

(1) Any person subjected to restricted liberty as a sexually violent predator pursuant to this chapter shall not forfeit any legal right or suffer any legal disability as a consequence of any actions taken or orders made, other than as specifically provided in this chapter, or as otherwise authorized by law.

(2) (a) Any person committed or detained pursuant to this chapter shall be prohibited from possessing or accessing a personal computer if the resident's individualized treatment plan states that access to a computer is harmful to bringing about a positive response to a specific and certain phase or course of treatment.

(b) A person who is prohibited from possessing or accessing a personal computer under (a) of this subsection (2) shall be permitted to access a limited functioning personal computer capable of word processing and limited data storage on the computer only that does not have: (i) Internet access capability; (ii) an optical drive, external drive, universal serial bus port, or similar drive capability; or (iii) the capability to display photographs, images, videos, or motion pictures, or similar display capability from any drive or port capability listed under (ii) of this subsection (2)(b).

(3) Any person committed pursuant to this chapter has the right to adequate care and individualized treatment. The department of social and health services shall keep records detailing all medical, expert, and professional care and treatment received by a committed person, and shall keep copies of all reports of periodic examinations made pursuant to this chapter. All such records and reports shall be made available upon request only to: The committed person, his or her attorney, the prosecuting attorney, the court, the protection and advocacy agency, or another expert or professional person who, upon proper showing, demonstrates a need for access to such records.

~~((3))~~(4) At the time a person is taken into custody or transferred into a facility pursuant to a petition under this chapter, the professional person in charge of such facility or his or her designee shall take reasonable precautions to inventory and safeguard the personal property of the persons detained or transferred. A copy of the inventory, signed by the staff member making it, shall be given to the person detained and shall, in addition, be open to inspection to any responsible relative, subject to limitations, if any, specifically imposed by the detained person. For purposes of this subsection, "responsible relative" includes the guardian, conservator, attorney, spouse, parent, adult child, or adult brother or sister of the person. The facility shall not disclose the contents of the inventory to any other person without consent of the patient or order of the court.

((4))(5) Nothing in this chapter prohibits a person presently committed from exercising a right presently available to him or her for the purpose of obtaining release from confinement, including the right to petition for a writ of habeas corpus.

((5))(6) No indigent person may be conditionally released or unconditionally discharged under this chapter without suitable clothing, and the secretary shall furnish the person with such sum of money as is required by RCW 72.02.100 for persons without ample funds who are released from correctional institutions. As funds are available, the secretary may provide payment to the indigent persons conditionally released pursuant to this chapter consistent with the optional provisions of RCW 72.02.100 and 72.02.110, and may adopt rules to do so.

((6))(7) If a civil commitment petition is dismissed, or a trier of fact determines that a person does not meet civil commitment criteria, the person shall be released within twenty-four hours of service of the release order on the superintendent of the special commitment center, or later by agreement of the person who is the subject of the petition.

NEW SECTION. Sec. 3. 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."

Correct the title.

Representatives Kirby, Pearson, Hurst and Klippert spoke in favor of the adoption of the amendment.

Representative Appleton spoke against the adoption of the amendment.

Amendment (1520) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Hurst, Klippert and Goodman spoke in favor of the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Senate Bill No. 6308, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6308, as amended by the House, and the bill passed the House by the following vote: Yeas, 97; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

Voting nay: Representative Appleton.

SENATE BILL NO. 6308, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6673, by Senate Committee on Judiciary (originally sponsored by Senators Kline, McCaslin, Carrell, Kohl-Welles, Gordon, Regala, Roach, Hargrove and Tom)**

### **Appointing a task force to study bail practices and procedures.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Public Safety & Emergency Preparedness was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 44, February 23, 2010).

Representative Hurst moved the adoption of amendment (1485) to the committee amendment:

0) On page 1, line 28 of the striking amendment, after "(viii)" insert the following:

"The director of the Washington state department of licensing or the director's designee;

(ix) The Washington state insurance commissioner or the commissioner's designee;"

Renumber the remaining subsections consecutively and correct any internal references accordingly.

Representatives Hurst and Pearson spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1485) to the committee amendment was adopted.

The committee amendment by the Committee on Public Safety & Emergency Preparedness was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Hurst and Pearson spoke in favor of the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6673, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6673, as amended by the House, and the bill passed the House by the following vote: Yeas, 97; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest,

Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

Voting nay: Representative Klippert.

SUBSTITUTE SENATE BILL NO. 6673, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6759, by Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Kauffman, Oemig, Prentice and Kline)**

**Requiring a plan for a voluntary program of early learning as a part of basic education. Revised for 1st Substitute:  
Requiring a plan for a voluntary program of early learning.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Early Learning & Children's Services was not adopted.

Representative Goodman moved the adoption of amendment (1518).

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** The legislature finds that a critical factor in the eventual successful outcome of a K-12 education is for students to begin school ready, both intellectually and socially, to learn. The legislature also finds that, due to a variety of factors, some young children need supplemental instruction in preschool to assure that they have the opportunity to participate meaningfully and reach the necessary levels of achievement in the regular program of basic education. The legislature further finds that children who participate in high quality preschool programs have improved educational and life outcomes and are more likely to graduate from high school and pursue higher education, experience successful employment opportunities, and have increased earnings. Therefore the legislature intends to create a program of early learning that, when fully implemented, shall be an entitlement program for eligible children.

The legislature also finds that the state early childhood education and assistance program was established to help children from low-income families be prepared for kindergarten, and that the program has been a successful model for achieving that goal. Therefore, the legislature intends that the first phase of implementing the entitlement program of early learning shall be accomplished by utilizing the program standards and eligibility criteria in the early childhood education and assistance program. The legislature also intends that the implementation of subsequent phases of the program established by the ready for school act of 2010 will be aligned with the implementation of the state's all-day kindergarten program in order to maximize the gains resulting from investments in the two programs.

**NEW SECTION. Sec. 2. DEFINITIONS.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Community-based early learning providers" includes for-profit and nonprofit licensed providers of child care and preschool programs.

(2) "Program" means the program of early learning established in section 3 of this act for eligible children who are three and four years of age.

**NEW SECTION. Sec. 3. PROGRAM STANDARDS.** (1) Beginning September 1, 2011, an early learning program to provide

voluntary preschool opportunities for children three and four years of age shall be implemented according to the funding and implementation plan in section 5 of this act. The program must be a comprehensive program providing early childhood education and family support, options for parental involvement, and health information, screening, and referral services, as family need is determined. Participation in the program is voluntary. On a space available basis, the program may allow enrollment of children who are not otherwise eligible by assessing a fee.

(2) The first phase of the program shall be implemented by utilizing the program standards and eligibility criteria in the early childhood education and assistance program.

(3) Subsequent phases of the program including, but not limited to, program standards and eligibility criteria, shall be defined by the legislature after receiving the recommendations from the director required in section 8 of this act.

(4) The director shall adopt rules for the following program components, as appropriate and necessary during the phased implementation of the program:

(a) Minimum program standards, including lead teacher, assistant teacher, and staff qualifications;

(b) Approval of program providers;

(c) Accountability and adherence to performance standards; and

(d) A method for allowing, on a space available basis, enrollment of children who are not otherwise eligible by assessing fees or copayments.

(5) The department has administrative responsibility for:

(a) Approving and contracting with providers according to rules developed by the director under this section;

(b) In partnership with school districts, monitoring program quality and assuring the program is responsive to the needs of eligible children;

(c) Assuring that program providers work cooperatively with school districts to coordinate the transition from preschool to kindergarten so that children and their families are well-prepared and supported; and

(d) Providing technical assistance to contracted providers.

**NEW SECTION. Sec. 4. ELIGIBILITY.** (1)(a) During the initial phase of implementation, the standards in RCW 43.215.405(3) used for eligibility determinations in the early childhood education and assistance program shall be used to determine eligibility for the program.

(b) During subsequent phases of implementation, eligibility determinations shall be based on factors adopted by the legislature after receiving recommendations required in subsection (2) of this section.

(2) The director shall develop recommendations for legislative approval regarding eligibility criteria for subsequent phases of implementation of the program.

(3) The director shall report the recommendations required under subsection (2) of this section to the appropriate committees of the legislature not later than December 1, 2010.

**NEW SECTION. Sec. 5. FUNDING AND STATEWIDE IMPLEMENTATION.** (1) Funding for the program of early learning established under this chapter must be appropriated to the department. Allocations must be made on the basis of eligible children enrolled with eligible providers.

(2) The program shall be implemented in phases, so that full implementation is achieved in the 2017-18 school year.

(3) For the initial phase of the early learning program in school years 2011-12 and 2012-13, the legislature shall appropriate funding to the department for implementation of the program in an amount not less than the 2009-2011 enacted budget for the early childhood education and assistance program. The appropriation shall be sufficient to fund an equivalent number of slots as funded in the 2009-2011 enacted budget.

(4) Beginning in the 2013-14 school year, additional funding for the program must be phased in beginning in school districts providing all-day kindergarten programs under RCW 28A.150.315.

(5) Funding shall continue to be phased in incrementally each year until full statewide implementation of the early learning program is achieved in the 2017-18 school year, at which time any eligible child shall be entitled to be enrolled in the program.

(6) The department and the office of financial management shall annually review the caseload forecasts for the program and, beginning December 1, 2012, and annually thereafter, report to the governor and the appropriate committees of the legislature with recommendations for phasing in additional funding necessary to achieve statewide implementation in the 2017-18 school year.

(7) School districts and approved community-based early learning providers may contract with the department to provide services under the program. The department shall collaborate with school districts, community-based providers, and educational service districts to promote an adequate supply of approved providers.

**NEW SECTION. Sec. 6.** A new section is added to chapter 28A.320 RCW to read as follows:

For the program of early learning established in section 3 of this act, school districts:

(1) Shall work cooperatively with program providers to coordinate the transition from preschool to kindergarten so that children and their families are well-prepared and supported; and

(2) May contract with the department of early learning to deliver services under the program.

**Sec. 7.** RCW 43.215.020 and 2007 c 394 s 5 are each amended to read as follows:

(1) The department of early learning is created as an executive branch agency. The department is vested with all powers and duties transferred to it under this chapter and such other powers and duties as may be authorized by law.

(2) The primary duties of the department are to implement state early learning policy and to coordinate, consolidate, and integrate child care and early learning programs in order to administer programs and funding as efficiently as possible. The department's duties include, but are not limited to, the following:

(a) To support both public and private sectors toward a comprehensive and collaborative system of early learning that serves parents, children, and providers and to encourage best practices in child care and early learning programs;

(b) To make early learning resources available to parents and caregivers;

(c) To carry out activities, including providing clear and easily accessible information about quality and improving the quality of early learning opportunities for young children, in cooperation with the nongovernmental private-public partnership;

(d) To administer child care and early learning programs;

(e) To standardize internal financial audits, oversight visits, performance benchmarks, and licensing criteria, so that programs can function in an integrated fashion;

(f) To support the implementation of the nongovernmental private-public partnership and cooperate with that partnership in pursuing its goals including providing data and support necessary for the successful work of the partnership;

(g) To work cooperatively and in coordination with the early learning council;

(h) To collaborate with the K-12 school system at the state and local levels to ensure appropriate connections and smooth transitions between early learning and K-12 programs; ~~(and)~~

(i) To develop and adopt rules for administration of the program of early learning established in section 3 of this act; and

(j) Upon the development of an early learning information system, to make available to parents timely inspection and licensing action information through the internet and other means.

(3) The department's programs shall be designed in a way that respects and preserves the ability of parents and legal guardians to direct the education, development, and upbringing of their children. The department shall include parents and legal guardians in the development of policies and program decisions affecting their children.

**NEW SECTION. Sec. 8. REPORT AND RECOMMENDATIONS.** The director of the department of early learning shall develop recommendations, including proposed legislation as appropriate and necessary, to achieve statewide implementation of the program of early learning established in section 3 of this act for children three and four years of age. The director shall report to the appropriate committees of the legislature by January 1, 2011 regarding:

(1) Program standards for a developmentally appropriate curriculum;

(2) Service standards for family support and health-related services;

(3) A plan for providing technical assistance necessary to support providers delivering services in early childhood education and assistance programs and head start programs in becoming approved providers of the program;

(4) A strategy to optimize phased implementation of the program on a schedule substantially similar to the implementation of full day kindergarten after a review of the locations where early childhood education and assistance programs are operating;

(5) Options for developing socioeconomically diverse, mixed classrooms; and

(6) Recommendations for naming the program.

**Sec. 9.** RCW 43.215.405 and 2006 c 265 s 210 are each 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 and 43.215.900 through 43.215.903.

(1) "Advisory committee" means the advisory committee under RCW 43.215.420.

(2) "Department" means the department of early learning.

(3) "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.

(4) "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.

(5) "Comprehensive" means an assistance program that focuses on the needs of the child and includes education, health, and family support services.

(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.

**Sec. 10.** RCW 43.215.405 and 2006 c 265 s 210 are each 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 and 43.215.900 through 43.215.903.

(1) "Advisory committee" means the advisory committee under RCW 43.215.420.

(2) "Department" means the department of early learning.

(3) "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, 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)~~ a child eligible for special education due to disability under RCW 28A.155.020. 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.

(4) "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.

(5) "Comprehensive" means an assistance program that focuses on the needs of the child and includes education, health, and family support services.

(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. 11.** The joint recommendations from the department of early learning, the superintendent of public instruction, and thrive by five, Washington, to the governor in December 2009, and the recommendations from the quality education council to the legislature in January 2010, both supported implementation of a voluntary program of early learning within the overall program of basic education. The legislature intends to direct further examination of these recommendations and Attorney General Opinion Number 8 (2009) through the convening of a working group to prepare a comprehensive plan for implementation of a voluntary, universal preschool program.

**NEW SECTION. Sec. 12.** (1) Beginning April 1, 2010, the department of early learning, in collaboration with the office of the superintendent of public instruction, shall convene a working group to develop recommendations for implementing a voluntary, universal preschool program for children ages three and four. Recognizing the program of early learning established in section 3 of this act, the working group shall prepare a proposal for implementing a voluntary universal prekindergarten program accessible to all three and four year olds in Washington. The working group also shall examine the opportunities and barriers of establishing a program of early learning under the program of basic education.

(2) The working group shall develop recommendations for the phased implementation of a voluntary, universal prekindergarten program, including recommendations relating to the following elements:

(a) Criteria for eligible children;

(b) Program standards for a developmentally appropriate curriculum to include:

(i) Physical well-being, health, and motor development;

(ii) Social and emotional development;

(iii) Cognition and general knowledge; and

(iv) Language, literacy, numeracy, and communication;

(c) Service standards for family support and health-related services to include:

(i) Working with parents to access appropriate medical, dental, and other health screenings for children;

(ii) Providing opportunities for parental involvement, education, and leadership development; and

(iii) Family contact designed to assist the child's family in:

(A) Assessing family strengths and needs;

(B) Setting family goals and reviewing progress;

(C) Accessing community resources; and

(D) Coordinating transitions between the program, child care, home, and kindergarten;

(d) Criteria for eligible providers;

(e) Governance responsibilities for the superintendent of public instruction and the department of early learning;

(f) Funding necessary for implementation, including professional development, facilities, and technical assistance;

(g) An implementation timeline;

(h) The need for transportation services for the program based on an analysis of the transportation services and arrangements being used in early childhood education and assistance programs and the need to address future transportation services;

(i) Options for developing socioeconomically diverse classrooms; and

(j) One or more sliding scale fee structures for possible use in the program of early learning established in section 3 of this act, and in the voluntary, universal preschool program for which a comprehensive plan is required under this section.

(3) While developing the plan, the working group shall review early learning programs in Washington, including the early childhood education and assistance program and the federal head start program, as well as voluntary, universal programs in other states.

(4) Membership of the working group shall include:

(a) One or more representatives from the following: The department of early learning; the office of the superintendent of public instruction; the nongovernmental private-public partnership created in RCW 43.215.070; and the office of the attorney general;

(b) Two members of the early learning advisory council established in RCW 43.215.090, to be appointed by the council; and

(c) Additional stakeholders with expertise in early learning to be appointed by the early learning advisory council.

(5) The working group shall consult with the achievement gap oversight and accountability committee established in RCW 28A.300.136, and may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders.

(6) The working group shall submit a brief progress report by July 1, 2011, and final report with the comprehensive plan by October 1, 2011, to the legislature, the governor, the early learning advisory council, and the quality education council established in RCW 28A.290.010.

**NEW SECTION. Sec. 13.** The superintendent of public instruction, the director of the department of early learning, and the director of the office of financial management, or their respective designees, shall report to the appropriate committees of the legislature by January 1, 2012, with recommendations for a budgeting and funding allocation method consistent with the recommendations developed under section 12 of this act.

**Sec. 14.** RCW 43.215.090 and 2007 c 394 s 3 are each amended to read as follows:



(1) The early learning advisory council is established to advise the department on statewide early learning ~~((community needs and progress))~~ issues that would build a comprehensive system of quality early learning programs and services for Washington's children and families by assessing needs and the availability of services, aligning resources, developing plans for data collection and professional development of early childhood educators, and establishing key performance measures.

(2) The council shall work in conjunction with the department to develop a statewide early learning plan that ~~((crosses systems and sectors to promote))~~ guides the department in promoting alignment of private and public sector actions, objectives, and resources, and ~~((to ensure))~~ ensuring school readiness.

(3) The council shall include diverse, statewide representation from public, nonprofit, and for-profit entities. Its membership shall reflect regional, racial, and cultural diversity to adequately represent the needs of all children and families in the state.

(4) Council members shall serve two-year terms. However, to stagger the terms of the council, the initial appointments for twelve of the members shall be for one year. Once the initial one-year to two-year terms expire, all subsequent terms shall be for two years, with the terms expiring on June 30th of the applicable year. The terms shall be staggered in such a way that, where possible, the terms of members representing a specific group do not expire simultaneously.

(5) The council shall consist of not more than ~~((twenty-five))~~ twenty-three members, as follows:

(a) The governor shall appoint at least one representative from each of the following: The department, the office of financial management, the department of social and health services, the department of health, the higher education coordinating board, and the state board for community and technical colleges;

(b) One representative from the office of the superintendent of public instruction, to be appointed by the superintendent of public instruction;

(c) The governor shall appoint ~~((at least))~~ seven leaders in early childhood education, with at least one representative with experience or expertise in each of the areas such as the following ~~((areas))~~: Children with disabilities, the K-12 system, family day care providers, and child care centers;

(d) Two members of the house of representatives, one from each caucus, and two members of the senate, one from each caucus, to be appointed by the speaker of the house of representatives and the president of the senate, respectively;

(e) Two parents, one of whom serves on the department's parent advisory council, to be appointed by the governor;

(f) ~~((Two))~~ One representative~~((s))~~ of the private-public partnership created in RCW 43.215.070, to be appointed by the partnership board;

(g) One representative designated by sovereign tribal governments; and

(h) One representative from the Washington federation of independent schools.

(6) The council shall be cochaired by one representative of a state agency and one nongovernmental member, to be elected by the council for two-year terms.

(7) The council shall appoint two members and stakeholders with expertise in early learning to serve on the working group created in section 12, chapter . . . , Laws of 2010 (section 12 of this act).

(8) Each member of the board shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.

~~((8))~~ (9) The department shall provide staff support to the council.

**Sec. 15.** RCW 28A.290.010 and 2009 c 548 s 114 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

(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; and

(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.

(4) In the 2009 fiscal year, the council shall meet as often as necessary as determined by the chair. In subsequent years, the council shall meet no more than four times 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) After receiving the comprehensive plan required under section 12, chapter . . . , Laws of 2010 (section 12 of this act), the council shall

develop recommendations for incorporating the plan into the strategic recommendations required under subsection (1) of this section and submit a report to the legislature by January 1, 2011.

(7) 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 ~~((committee))~~ council. Senate committee services and the house of representatives office of program research may provide additional staff support.

~~((7))~~ (8) 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. 16. Sections 2 through 5 and 19 of this act are each added to chapter 43.215 RCW.

NEW SECTION. Sec. 17. Section 9 of this act expires September 1, 2011.

NEW SECTION. Sec. 18. Section 10 of this act takes effect September 1, 2011.

NEW SECTION. Sec. 19. Sections 1 through 5 of this act may be known as the ready for school act of 2010."

Correct the title.

Representatives Goodman and Haler spoke in favor of the adoption of the amendment.

Amendment (1518) was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Goodman, Haler, Goodman (again), Kagi and Priest spoke in favor of the passage of the bill.

Representative Bailey spoke against the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6759, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6759, as amended by the House, and the bill passed the House by the following vote: Yeas, 69; Nays, 29; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Blake, Campbell, Carlyle, Chase, Clibborn, Cody, Conway, Dammeier, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kessler, Kirby, Liias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, Walsh, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Chandler, Condotta, Crouse, DeBolt, Ericksen, Fagan, Herrera, Hinkle, Johnson, Klippert, Kretz, Kristiansen, McCune, Nealey, Pearson, Roach, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor and Warnick.

SUBSTITUTE SENATE BILL NO. 6759, as amended by the House, having received the necessary constitutional majority, was declared passed.

### SECOND SUBSTITUTE SENATE BILL NO. 6667, by Senate Committee on Ways & Means (originally sponsored by Senators Kauffman and Kastama)

#### Concerning business assistance programs.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Community & Economic Development & Trade was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 43, February 22, 2010).

Representative Kenney moved the adoption of amendment (1514) to the committee amendment:

0)

On page 1 of the striking amendment, strike all material after line 2 and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that small businesses and entrepreneurs are a fundamental source of economic and community vitality for our state. They employ state residents, pay state taxes, purchase goods and services from local and regional companies, and contribute to our communities in many other ways. The legislature finds that small businesses and entrepreneurs need increased access to capital and technical assistance in order to maximize their potential. The legislature intends that the department of commerce and the small business development center each build upon their existing relevant statutory missions and authorities by collaborating on a specific plan to expand services to small businesses and entrepreneurs beginning in the 2011-2013 biennium.

Sec. 2. RCW 43.330.060 and 2005 c 136 s 13 are each amended to read as follows:

(1) The department shall (a) assist in expanding the state's role as an international center of trade, culture, and finance; (b) promote and market the state's products and services both nationally and internationally; (c) work in close cooperation with other private and public international trade efforts; (d) act as a centralized location for the assimilation and distribution of trade information; and (e) establish and operate foreign offices promoting overseas trade and commerce.

(2) The department shall identify and work with Washington businesses that can use local, state, and federal assistance to increase domestic and foreign exports of goods and services.

(3) The department shall work generally with small businesses and other employers to facilitate resolution of siting, regulatory, expansion, and retention problems. This assistance shall include but not be limited to assisting in workforce training and infrastructure needs, identifying and locating suitable business sites, and resolving problems with government licensing and regulatory requirements. The department shall identify gaps in needed services and develop steps to address them including private sector support and purchase of these services.

(4) The department shall work to increase the availability of capital to small businesses by developing new and flexible investment tools; by assisting in targeting and improving the efficiency of existing investment mechanisms; and by assisting in the procurement of managerial and technical assistance necessary to attract potential investors.

(5) The department shall assist women and minority-owned businesses in overcoming barriers to entrepreneurial success. The department shall contract with public and private agencies, institutions, and organizations to conduct entrepreneurial training

courses for minority and women-owned businesses. The instruction shall be intensive, practical training courses in financing, marketing, managing, accounting, and recordkeeping for a small business, with an emphasis on federal, state, local, or private programs available to assist small businesses. Instruction shall be offered in major population centers throughout the state at times and locations that are convenient for minority and women small business owners.

(6)(a) Subject to the availability of amounts appropriated for this specific purpose, by December 1, 2010, the department, in conjunction with the small business development center, must prepare and present to the governor and appropriate legislative committees a specific, actionable plan to increase access to capital and technical assistance to small businesses and entrepreneurs beginning with the 2011-2013 biennium. In developing the plan, the department and the center may consult with the Washington state microenterprise association, and with other government, nonprofit, and private organizations as necessary. The plan must identify:

(i) Existing sources of capital and technical assistance for small businesses and entrepreneurs;

(ii) Critical gaps and barriers to availability of capital and delivery of technical assistance to small businesses and entrepreneurs;

(iii) Workable solutions to filling the gaps and removing barriers identified in (a)(ii) of this subsection; and

(iv) The financial resources and statutory changes necessary to put the plan into effect beginning with the 2011-2013 biennium.

(b) With respect to increasing access to capital, the plan must identify specific, feasible sources of capital and practical mechanisms for expanding access to it.

(c) The department and the center must include, within the analysis and recommendations in (a) of this subsection, any specific gaps, barriers, and solutions related to rural and low-income communities and small manufacturers interested in exporting.

**Sec. 3.** RCW 28B.30.530 and 2009 c 486 s 1 are each amended to read as follows:

(1) The board of regents of Washington State University shall establish the Washington State University small business development center.

(2) The center shall provide management and technical assistance including but not limited to training, counseling, and research services to small businesses throughout the state. The center shall work with the department of ~~((community, trade, and economic development))~~ commerce, the state board for community and technical colleges, the higher education coordinating board, the workforce training and education coordinating board, the employment security department, the Washington state economic development commission, associate development organizations, and workforce development councils to:

(a) Integrate small business development centers with other state and local economic development and workforce development programs;

(b) Target the centers' services to small businesses;

(c) Tailor outreach and services at each center to the needs and demographics of entrepreneurs and small businesses located within the service area;

(d) Establish and expand small business development center satellite offices when financially feasible; and

(e) Coordinate delivery of services to avoid duplication.

(3) The administrator of the center may contract with other public or private entities for the provision of specialized services.

(4) The small business development center may accept and disburse federal grants or federal matching funds or other funds or donations from any source when made, granted, or donated to carry out the center's purposes. When drawing on funds from the business assistance account created in RCW ~~((30.60.010))~~ 28B.30.531, the center must first use the funds to make increased management and technical assistance available to existing small businesses and start-up businesses at satellite offices. The funds may also be used to develop

and expand assistance programs such as small business planning workshops and small business counseling.

(5) By ~~((December 1, 2009, and))~~ December 1, 2010, ~~((respectively,))~~ the center shall provide a written progress report and a final report to the appropriate committees of the legislature with respect to the requirements in subsection (2) of this section and the amount and use of funding received through the business assistance account. The reports must also include data on the number, location, staffing, and budget levels of satellite offices; affiliations with community colleges, associate development organizations or other local organizations; the number, size, and type of small businesses assisted; and the types of services provided. The reports must also include information on the outcomes achieved, such as jobs created or retained, private capital invested, and return on the investment of state and federal dollars.

(6)(a) Subject to the availability of amounts appropriated for this specific purpose, by December 1, 2010, the center, in conjunction with the department of commerce, must prepare and present to the governor and appropriate legislative committees a specific, actionable plan to increase access to capital and technical assistance to small businesses and entrepreneurs beginning with the 2011-2013 biennium. In developing the plan, the center and the department may consult with the Washington state microenterprise association, and with other government, nonprofit, and private organizations as necessary. The plan must identify:

(i) Existing sources of capital and technical assistance for small businesses and entrepreneurs;

(ii) Critical gaps and barriers to availability of capital and delivery of technical assistance to small businesses and entrepreneurs;

(iii) Workable solutions to filling the gaps and removing barriers identified in (a)(ii) of this subsection; and

(iv) The financial resources and statutory changes necessary to put the plan into effect beginning with the 2011-2013 biennium.

(b) With respect to increasing access to capital, the plan must identify specific, feasible sources of capital and practical mechanisms for expanding access to it.

(c) The center and the department must include, within the analysis and recommendations in (a) of this subsection, any specific gaps, barriers, and solutions related to rural and low-income communities and small manufacturers interested in exporting."

Correct the title.

Representative Kenney spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1514) to the committee amendment was adopted.

The committee amendment by the Committee on Community & Economic Development & Trade was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Kenney and Maxwell spoke in favor of the passage of the bill.

Representative Parker spoke against the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Second Substitute Senate Bill No. 6667, as amended by the House.

**ROLL CALL**

The Clerk called the roll on the final passage of Second Substitute Senate Bill No. 6667, as amended by the House, and the bill passed the House by the following vote: Yeas, 61; Nays, 36; Absent, 1; Excused, 0.

Voting yea: Representatives Anderson, Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kessler, Kirby, Lias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Probst, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams and Wood.

Voting nay: Representatives Alexander, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Haler, Herrera, Hinkle, Hope, Johnson, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Priest, Roach, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh and Warnick.

Absent: Mr. Speaker.

SECOND SUBSTITUTE SENATE BILL NO. 6667, as amended by the House, having received the necessary constitutional majority, was declared passed.

#### STATEMENT FOR THE JOURNAL

I intended to vote YEA on Second Substitute Senate Bill No. 6667.

Frank Chopp, 43rd District

#### SECOND READING

**SENATE BILL NO. 6540, by Senators Fairley, Swecker, King, Parlette, Fraser, Pridemore, Shin and Roach**

**Transferring the combined fund drive from the department of personnel to the secretary of state.**

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Darneille and Armstrong spoke in favor of the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Senate Bill No. 6540.

#### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6540, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune,

Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

SENATE BILL NO. 6540, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the eighth order of business.

There being no objection, the committee on State Government & Tribal Affairs was relieved of ENGROSSED SENATE BILL NO. 6430 and the bill was placed on the second reading calendar.

There being no objection, the House reverted to the sixth order of business.

#### SECOND READING

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6774, by Senate Committee on Transportation (originally sponsored by Senator Marr)**

**Addressing transportation benefit district governance. Revised for 1st Substitute: Concerning transportation benefit districts.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Transportation was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 45, February 24, 2010).

With the consent of the House, amendment (1400) was withdrawn.

Representative Lias moved the adoption of amendment (1347) to the committee amendment:

0) On page 1, line 5 of the striking amendment, after "city" insert ", or a public transportation benefit area as provided under subsection (2) of this section,"

On page 2, line 6 of the striking amendment, after "(2)" strike all material through "the" on line 6 and insert "~~(Subject to subsection (6) of this section,)~~(a) The legislative authority of a public transportation benefit area under chapter 36.57A with boundaries that encompass all or part of a county having a population of more than six hundred thousand may establish a transportation benefit district within the full boundaries of the public transportation benefit area. An authorized public transportation benefit area must, except as otherwise provided in subsection (2) of this section, comply with all requirements of this chapter. A district may be formed by majority vote of the public transportation benefit area's governing body, and the governing body of the benefit area is not required to obtain agreement of the jurisdictions having territory within the boundaries of the public transportation benefit area.

(b) The transportation improvements shall be owned by the public transportation benefit area unless otherwise agreed to or prohibited by law.

(c) The authority of a public transportation benefit area to establish a transportation benefit district or to impose or collect an authorized tax, charge, or fee under this chapter or under RCW

82.80.140 expires on June 30, 2015. Any contract entered into by the transportation benefit district for the collection of taxes, charges, or fees on its behalf must include a provision establishing that the collection of any such taxes, charges, or fees is not authorized after June 30, 2015. The benefit district shall dissolve itself and cease to exist no later than July 31, 2015.

(3) Except as otherwise provided in subsection (2) of this section, a"

Renumber the remaining subsections consecutively and correct any internal references accordingly.

On page 2, line 16 of the striking amendment, after "That" insert "except as otherwise provided in subsection (2) of this section."

On page 3, beginning on line 1 of the striking amendment, strike all of subsection (6) and insert "((6) Prior to December 1, 2007, the authority under this section, regarding the establishment of or the participation in a district, shall not apply to:

(a) Counties with a population greater than one million five hundred thousand persons and any adjoining counties with a population greater than five hundred thousand persons;

(b) Cities with any area within the counties under (a) of this subsection; and

(c) Other jurisdictions with any area within the counties under (a) of this subsection.))"

Representative Liias spoke in favor of the adoption of the amendment to the committee amendment.

Representatives Roach and Shea spoke against the adoption of the amendment to the committee amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of (1347) to the committee amendment to Engrossed Substitute Senate Bill No. 6774.

#### ROLL CALL

The Clerk called the roll on the adoption of (1347) to the committee amendment to Engrossed Substitute Senate Bill No. 6774 and the amendment was adopted by the following vote: Yeas, 54; Nays, 44; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Flannigan, Goodman, Haigh, Hasegawa, Hunt, Hunter, Jacks, Kagi, Kenney, Kessler, Kirby, Liias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Finn, Green, Haler, Herrera, Hinkle, Hope, Hudgins, Hurst, Johnson, Kelley, Klippert, Kretz, Kristiansen, McCune, Morrell, Nealey, Orcutt, Parker, Pearson, Priest, Probst, Roach, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh and Warnick.

Amendment (1347) to the committee amendment was adopted.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of the committee amendment as amended.

Division was demanded and the demand was sustained. The Speaker (Representative Morris presiding) divided the House. The result was 61 - YEAS; 37 - NAYS.

The committee amendment was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Liias, Simpson and Darneille spoke in favor of the passage of the bill.

Representatives Roach, Shea, Armstrong and Roach (again) spoke against the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6774, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6774, as amended by the House, and the bill passed the House by the following vote: Yeas, 55; Nays, 43; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Flannigan, Goodman, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jacks, Kagi, Kenney, Kessler, Kirby, Liias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Finn, Green, Haler, Herrera, Hinkle, Hope, Hurst, Johnson, Kelley, Klippert, Kretz, Kristiansen, McCune, Morrell, Nealey, Orcutt, Parker, Pearson, Priest, Probst, Roach, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh and Warnick.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6774, as amended by the House, having received the necessary constitutional majority, was declared passed.

#### STATEMENT FOR THE JOURNAL

I intended to vote NAY on Engrossed Substitute Senate Bill No. 6774.

John Driscoll, 6th District

#### SECOND READING

**SUBSTITUTE SENATE BILL NO. 6343, by Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Jacobsen, Kohl-Welles, Swecker, Haugen, Hatfield and Keiser)**

**Establishing the Washington food policy council. Revised for 1st Substitute: Establishing the Washington food policy forum.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Agriculture & Natural Resources was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 44, February 23, 2010).

With the consent of the House, amendments (1298), (1281), (1292), (1284) and (1278) were withdrawn.

Representative Blake moved the adoption of amendment (1387) to the committee amendment:

0)

On page 4, line 26 of the amendment, after "appointed by the" strike "governor" and insert "director of the department of agriculture"

On page 4, line 28 of the amendment, after "The" strike "governor" and insert "director of the department of agriculture"

On page 5, line 15 of the amendment, after "fourteen" strike "governor."

On page 5, line 27 of the amendment, after "The" strike "governor" and insert "director of the state conservation commission"

Representatives Blake and Chandler spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1387) to the committee amendment was adopted.

Representative McCune moved the adoption of amendment (1277) to the committee amendment.

0)

On page 5, line 13 of the amendment, after "association;" strike "and"

On page 5, line 14 of the amendment, after "sector" insert ";" and

(l) One representative from the commercial fishing sector"

Representatives McCune and Blake spoke in favor of the adoption of the amendment to the committee amendment.

Amendment (1277) to the committee amendment was adopted.

The committee amendment by the Committee on Agriculture & Natural Resources was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Blake and Smith spoke in favor of the passage of the bill.

Representatives Taylor and Kretz spoke against the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6343, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6343, as amended by the House, and the bill passed the House by the following vote: Yeas, 72; Nays, 26; Absent, 0; Excused, 0.

Voting yea: Representatives Anderson, Appleton, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hope,

Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kessler, Kirby, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Santos, Sells, Simpson, Smith, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Angel, Armstrong, Condotta, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Haler, Herrera, Hinkle, Johnson, Klippert, Kretz, Nealey, Orcutt, Parker, Ross, Schmick, Seaquist, Shea, Short, Taylor, Walsh and Warnick.

SUBSTITUTE SENATE BILL NO. 6343, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SECOND SUBSTITUTE SENATE BILL NO. 6575, by Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Keiser, Kline, Franklin and McDermott)**

**Concerning the recommendations of the joint legislative task force on the underground economy.**

The bill was read the second time.

With the consent of the House, the committee amendments by the Committee on Ways & Means and the Committee on Commerce & Labor were not adopted.

Amendments (1417) and (1418), to the committee amendments, were ruled out of order.

Representative Conway moved the adoption of amendment (1488).

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 18.27.340 and 1997 c 314 s 17 are each amended to read as follows:

(1) Except as otherwise provided in subsection (3) of this section, a contractor found to have committed an infraction under RCW 18.27.200 shall be assessed a monetary penalty of not less than two hundred dollars and not more than five thousand dollars.

(2) The director may waive collection in favor of payment of restitution to a consumer complainant.

(3) A contractor found to have committed an infraction under RCW 18.27.200 for failure to register shall be assessed a fine of not less than one thousand dollars, nor more than five thousand dollars. For a first offense, the director may reduce the penalty for failure to register, but in no case below five hundred dollars, if the person becomes registered within ten days of receiving a notice of infraction ((and the notice of infraction is for a first offense)); and registers for a department-approved contractor training class under section 2 of this act within ten days of receiving a notice of infraction, completes the class within one hundred twenty days of receiving the notice of infraction, and pays any required class fees upon class registration.

(4) Until July 1, 2011, monetary penalties collected under this chapter shall be deposited in the general fund. Beginning July 1, 2011, monetary penalties and class fees collected under this chapter shall be deposited in the contractor registration account created in section 4 of this act.

NEW SECTION. **Sec. 2.** A new section is added to chapter 18.27 RCW to read as follows:

The department will approve or conduct contractor training classes and charge a fee, payable upon class registration, that covers

the costs of administering the class. The department may adopt rules relating to the number of classes to be offered by the department, the locations of these classes, class fees, and curriculum. In determining the locations of these classes, the department may consider offering online classes and ensure that classes are reasonably accessible in eastern and western Washington. The department shall deposit all fees in the contractor registration account created in section 4 of this act.

**Sec. 3.** RCW 18.27.070 and 1997 c 314 s 7 are each amended to read as follows:

(1) The department shall charge fees for issuance, renewal, and reinstatement of certificates of registration; and changes of name, address, or business structure. The department shall set the fees by rule.

(2) The entire amount of the fees are to be used solely to cover the full cost of issuing certificates, filing papers and notices, and administering and enforcing this chapter. The costs shall include reproduction, travel, per diem, and administrative and legal support costs.

(3) The department shall deposit all fees in the contractor registration account created in section 4 of this act.

**NEW SECTION. Sec. 4.** A new section is added to chapter 18.27 RCW to read as follows:

The contractor registration account is created in the state treasury. The department shall deposit in the account all moneys from registrations, renewals, or civil penalties assessed and collected under this chapter. Appropriations from the account may be made only for the purposes of administration and enforcement of this chapter, including conducting contractor training classes under section 2 of this act.

**Sec. 5.** RCW 60.28.040 and 2009 c 432 s 7 and 2009 c 219 s 7 are each reenacted and amended to read as follows:

(1) Subject to subsection (5) of this section, the amount of all taxes, increases, and penalties due or to become due under Title 82 RCW, from a contractor or the contractor's successors or assignees with respect to a public improvement contract wherein the contract price is thirty-five thousand dollars or more, shall be a lien prior to all other liens upon the amount of the retained percentage withheld by the disbursing officer under such contract.

(2) Subject to subsection (5) of this section, after payment of all taxes, increases, and penalties due or to become due under Title 82 RCW, from a contractor or the contractor's successors or assignees with respect to a public improvement contract wherein the contract price is ~~((twenty))~~ thirty-five thousand dollars or more, the amount of all other taxes, increases, and penalties under Title 82 RCW, due and owing from the contractor, shall be a lien prior to all other liens upon the amount of the retained percentage withheld by the disbursing officer under such contract.

(3) Subject to subsection (5) of this section, after payment of all taxes, increases, and penalties due or to become due under Title 82 RCW, the amount of all taxes, increases, and penalties due or to become due under Titles 50 and 51 RCW from the contractor or the contractor's successors or assignees with respect to a public improvement contract wherein the contract price is ~~((twenty))~~ thirty-five thousand dollars or more, shall be a lien prior to all other liens upon the amount of the retained percentage withheld by the disbursing officer under such contract.

(4) Subject to subsection (5) of this section, the amount of all other taxes, increases, and penalties due and owing from the contractor shall be a lien upon the balance of such retained percentage remaining in the possession of the disbursing officer after all other statutory lien claims have been paid.

(5) The employees of a contractor or the contractor's successors or assignees who have not been paid the prevailing wage under such a public improvement contract shall have a first priority lien against the bond or retainage prior to all other liens.

**Sec. 6.** RCW 18.27.020 and 2007 c 436 s 2 are each amended to read as follows:

(1) Every contractor shall register with the department.

(2) It is a gross misdemeanor for any contractor to:

(a) Advertise, offer to do work, submit a bid, or perform any work as a contractor without being registered as required by this chapter;

(b) Advertise, offer to do work, submit a bid, or perform any work as a contractor when the contractor's registration is suspended or revoked;

(c) Use a false or expired registration number in purchasing or offering to purchase an advertisement for which a contractor registration number is required;

(d) Transfer a valid registration to an unregistered contractor or allow an unregistered contractor to work under a registration issued to another contractor; or

(e) Subcontract to or use an unregistered contractor.

(3) It is not unlawful for a registered contractor to employ an unregistered contractor who was registered at the time he or she entered into a contract with the registered contractor, unless the registered contractor or his or her representative has been notified in writing by the department of labor and industries that the contractor has become unregistered.

(4) All gross misdemeanor actions under this chapter shall be prosecuted in the county where the infraction occurs.

(5) A person is guilty of a separate gross misdemeanor for each day worked if, after the person receives a ~~((citation))~~ notice of infraction from the department, the person works while unregistered, or while his or her registration is suspended or revoked, or works under a registration issued to another contractor. A person is guilty of a separate gross misdemeanor for each worksite on which he or she violates subsection (2) of this section. Nothing in this subsection applies to a registered contractor.

(6) A person is guilty of a class C felony if, after receiving a third or subsequent final infraction for working as a contractor while unregistered, while his or her registration is suspended or revoked, or under a registration issued to another contractor, he or she works as a contractor while unregistered, while his or her registration is suspended or revoked, or under a registration issued to another contractor.

(7) The director by rule shall establish a two-year audit and monitoring program for a contractor not registered under this chapter who becomes registered after receiving an infraction or conviction under this chapter as an unregistered contractor. The director shall notify the departments of revenue and employment security of the infractions or convictions and shall cooperate with these departments to determine whether any taxes or registration, license, or other fees or penalties are owed the state.

**NEW SECTION. Sec. 7.** The legislature finds that the state loses over one hundred million dollars a year in taxes due to underground economy construction activity, causing great inequity to law-abiding businesses and taxpayers. The legislature further finds that an employer in construction is required to pay industrial insurance and unemployment taxes for a worker unless a seven-part independent contractor test is met, which test includes that the worker is free from direction and control and has his or her own books and records. The legislature finds that some contractors avoid taxes by engaging multiple contractors to work together on the same task and treating the contractors as independent contractors rather than hiring and paying taxes on these persons as covered workers. The legislature finds, however, that if multiple contractors are working together on the same task on a job site, the contractors must be working under direction and control such that they are not independent contractors but are, in fact, covered workers.

The legislature finds that the seven-part test is and should continue to be applied in investigations of underground economy

activity. However, the legislature also finds that prohibiting up front certain contracting which by its nature creates a situation in which taxes due are not paid will provide clarity to contractors and provide an additional cost-effective means to reduce the underground economy. By enacting section 8 of this act, the legislature intends to define the prohibited contracting narrowly to assure no legitimate contracting is prohibited. The legislature further intends to exempt work on single-family residences. The legislature intends that nothing in section 8 of this act prohibits a contractor from engaging other contractors to assist with tasks so long as those contractors are treated as covered workers.

**NEW SECTION. Sec. 8.** A new section is added to chapter 18.27 RCW to read as follows:

(1) A contractor commits a violation under this chapter and is subject to an infraction if on a single job site, work is performed together on the same task by more than two contractors who bring no workers to that job site who are subject to the mandatory coverage of Title 51 RCW.

(2) If contractors are working in the same trade or craft on a single job site, the contractors have the burden of proof to show that they are not working together on the same task.

(3) The violation under subsection (1) of this section is committed by all parties to the contract.

(4) A contractor found to have committed an infraction under this section shall be assessed a fine of not less than one thousand dollars, nor more than five thousand dollars. For a first offense, the director may reduce the penalty to no less than five hundred dollars if the contractor registers for a department-approved training class under section 2 of this act within ten days of receiving a notice of infraction, completes the class within one hundred twenty days of receiving the notice of infraction, and pays any required class fees upon class registration. For a second or subsequent offense under this section, the director may suspend the registration of the contractor.

(5) For purposes of this section, a "job site" is a single physical address.

(6) This section does not apply to work performed on a single-family residence.

**Sec. 9.** 2009 c 432 s 13 (uncodified) is amended to read as follows:

The department of labor and industries, the employment security department, and the department of revenue shall coordinate and report to the appropriate committees of the legislature by December 1st of each year on the effectiveness of efforts implemented since July 1, 2008, to address the underground economy. The agencies shall use benchmarks and measures established by the institute for public policy and other measures it determines appropriate. The department of labor and industries must include in its report measures of the effectiveness of section 8 of this act.

**NEW SECTION. Sec. 10.** Section 9 of this act is codified as a new section in chapter 43.22 RCW.

**NEW SECTION. Sec. 11.** Sections 3 and 4 of this act take effect July 1, 2011."

Correct the title.

Representative Condotta moved the adoption of amendment (1504) to amendment (1488).

0)

On page 3, beginning on line 33 of the striking amendment, strike all of section 6

Renumber the sections consecutively and correct any internal references accordingly.

Representatives Condotta, Chandler, Darneille, Anderson, Orcutt and Ross spoke in favor of the adoption of the amendment to the amendment.

Representatives Conway, Simpson, Sells and Green spoke against the adoption of the amendment to the amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of amendment (1504) to amendment (1488) to Second Substitute Senate Bill No. 6575.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (1504) to amendment (1488) to Second Substitute Senate Bill No. 6575 and the amendment was adopted by the following vote: Yeas, 62; Nays, 36; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Clibborn, Condotta, Crouse, Dammeier, Darneille, DeBolt, Driscoll, Eddy, Ericks, Ericksen, Fagan, Finn, Goodman, Haigh, Haler, Herrera, Hinkle, Hope, Hunter, Hurst, Johnson, Kagi, Kelley, Kessler, Klippert, Kretz, Kristiansen, Linville, Maxwell, McCune, Morris, Nealey, O'Brien, Orcutt, Parker, Pearson, Pedersen, Priest, Probst, Quall, Roach, Rodne, Ross, Schmick, Seaquist, Shea, Short, Smith, Springer, Takko, Taylor, Wallace, Walsh and Warrnick.

Voting nay: Representatives Angel, Appleton, Chase, Cody, Conway, Dickerson, Dunshee, Flannigan, Green, Hasegawa, Hudgins, Hunt, Jacks, Kenney, Kirby, Liias, McCoy, Miloscia, Moeller, Morrell, Nelson, Ormsby, Orwall, Pettigrew, Roberts, Rolfes, Santos, Sells, Simpson, Sullivan, Upthegrove, Van De Wege, White, Williams, Wood and Mr. Speaker.

Amendment (1504) to amendment (1488) was adopted.

Representative Clibborn moved the adoption of amendment (1503) to amendment (1488).

0)

On page 5, beginning on line 6 of the striking amendment, strike all of sections 7 through 10

Renumber the remaining section consecutively and correct any internal references accordingly.

Representatives Clibborn and Condotta spoke in favor of the adoption of the amendment to the amendment.

Representatives Conway and Simpson spoke against the adoption of the amendment to the amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of amendment (1503) to amendment (1488) to Second Substitute Senate Bill No. 6575.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (1503) to amendment (1488) to Second Substitute Senate Bill No. 6575 and the amendment was adopted by the following vote: Yeas, 58; Nays, 40; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Carlyle, Chandler, Clibborn, Condotta, Crouse, Dammeier, DeBolt, Driscoll, Eddy, Ericksen, Fagan, Finn, Goodman, Haigh, Haler, Herrera, Hinkle, Hope, Hunter, Hurst, Johnson, Kagi, Kessler, Klippert, Kretz, Kristiansen, Liias, Maxwell, McCune, Morris, Nealey, O'Brien, Orcutt, Parker, Pearson, Pedersen, Priest, Quall, Roach, Rodne,



Ross, Schmick, Seaquist, Shea, Short, Smith, Springer, Takko, Taylor, Wallace, Walsh and Warnick.

Voting nay: Representatives Appleton, Blake, Chase, Cody, Conway, Darneille, Dickerson, Dunshee, Ericks, Flannigan, Green, Hasegawa, Hudgins, Hunt, Jacks, Kelley, Kenney, Kirby, Linville, McCoy, Miloscia, Moeller, Morrell, Nelson, Ormsby, Orwall, Pettigrew, Probst, Roberts, Rolfes, Santos, Sells, Simpson, Sullivan, Upthegrove, Van De Wege, White, Williams, Wood and Mr. Speaker.

Amendment (1503) to amendment (1488) was adopted.

Amendment (1488) was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Conway, Condotta and Hasegawa spoke in favor of the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Second Substitute Senate Bill No. 6575, as amended by the House.

**ROLL CALL**

The clerk called the roll on the final passage of Second Substitute Senate Bill No. 6575, as amended by the House, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Kirby, Klippert, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

SECOND SUBSTITUTE SENATE BILL NO. 6575, as amended by the House, having received the necessary constitutional majority, was declared passed.

**MESSAGES FROM THE SENATE**

March 5, 2010

Mr. Speaker:

The Senate has passed ENGROSSED SECOND SUBSTITUTE SENATE BILL 6409 and the same is herewith transmitted.

Thomas Hoemann, Secretary

March 5, 2010

Mr. Speaker:

The Senate has passed:

ENGROSSED SUBSTITUTE HOUSE BILL 2518  
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2539

HOUSE BILL 2540  
HOUSE BILL 2659  
HOUSE BILL 2697  
HOUSE BILL 2735  
SUBSTITUTE HOUSE BILL 2990  
SUBSTITUTE HOUSE BILL 3036

and the same are herewith transmitted.

Thomas Hoemann, Secretary

March 5, 2010

Mr. Speaker:

The President has signed:

SENATE BILL 6218  
SENATE BILL 6219  
SUBSTITUTE SENATE BILL 6329  
SUBSTITUTE SENATE BILL 6363  
SENATE BILL 6418  
SENATE JOINT MEMORIAL 8025

and the same are herewith transmitted.

Thomas Hoemann, Secretary

March 5, 2010

Mr. Speaker:

The President has signed:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1418  
SUBSTITUTE HOUSE BILL 1545  
HOUSE BILL 1576  
SUBSTITUTE HOUSE BILL 2403  
HOUSE BILL 2406  
SUBSTITUTE HOUSE BILL 2422  
HOUSE BILL 2428  
SUBSTITUTE HOUSE BILL 2429  
ENGROSSED SUBSTITUTE HOUSE BILL 2496  
SUBSTITUTE HOUSE BILL 2546  
ENGROSSED SUBSTITUTE HOUSE BILL 2564  
HOUSE BILL 2575  
HOUSE BILL 2592  
SUBSTITUTE HOUSE BILL 2620  
SUBSTITUTE HOUSE BILL 2678  
SUBSTITUTE HOUSE BILL 2684  
HOUSE BILL 2707  
HOUSE BILL 2823  
HOUSE BILL 2877  
SUBSTITUTE HOUSE BILL 3145

and the same are herewith transmitted.

Thomas Hoemann, Secretary

March 5, 2010

Mr. Speaker:

The President has signed:

HOUSE BILL 1080  
HOUSE BILL 1541  
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1560  
SECOND SUBSTITUTE HOUSE BILL 1591  
ENGROSSED HOUSE BILL 1653  
SECOND ENGROSSED HOUSE BILL 1876  
SUBSTITUTE HOUSE BILL 1913  
SUBSTITUTE HOUSE BILL 2226  
SECOND SUBSTITUTE HOUSE BILL 2396  
ENGROSSED SUBSTITUTE HOUSE BILL 2399  
HOUSE BILL 2419  
SUBSTITUTE HOUSE BILL 2430  
HOUSE BILL 2465  
SUBSTITUTE HOUSE BILL 2487  
HOUSE BILL 2490  
HOUSE BILL 2510  
SUBSTITUTE HOUSE BILL 2515  
HOUSE BILL 2521

SUBSTITUTE HOUSE BILL 2555  
 ENGROSSED SUBSTITUTE HOUSE BILL 2560  
 SUBSTITUTE HOUSE BILL 2585  
 HOUSE BILL 2598  
 HOUSE BILL 2608  
 SUBSTITUTE HOUSE BILL 2649  
 SUBSTITUTE HOUSE BILL 2651  
 SUBSTITUTE HOUSE BILL 2661  
 ENGROSSED HOUSE BILL 2667  
 SUBSTITUTE HOUSE BILL 2704  
 HOUSE BILL 2740  
 SUBSTITUTE HOUSE BILL 2789  
 SUBSTITUTE HOUSE BILL 2828  
 ENGROSSED HOUSE BILL 2830  
 ENGROSSED HOUSE BILL 2831  
 ENGROSSED SUBSTITUTE HOUSE BILL 2842  
 HOUSE BILL 2858  
 HOUSE BILL 2861  
 ENGROSSED SUBSTITUTE HOUSE BILL 2913  
 SUBSTITUTE HOUSE BILL 2962  
 HOUSE BILL 2996  
 ENGROSSED SUBSTITUTE HOUSE BILL 3032  
 SUBSTITUTE HOUSE BILL 3066  
 SUBSTITUTE HOUSE JOINT MEMORIAL 4004

and the same are herewith transmitted.

Thomas Hoemann, Secretary

#### SECOND READING

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6444, by Senate Committee on Ways & Means (originally sponsored by Senators Prentice and Tom)**

**Making 2010 operating supplemental appropriations. Revised for 1st Substitute: Making 2010 supplemental operating appropriations.**

The bill was read the second time.

With the consent of the House, amendments (1301), (1310), (1311), (1324), (1325), (1323), (1326), (1327), (1328), (1329), (1312), (1314), (1330), (1332), (1333), (1334), (1335), (1336), (1337), (1339), (1344), (1451) and (1747) were withdrawn.

Representative Linville moved the adoption of amendment (1295).

Strike everything after the enacting clause and insert the following:

*Format changed to accommodate amendment.*

**"PART I  
GENERAL GOVERNMENT**

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

FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2010)	(( <del>\$33,500,000</del> ))
\$33,505,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$33,379,000</del> ))
\$31,794,000	
TOTAL APPROPRIATION	(( <del>\$66,879,000</del> ))
\$65,299,000	

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

FOR THE SENATE

General Fund--State Appropriation (FY 2010)	(( <del>\$24,957,000</del> ))
\$24,960,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$27,182,000</del> ))
\$25,409,000	
TOTAL APPROPRIATION	(( <del>\$52,139,000</del> ))
\$50,369,000	

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

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund--State Appropriation (FY 2010)	(( <del>\$2,874,000</del> ))
\$2,774,000	
General Fund--State Appropriation (FY 2011)	\$2,884,000
TOTAL APPROPRIATION	(( <del>\$5,758,000</del> ))
\$5,658,000	

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

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

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

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

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

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

- (a) Revenue sources for state recreational boating programs;
- (b) Expenditures for state boating programs;
- (c) Methods of administrating state recreational boating programs, including the roles of both state and local government entities; and
- (d) Approaches other states have taken to funding and administering their recreational boating programs.

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

~~((7))~~ (6) Within the amount appropriated in this section, the joint legislative audit and review committee shall examine the operations of employment and day services as provided by the department of social and health services, division of developmental disabilities and administered by the counties. The examination shall include a thorough review of the contracts for all services including, but not limited to, employment services, day services, child development services and other uses of state dollars for county administration of services to the developmentally disabled. In its final report, due to the legislature by September 1, 2010, the joint legislative audit and review committee shall provide: A description of how funds are used and the rates paid to vendors, and a recommendation on best practices the agency may use for the development of a consistent, outcome-based contract for services provided under contract with the counties.

~~((8))~~ (7) Within the amount appropriated in this section, the joint legislative audit and review committee shall conduct a study of the relationship between the cost of school districts and their enrollment size. The study shall be completed by June 2010 and shall include:

- (a) An analysis of how categories of costs vary related to size, including but not limited to facility costs, transportation costs, educational costs, and administrative costs;
- (b) A review of other factors that may impact costs, such as revenues available from local levies and other sources, geographic dispersion, demographics, level of services received from educational service districts, and whether districts operate a high school;
- (c) Case studies on the change in cost patterns occurring after school district consolidations and for school districts operating under state oversight condition specified in RCW 28A.505.110; and

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

(8) Within the amounts appropriated in this section, the joint legislative audit and review committee shall conduct a review of the special education safety net and provide a report to the relevant fiscal and policy committees of the legislature in December 2010. The review shall focus on: (a) A review of the administrative and procedural changes to the safety net award process since its inception, and the impact of those changes on program implementation; (b) an analysis of safety net spending over time, including an analysis of the primary factors explaining changes in safety net expenditures over time, and; (c) a comparison of Washington's safety net program with programs with a similar purpose, in other states, including an analysis of eligibility thresholds, application procedures and timelines, and auditing practices.

**Sec. 104.** 2009 c 564 s 105 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE STATE ACTUARY

General Fund--State Appropriation (FY 2010)	\$200,000
General Fund--State Appropriation (FY 2011)	\$25,000
((Health Care Authority Administrative Account--State Appropriation \$735,000))	
Department of Retirement Systems Expense	
Account--State Appropriation	<del>(\$3,309,000)</del>
\$3,319,000	
TOTAL APPROPRIATION	<del>(\$4,269,000)</del>
\$3,544,000	

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

(1) \$25,000 of the department of retirement systems--state appropriation is provided solely for the continued study of local government liabilities for postretirement medical benefits for members of plan 1 of the law enforcement officers' and firefighters' retirement system.

(2) \$51,000 of the department of retirement systems expense account--state appropriation is provided solely for the state actuary to contract with the Washington state institute for public policy for a study of the disability benefits provided to the plan 2 and plan 3 members of the public employees' retirement system, the teachers' retirement system, and the school employees' retirement system. Among the options the institute shall examine include statutory changes to the retirement systems and insurance products. The institute shall report its findings and recommendations to the select committee on pension policy by November 1, 2009.

(3) \$30,000 of the department of retirement systems expense account--state appropriation is provided solely for the state actuary to contract with the Washington state institute for public policy to continue the study of long-term disability benefits for public employees as authorized by subsection (2) of this section during the 2010 legislative interim. The purpose of the study is to develop the options identified in the 2009 legislative interim disability benefit study, including options related to the public employees' benefits board programs, other long-term disability insurance programs, and public employee retirement system benefits. The institute shall report no later than November 17, 2010, new findings and any additional recommendations on the options to the select committee on pension policy, the senate committee on ways and means, and the house committee on ways and means. The Washington state institute for public policy shall work with the health care authority to coordinate analysis and recommendations with its contracted disability vendor and appropriate stakeholders.

(4) \$175,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the office of the state actuary to conduct an independent assessment of alternatives for assuring the long-term financial solvency of the guaranteed education tuition program including suspension of the program. In conducting this review, the office may contract for assistance, and shall consult with the higher education coordinating board, the operating budget committees of the legislature, the office of financial management, and the state's public colleges and universities. The office shall report findings, an assessment of the major alternatives, and suggested actions to the governor and to the relevant legislative committees by November 15, 2009.

**Sec. 105.** 2009 c 564 s 106 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund--State Appropriation (FY 2010)	<del>(\$8,651,000)</del>
\$8,652,000	
General Fund--State Appropriation (FY 2011)	<del>(\$8,519,000)</del>
\$8,564,000	
TOTAL APPROPRIATION	<del>(\$17,170,000)</del>
\$17,216,000	

**Sec. 106.** 2009 c 564 s 107 (uncodified) is amended to read as follows:

FOR THE STATUTE LAW COMMITTEE

General Fund--State Appropriation (FY 2010)	<del>(\$4,610,000)</del>
\$4,611,000	
General Fund--State Appropriation (FY 2011)	<del>(\$5,029,000)</del>
\$4,893,000	
TOTAL APPROPRIATION	<del>(\$9,639,000)</del>
\$9,504,000	

**Sec. 107.** 2009 c 564 s 108 (uncodified) is amended to read as follows:

FOR THE REDISTRICTING COMMISSION

General Fund--State Appropriation (FY 2011)	<del>(\$610,000)</del>
\$1,115,000	

The appropriations in this section are subject to the following conditions and limitations: \$505,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the support of legislative redistricting efforts. Prior to the appointment of the redistricting commission, the secretary of the senate and chief clerk of the house of representatives may jointly authorize the expenditure of these funds to facilitate

preparations for the 2012 redistricting effort. Following the appointment of the commission the house of representatives and senate shall enter into an interagency agreement with the commission authorizing the continued expenditure of these funds for legislative redistricting support.

**Sec. 108.** 2009 c 564 s 110 (uncodified) is amended to read as follows:

FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2010)	<del>(\$6,912,000)</del>
\$6,931,000	
General Fund--State Appropriation (FY 2011)	<del>(\$6,948,000)</del>
\$6,848,000	
TOTAL APPROPRIATION	<del>(\$13,860,000)</del>
\$13,779,000	

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

**Sec. 109.** 2009 c 564 s 111 (uncodified) is amended to read as follows:

FOR THE LAW LIBRARY

General Fund--State Appropriation (FY 2010)	<del>(\$1,924,000)</del>
\$1,925,000	
General Fund--State Appropriation (FY 2011)	<del>(\$1,922,000)</del>
\$1,923,000	
TOTAL APPROPRIATION	<del>(\$3,846,000)</del>
\$3,848,000	

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

**Sec. 110.** 2009 c 564 s 112 (uncodified) is amended to read as follows:

FOR THE COURT OF APPEALS

General Fund--State Appropriation (FY 2010)	<del>(\$15,793,000)</del>
\$15,832,000	
General Fund--State Appropriation (FY 2011)	<del>(\$15,895,000)</del>
\$15,667,000	
TOTAL APPROPRIATION	<del>(\$31,688,000)</del>
\$31,499,000	

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

**Sec. 111.** 2009 c 564 s 113 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON JUDICIAL CONDUCT

General Fund--State Appropriation (FY 2010)	<del>(\$1,032,000)</del>
\$1,043,000	
General Fund--State Appropriation (FY 2011)	<del>(\$1,082,000)</del>
\$1,093,000	
TOTAL APPROPRIATION	<del>(\$2,114,000)</del>
\$2,136,000	

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

**Sec. 112.** 2009 c 564 s 114 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund--State Appropriation (FY 2010)	<del>(\$53,607,000)</del>
\$52,644,000	
General Fund--State Appropriation (FY 2011)	<del>(\$51,812,000)</del>
\$52,411,000	
General Fund--Federal Appropriation	\$979,000
Judicial Information Systems Account--State Appropriation	<del>(\$29,676,000)</del>
\$29,722,000	
Judicial Stabilization Trust Account--State Appropriation	\$6,598,000

TOTAL APPROPRIATION      (~~(\$141,693,000)~~)  
 \$142,354,000

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

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

(2)(a) \$8,252,000 of the general fund--state appropriation for fiscal year 2010 and \$8,253,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2009-11 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives appropriations committee and the senate ways and means committee no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.  
 ---(~~3~~) No funding may be expended for modernization of judicial information system applications, including the district and municipal court information system and the superior court management information system, until the administrative office of the courts provides a report to the legislature and the information services board that includes an evaluation of existing systems that have been developed by local jurisdictions that could be implemented statewide, such as in Pierce county, to ensure that existing systems are maximized, and so that any modernization efforts are implemented with the least disruption, and maintain continuity of critical systems.

~~(2)~~ 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)~~ ~~3~~ \$5,700,000 of the judicial information systems account--state appropriation is provided solely for modernization and integration of the judicial information system.

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

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

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

~~(5)~~ ~~4~~ \$3,000,000 of the judicial information systems account--state appropriation is provided solely for replacing computer equipment at state courts, and at state judicial agencies. The administrator for the courts shall prioritize equipment replacement purchasing and shall fund those items that are most essential or critical. By October 1, 2010, the administrative office of the courts shall report to the appropriate legislative fiscal committees on expenditures for equipment under this subsection.

~~(6)~~ ~~5~~ \$12,000 of the judicial information systems account-- state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1954 (sealing juvenile records). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

~~(7)~~ ~~6~~ \$106,000 of the general fund--state appropriation for fiscal year 2010 and \$106,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the twenty-third superior court judge position in Pierce county. The funds appropriated in this subsection shall be expended only if the judge is appointed and serving on the bench.

~~(8)~~ ~~7~~ It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those state government administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.

(8) \$44,000 of the judicial information systems account--state appropriation is provided solely to implement Substitute House Bill No. 2680 (guardianship program). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(9) \$274,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the office of public guardianship to provide guardianship services for low-income incapacitated persons.

**Sec. 113.** 2009 c 564 s 117 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE GOVERNOR

General Fund--State Appropriation (FY 2010)      (~~(\$5,880,000)~~)  
 \$5,787,000

General Fund--State Appropriation (FY 2011)      (~~(\$5,876,000)~~)  
 \$5,642,000

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

TOTAL APPROPRIATION      (~~(\$13,256,000)~~)  
 \$12,929,000

The appropriations in this section are subject to the following conditions and limitations: ~~((+))~~ \$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.

**Sec. 114.** 2009 c 564 s 118 (uncodified) is amended to read as follows:

FOR THE LIEUTENANT GOVERNOR

General Fund--State Appropriation (FY 2010) ~~(((\$770,000))~~  
 \$743,000  
 General Fund--State Appropriation (FY 2011) ~~(((\$788,000))~~  
 \$755,000  
 General Fund--Private/Local Appropriation \$90,000  
 TOTAL APPROPRIATION ~~(((\$1,648,000))~~  
 \$1,588,000

**Sec. 115.** 2010 c 3 s 101 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2010) ~~(((\$20,649,000))~~  
 \$21,269,000  
 General Fund--State Appropriation (FY 2011) ~~(((\$17,733,000))~~  
 \$15,275,000  
 General Fund--Federal Appropriation \$8,121,000  
 Archives and Records Management Account--State  
 Appropriation ~~(((\$8,863,000))~~  
 \$9,019,000  
 Charitable Organization Education Account--State  
 Appropriation \$76,000  
 Department of Personnel Service Account--State  
 Appropriation \$760,000  
 Election Account--State Appropriation \$77,000  
 Local Government Archives Account--State  
 Appropriation ~~(((\$11,777,000))~~  
 \$11,550,000  
 Election Account--Federal Appropriation ~~(((\$29,715,000))~~  
 \$31,179,000  
 TOTAL APPROPRIATION ~~(((\$97,618,000))~~  
 \$97,326,000

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

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

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

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

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

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

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

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

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

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

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

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

**Sec. 116.** 2009 c 564 s 121 (uncodified) is amended to read as follows:

FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund--State Appropriation (FY 2010) ~~(((\$266,000))~~  
 \$275,000

General Fund--State Appropriation (FY 2011)      (~~(\$276,000)~~)  
 \$257,000  
 TOTAL APPROPRIATION      (~~(\$542,000)~~)  
 \$532,000

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

**Sec. 117.** 2009 c 564 s 122 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2010)      (~~(\$236,000)~~)  
 \$213,000

General Fund--State Appropriation (FY 2011)      (~~(\$224,000)~~)  
 \$239,000

TOTAL APPROPRIATION      (~~(\$460,000)~~)

\$452,000

**Sec. 118.** 2009 c 564 s 123 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER

State Treasurer's Service Account--State

Appropriation      (~~(\$14,802,000)~~)

\$14,804,000

**Sec. 119.** 2009 c 564 s 124 (uncodified) is amended to read as follows:

FOR THE STATE AUDITOR

General Fund--State Appropriation (FY 2010)      (~~(\$722,000)~~)  
 \$642,000

General Fund--State Appropriation (FY 2011)      (~~(\$729,000)~~)  
 \$446,000

State Auditing Services Revolving

Account--State Appropriation      (~~(\$12,061,000)~~)

\$10,857,000

TOTAL APPROPRIATION      (~~(\$13,512,000)~~)

\$11,945,000

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

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

(2) (~~(\$722,000)~~) \$642,000 of the general fund--state appropriation for fiscal year 2010 and (~~(\$729,000)~~) \$446,000 of the general fund-- state appropriation for fiscal year 2011 are provided solely for staff and related costs to verify the accuracy of reported school district data submitted for state funding purposes; conduct school district program audits of state funded public school programs; establish the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested.

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

(4) The legislature finds that the major changes in personnel funding in this budget and the long term effects of the ongoing economic recession combine with structural changes in the nature of work and employment in many state agencies to require a continuing review of the workforce examination begun under chapter 534, Laws of 2009 (exempt employment practices). The legislature notes the ongoing management reforms of the Washington management service being undertaken by the department of personnel, and anticipates a continuing legislative committee examination of the architecture and cost of the state's career and executive workforce. To that end, the office of state auditor is invited to provide by September 1, 2010, a general survey of new and best practices for executive and career workforce management now in use by other states and relevant industries.

**Sec. 120.** 2010 c 3 s 102 (uncodified) is amended to read as follows:

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2010)      (~~(\$168,000)~~)  
 \$165,000

General Fund--State Appropriation (FY 2011)      (~~(\$209,000)~~)  
 \$206,000

TOTAL APPROPRIATION      (~~(\$377,000)~~)

\$371,000

**Sec. 121.** 2010 c 3 s 103 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2010)      (~~(\$5,285,000)~~)



\$5,732,000  
 General Fund--State Appropriation (FY 2011)      ~~(\$5,614,000)~~  
 \$5,763,000  
 General Fund--Federal Appropriation      \$4,026,000  
 New Motor Vehicle Arbitration Account--State  
     Appropriation      \$1,346,000  
 Legal Services Revolving Account--State  
     Appropriation      ~~(\$221,515,000)~~  
 \$219,263,000  
 Tobacco Prevention and Control Account--State  
     Appropriation      \$270,000  
 TOTAL APPROPRIATION      ~~(\$238,056,000)~~  
 \$236,400,000

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

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

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

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

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

**Sec. 122.** 2010 c 3 s 105 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

General Fund--State Appropriation (FY 2010)      ~~(\$51,015,000)~~  
 \$50,139,000  
 General Fund--State Appropriation (FY 2011)      ~~(\$51,813,000)~~  
 \$39,792,000  
 General Fund--Federal Appropriation      ~~(\$384,540,000)~~  
 \$381,915,000  
 General Fund--Private/Local Appropriation      \$16,266,000  
 Public Works Assistance Account--State Appropriation      \$2,990,000  
 Tourism Development and Promotion Account--State  
     Appropriation      \$1,003,000  
 State Building Construction Account--State  
     Appropriation      \$295,000  
 Drinking Water Assistance Administrative  
 Account--State Appropriation      \$439,000  
 Lead Paint Account--State Appropriation      ~~(\$18,000)~~  
 \$35,000  
 Building Code Council Account--State Appropriation \$1,286,000  
 Home Security Fund Account--State Appropriation      ~~(\$23,498,000)~~  
 \$27,298,000  
 Affordable Housing for All Account--State Appropriation      \$11,900,000  
 Washington Auto Theft Prevention Authority  
     Account--State Appropriation      \$300,000  
 Independent Youth Housing Account--State  
     Appropriation      ~~(\$80,000)~~  
 \$220,000  
 County Research Services Account--State Appropriation      \$469,000  
 Community Preservation and Development Authority  
     Account--State Appropriation      \$350,000  
 Financial Fraud and Identity Theft Crimes Investigation  
     and Prosecution Account--State Appropriation      \$1,166,000  
 Low-Income Weatherization Assistance Account--State  
     Appropriation      ~~(\$8,382,000)~~  
 \$6,883,000  
 City and Town Research Services Account--State  
     Appropriation      \$2,257,000

Manufacturing Innovation and Modernization		
Account--State Appropriation		(( <del>\$246,000</del> ))
	\$230,000	
Community and Economic Development Fee		
Account--State Appropriation		(( <del>\$1,833,000</del> ))
	\$6,935,000	
Minority and Women's Enterprises Account--State		
Appropriation	\$1,804,000	
Washington Housing Trust Account--State Appropriation		\$15,372,000
Prostitution Prevention and Intervention Account--		
State Appropriation	\$125,000	
Public Facility Construction Loan Revolving		
Account--State Appropriation		\$755,000
TOTAL APPROPRIATION		(( <del>\$573,252,000</del> ))
	\$570,224,000	

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

- (1) \$2,520,000 of the general fund--state appropriation for fiscal year 2010 and ((~~\$2,521,000~~)) \$2,445,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a contract with the Washington technology center for work essential to the mission of the Washington technology center and conducted in partnership with universities.
- (2) Repayments of outstanding loans granted under RCW 43.63A.600, the mortgage and rental assistance program, shall be remitted to the department, including any current revolving account balances. The department shall collect payments on outstanding loans, and deposit them into the state general fund. Repayments of funds owed under the program shall be remitted to the department according to the terms included in the original loan agreements.
- (3) \$100,000 of the general fund--state appropriation for fiscal year 2010 and \$100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement section 2(7) of Engrossed Substitute House Bill No. 1959 (land use and transportation planning for marine container ports).
- (4) \$102,000 of the building code council account--state appropriation is provided solely for the implementation of sections 3 and 7 of Engrossed Second Substitute Senate Bill No. 5854 (built environment pollution). If sections 3 and 7 of the bill are not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.
- (5)(a) \$10,500,000 of the general fund--federal appropriation is provided for training and technical assistance associated with low income weatherization programs. Subject to federal requirements, the department shall provide: (i) Up to \$4,000,000 to the state board for community and technical colleges to provide workforce training related to weatherization and energy efficiency; (ii) up to \$3,000,000 to the Bellingham opportunity council to provide workforce training related to energy efficiency and weatherization; and (iii) up to \$3,500,000 to community-based organizations and to community action agencies consistent with the provisions of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). Any funding remaining shall be expended in project 91000013, weatherization, in the omnibus capital appropriations act, Substitute House Bill No. 1216 (capital budget).
- (b) \$6,787,000 of the general fund--federal appropriation is provided solely for the state energy program, including not less than \$5,000,000 to provide credit enhancements consistent with the provisions of Engrossed Second Substitute Senate Bill No. 5649 (energy efficiency in buildings).
- (c) Of the general fund--federal appropriation the department shall provide: \$14,500,000 to the Washington State University for the purpose of making grants for pilot projects providing community-wide urban, residential, and commercial energy efficiency upgrades consistent with the provisions of Engrossed Second Substitute Senate Bill No. 5649 (energy efficiency in buildings); \$500,000 to Washington State University to conduct farm energy assessments. In contracting with the Washington State University for the provision of these services, the total administration of Washington State University and the department shall not exceed 3 percent of the amounts provided.
- (d) \$38,500,000 of the general fund--federal appropriation is provided for deposit in the energy recovery act account to establish a revolving loan program, consistent with the provisions of Engrossed Substitute House Bill No. 2289 (expanding energy freedom program).
- (e) \$10,646,000 of the general fund--federal appropriation is provided pursuant to the energy efficiency and conservation block grant under the American reinvestment and recovery act. The department may use up to \$3,000,000 of the amount provided in this subsection to provide technical assistance for energy programs administered by the agency under the American reinvestment and recovery act.
- (6) \$14,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5560 (state agency climate leadership). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
- (7) \$22,400,000 of the general fund--federal appropriation is provided solely for the justice assistance grant program and is contingent upon the department transferring: \$1,200,000 to the department of corrections for security threat mitigation, \$2,336,000 to the department of corrections for offender reentry, \$1,960,000 to the Washington state patrol for law enforcement activities, \$2,087,000 to the department of social and health services, division of alcohol and substance abuse for drug courts, and \$428,000 to the department of social and health services for sex abuse recognition training. The remaining funds shall be distributed by the department to local jurisdictions.
- (8) \$20,000 of the general fund--state appropriation for fiscal year 2010 and \$20,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to KCTS public television to support Spanish language programming and the V-me Spanish language channel.
- (9) \$500,000 of the general fund--state appropriation for fiscal year 2010 and \$500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to resolution Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

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

(11) By June 30, 2011, the department shall request information that describes what jurisdictions have adopted, or are in the process of adopting, plans that address RCW 36.70A.020 and helps achieve the greenhouse gas emission reductions established in RCW 70.235.020. This information request in this subsection applies to jurisdictions that are required to review and if necessary revise their comprehensive plans by December 1, 2011, in accordance with RCW 36.70A.130.

(12) During the 2009-11 fiscal biennium, the department shall allot all of its appropriations subject to allotment by object, account, and expenditure authority code to conform with the office of financial management's definition of an option 2 allotment. For those funds subject to allotment but not appropriation, the agency shall submit option 2 allotments to the office of financial management.

(13) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant for the state's participation in the Pacific Northwest economic region.

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

(15) \$306,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$306,000)~~ \$275,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to the retired senior volunteer program.

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

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

~~---~~ ~~(18)~~ (17) The department shall administer its growth management act technical assistance so that smaller cities receive proportionately more assistance than larger cities or counties. ~~(Pass-through grants shall continue to be funded under 2007-09 policy.~~

~~---~~ ~~(19)~~ (18) \$212,000 of the general fund--federal appropriation is provided solely for implementation of Second Substitute House Bill No. 1172 (development rights transfer). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

~~---~~ ~~(20)~~ (19) \$69,000 of the general fund--state appropriation for fiscal year 2010 and \$66,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

~~---~~ ~~(21)~~ (20) \$350,000 of the community development and preservation authority account--state appropriation is provided solely for a grant to a community development authority established under chapter 43.167 RCW. The community preservation and development's board of directors may contract with nonprofit community organizations to aid in mitigating the effects of increased public impact on urban neighborhoods due to events in stadia that have a capacity of over 50,000 spectators.

~~---~~ ~~(22)~~ (21) \$300,000 of the Washington auto theft prevention authority account--state appropriation is provided solely for a contract with a community group to build local community capacity and economic development within the state by strengthening political relationships between economically distressed communities and governmental institutions. The community group shall identify opportunities for collaboration and initiate activities and events that bring community organizations, local governments, and state agencies together to address the impacts of poverty, political disenfranchisement, and economic inequality on communities of color. These funds must be matched by other nonstate sources on an equal basis.

~~---~~ ~~(23)~~ (22) \$1,800,000 of the home security fund--state appropriation is provided for transitional housing assistance or partial payments for rental assistance under the independent youth housing program.

~~---~~ ~~(24)~~ (23) \$5,000,000 of the home security fund--state appropriation is provided solely for the operation, repair, and staffing of shelters in the homeless family shelter program.

(24) \$265,000 of the general fund--state appropriation for fiscal year 2010 and \$306,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington new Americans program.

(25) \$453,000 of the general fund--state appropriation for fiscal year 2010 and \$522,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington asset building coalitions.

(26) Funding provided to microenterprise development organizations for fiscal year 2011 shall not be reduced by more than ten percent from funding levels in the 2009-11 operating budget.

(27) Within existing resources, the department of commerce shall convene a work group that includes a representative designated by each of the following: The department, the economic development commission, the Washington technology center, the Spokane intercollegiate research and technology institute, the University of Washington center for commercialization and Washington State University's office of economic development and global engagement. To better align the missions of state supported entities conducting commercialization, the work group shall prepare and submit a report to the legislature no later than December 1, 2010, that identifies gaps and overlaps in programs, evaluates strategies to reduce administrative overhead expenses, and recommends changes which would amplify and accelerate innovation-driver job creation in the state.

(28) \$3,555,000 of the general fund--state appropriation for fiscal year 2010 and \$3,555,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for associate development organizations.

(29) \$469,000 of the county research services account--state appropriation and \$2,246,000 of the city and town research services-- state appropriation are provided solely for implementation of Engrossed Second Substitute House Bill No. 2658 (refocusing department of commerce). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(30) \$1,804,000 of the minority and women's business enterprises account--state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 3175 (minority and women's business). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(31) \$295,000 of the state building construction account--state appropriation is provided solely for implementation of Third Substitute House Bill No. 1618 (community and surplus schools). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(32) \$5,400,000 of the community and economic development fee account is provided as follows: \$1,000,000 is provided solely for the department of commerce for services for homeless families through the Washington families fund; \$2,600,000 is provided solely for housing trust fund operations and maintenance; \$800,000 is provided solely for housing trust fund portfolio management; \$500,000 is provided solely for foreclosure counseling and support; and \$500,000 is provided solely for use as a reserve in the account.

**Sec. 123.** 2010 c 3 s 107 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2010)	(( <del>\$21,599,000</del> ))
\$21,609,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$20,670,000</del> ))
\$20,555,000	
General Fund--Federal Appropriation	(( <del>\$23,597,000</del> ))
\$27,109,000	
General Fund--Private/Local Appropriation	\$1,270,000
State Auditing Services Revolving	
Account--State Appropriation	\$25,000
Economic Development Strategic Reserve Account--	
State Appropriation	\$280,000
TOTAL APPROPRIATION	(( <del>\$67,441,000</del> ))
\$70,848,000	

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

(1) \$188,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Second Substitute Senate Bill No. 5945 (Washington health partnership plan). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

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

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

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

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

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

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

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

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

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

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

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

(c) The office of financial management shall submit a final report to the governor and the ways and means committees of the house of representatives and senate by November 1, 2009. The report shall provide a recommendation and a plan to eliminate 1,580 beds in the department of corrections facilities, 235 beds from juvenile rehabilitation facilities, and 250 funded beds in the residential habilitation centers through closure or consolidation of facilities. The report shall include an assessment of each facility studied, where and how the services should be provided, and any costs or savings associated with each recommendation. In considering the recommendations of the report, the governor and the legislature shall not consider closure of any state institutional facility unless the report recommended the facility for closure.) \$25,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the office to contract with the Washington state quality award program to provide training for state managers and employees.

(4) \$374,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the policy functions of the sentencing guidelines commission that are transitioned into the office of financial management. If legislation directing this transfer is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(5) \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Substitute House Bill No. 1329 (child care center collective bargaining). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(6) \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Second Substitute House Bill No. 3062 (language access providers). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(7) \$100,000 of the general fund--state appropriation for fiscal year 2010 and \$100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the office of financial management to hire an independent consultant to conduct an assessment. The consultant shall be agreed upon by a wide range of interested stakeholders including organization leaders representing residents of residential habilitation centers. The assessment shall include interviews with all residential habilitation center residents or guardians of residents to determine the optimum setting for these individuals and shall include the option and choice to remain in a residential habilitation center. The assessment shall note when the recommendation of the consultant differs from the choice of the individual. The assessment shall also determine service and placements that are underfunded or underserved in community settings and determine resources and options for funding sources necessary to adequately fund community-based services for people with developmental disabilities. The resulting report will be due to the legislature on December 1, 2010.

**Sec.124.** 2009 c 564 s 131 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

Administrative Hearings Revolving

Account--State Appropriation            (~~(\$33,473,000)~~)  
\$33,494,000

**Sec. 125.** 2009 c 564 s 132 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF PERSONNEL**

Department of Personnel Service Account--State

Appropriation           (~~(\$22,025,000)~~)  
\$20,262,000

Higher Education Personnel Services Account--State

Appropriation           (~~(\$1,716,000)~~)  
\$1,578,000

TOTAL APPROPRIATION           (~~(\$23,741,000)~~)  
\$21,840,000

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

(1) The department shall coordinate with the governor's office of Indian affairs 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 shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

(2) In coordination with efforts under section 119(4) of this act, the department of personnel shall provide, by September 1, 2010, a synopsis of current and recent survey data regarding employee satisfaction and the department's overall assessment of career and executive workforce management concerns.

**Sec. 126.** 2009 c 564 s 133 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE LOTTERY**

Lottery Administrative Account--State

Appropriation           (~~(\$27,776,000)~~)  
\$26,674,000

**Sec. 127.** 2009 c 564 s 134 (uncodified) is amended to read as follows:

**FOR THE COMMISSION ON HISPANIC AFFAIRS**

General Fund--State Appropriation (FY 2010)           (~~(\$253,000)~~)  
\$249,000

General Fund--State Appropriation (FY 2011)           (~~(\$260,000)~~)  
\$255,000

TOTAL APPROPRIATION           (~~(\$513,000)~~)  
\$504,000

**Sec. 128.** 2009 c 564 s 135 (uncodified) is amended to read as follows:

**FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**

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

General Fund--State Appropriation (FY 2011)           (~~(\$244,000)~~)  
\$235,000

TOTAL APPROPRIATION           (~~(\$487,000)~~)  
\$478,000

**Sec. 129.** 2009 c 564 s 136 (uncodified) is amended to read as follows:

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

Department of Retirement Systems Expense

Account--State Appropriation           (~~(\$49,504,000)~~)  
\$48,600,000

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

(1) \$148,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of Senate Bill No. 5303 (transferring members of retirement systems). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(2) \$66,000 of the department of retirement systems expense account--state appropriation is provided for the department of retirement systems to make revisions to various administrative processes as necessary to implement Engrossed Second Substitute Senate Bill No. 5688 (registered domestic partners). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(3) \$12,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of Senate Bill No. 5542 or House Bill No. 1678 (minimum disability benefits). If neither bill is enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(4) \$45,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1445 (Washington state patrol retirement system domestic partners). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(5) \$45,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Engrossed House Bill No. 1616 (law enforcement officers' and firefighters' retirement system plan 2 domestic partners). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(6) \$56,000 of the department of retirement systems expense account--state appropriation is provided solely to implement House Bill No. 1548 (military service credit purchases). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(7) \$35,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Substitute House Bill No. 1953 (department of fish and wildlife enforcement officers' past service credit). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(8) \$58,000 of the department of retirement systems expense account--state appropriation is provided solely to implement House Bill No. 1541 (plan 2/3 half-time educational employee service credit). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(9) \$32,000 of the department of retirement systems expense account--state appropriation is provided solely to implement Engrossed House Bill No. 2519 (public safety death benefits). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 130.** 2010 c 3 s 108 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2010)      ((~~\$108,215,000~~))

\$108,228,000

General Fund--State Appropriation (FY 2011)      ((~~\$106,995,000~~))

\$107,054,000

Timber Tax Distribution Account--State

Appropriation      \$5,904,000

Waste Reduction/Recycling/Litter

Control--State Appropriation \$130,000

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

Real Estate Excise Tax Grant Account--State

Appropriation      ((~~\$1,050,000~~))

\$3,429,000

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

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

Vehicle License Fraud Account--State Appropriation      \$72,000

TOTAL APPROPRIATION      ((~~\$222,402,000~~))

\$224,925,000

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

(1) \$469,000 of the general fund--state appropriation for fiscal year 2010 and \$374,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Substitute Senate Bill No. 5368 (annual property revaluation). If the bill is not enacted by June 30, 2009, the amounts in this subsection shall lapse.

(2) \$4,653,000 of the general fund--state appropriation for fiscal year 2010 and ((~~\$4,424,000~~)) \$4,242,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of revenue enhancement strategies. The strategies must include increased out-of-state auditing and compliance, the purchase of third party data sources for enhanced audit selection, and increased traditional auditing and compliance efforts.

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

(4) \$72,000 of the vehicle license fraud account appropriation is provided to implement Second Substitute House Bill No. 2436 (vehicle license fraud). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(5) \$96,000 of the fiscal year 2011 general fund--state appropriation is provided to implement Engrossed Second Substitute House Bill No. 1597 (administration of tax programs). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 131.** 2009 c 564 s 138 (uncodified) is amended to read as follows:

FOR THE STATE INVESTMENT BOARD

State Investment Board Expense Account--State

Appropriation      ((~~\$29,581,000~~))

\$29,585,000

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

(1) \$2,471,000 of the state investment board expense account--state appropriation is provided solely for development of a risk management information system, with the intent that further expenditures for this project be made only by appropriation.

(2) The state investment board shall include funding for any future salary increases authorized under RCW 43.33A.100 in the agency's budget request submitted in accordance with chapter 43.88 RCW in advance of granting related salary increases. The biennial salary survey required under RCW 43.33A.100 shall also be provided to the office of financial management and to the fiscal committees of the legislature as part of the state investment board's biennial budget submittal, and shall include the total amount of compensation increases proposed, as well as recommended salary ranges.

**Sec. 132.** 2010 c 3 s 109 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2010)	(( <del>\$1,342,000</del> ))
\$1,346,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$1,346,000</del> ))
\$1,342,000	
TOTAL APPROPRIATION	\$2,688,000

**Sec. 133.** 2009 c 564 s 140 (uncodified) is amended to read as follows:

FOR THE MUNICIPAL RESEARCH COUNCIL

County Research Services Account--State Appropriation	(( <del>\$940,000</del> ))
\$471,000	
City and Town Research Services--State Appropriation	(( <del>\$4,515,000</del> ))
\$2,258,000	
TOTAL APPROPRIATION	(( <del>\$5,455,000</del> ))
\$2,729,000	

**Sec. 134.** 2009 c 564 s 141 (uncodified) is amended to read as follows:

FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

OMWBE Enterprises Account--State Appropriation	(( <del>\$3,622,000</del> ))
\$1,808,000	

**Sec. 135.** 2009 c 564 s 142 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund--State Appropriation (FY 2010)	\$815,000
General Fund--State Appropriation (FY 2011)	(( <del>\$811,000</del> ))
\$3,817,000	
General Fund--Federal Appropriation	(( <del>\$5,738,000</del> ))
\$2,956,000	
General Administration Service Account--State Appropriation	(( <del>\$35,044,000</del> ))
\$31,550,000	
TOTAL APPROPRIATION	(( <del>\$42,408,000</del> ))
\$39,138,000	

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

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

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

**Sec. 136.** 2010 c 3 s 110 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF INFORMATION SERVICES

General Fund--State Appropriation (FY 2010)	\$1,086,000
General Fund--State Appropriation (FY 2011)	\$1,086,000
General Fund--Federal Appropriation	\$701,000
General Fund--Private/Local Appropriation	\$178,000
Data Processing Revolving Account--State Appropriation	(( <del>\$7,824,000</del> ))
\$7,635,000	
TOTAL APPROPRIATION	(( <del>\$10,697,000</del> ))
\$10,686,000	

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

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

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

(3) \$178,000 of the general fund--private/local appropriation is provided solely for the implementation of the opportunity portal under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 137.** 2009 c 564 s 144 (uncodified) is amended to read as follows:

FOR THE INSURANCE COMMISSIONER

General Fund--Federal Appropriation	\$1,943,000
Insurance Commissioners Regulatory Account--State	
Appropriation	<del>(\$47,978,000)</del>
	\$48,008,000
TOTAL APPROPRIATION	<del>(\$49,921,000)</del>
	\$49,951,000

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

(1) \$410,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Substitute Senate Bill No. 5480 (discount health plans). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(2) \$598,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Substitute Senate Bill No. 5195 (life settlements model act). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(3) \$551,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Second Substitute Senate Bill No. 5346 (health care administration simplification). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(4) \$40,000 of the insurance commissioners regulatory account appropriation is provided to implement Engrossed Substitute House Bill No. 2560 (joint underwriting associations). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 138.** 2009 c 564 s 145 (uncodified) is amended to read as follows:

FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account--State	
Appropriation	<del>(\$3,016,000)</del>
	\$3,666,000

**Sec. 139.** 2009 c 564 s 147 (uncodified) is amended to read as follows:

FOR THE HORSE RACING COMMISSION

Horse Racing Commission Operating Account--State	
Appropriation	<del>(\$5,123,000)</del>
	\$4,846,000

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 during the 2009-2011 fiscal biennium as necessary to support the appropriation in this section.

**Sec. 140.** 2009 c 564 s 148 (uncodified) is amended to read as follows:

FOR THE LIQUOR CONTROL BOARD

Liquor Control Board Construction and Maintenance	
Account--State Appropriation	\$8,817,000
Liquor Revolving Account--State Appropriation	<del>(\$200,506,000)</del>
	\$153,763,000
TOTAL APPROPRIATION	<del>(\$209,323,000)</del>
	\$162,580,000

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

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

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

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

(4) \$173,000 of the liquor revolving account--state appropriation is provided solely for the Engrossed House Bill No. 2040 (beer and wine regulation commission). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(5) \$130,000 of the liquor revolving account appropriation is provided to implement Substitute House Bill No. 2688 (beer and wine tasting). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.



(6) Within the amounts appropriated in this section, the liquor control board shall monitor the tasting endorsement authorized by Substitute House Bill No. 2688 (beer and wine tasting) and report to the appropriate committees of the legislature by June 30, 2011, on the enforcement of the endorsement. The report must include the number of compliance checks conducted by the liquor board during tasting activities, whether the checks were conducted with the knowledge of the licensee, the number of compliance checks passed, the number and type of notices of violation issued, the penalties imposed for the violations, the number of complaints received about tasting activities, and other information related to the enforcement of the endorsement. If the bill is not enacted by June 30, 2010, the requirements of this subsection shall be null and void.

**Sec. 141.** 2009 c 564 s 150 (uncodified) is amended to read as follows:

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

General Fund--Federal Appropriation	\$267,000
Public Service Revolving Account--State	
Appropriation	<del>(\$31,306,000)</del>
	\$31,479,000
Pipeline Safety Account--State Appropriation	\$3,194,000
Pipeline Safety Account--Federal Appropriation	\$1,536,000
TOTAL APPROPRIATION	<del>(\$36,036,000)</del>
	\$36,476,000

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

(1) Pursuant to RCW 43.135.055, the commission is authorized to increase solid waste regulatory fees to the extent necessary to raise \$100,000 in fiscal year 2011 for enforcement activities under RCW 81.77.080.

(2) \$69,000 of the public service revolving account appropriation is provided to implement Substitute House Bill No. 2471 (net metering of electricity). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 142.** 2010 c 3 s 111 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2010)	<del>(\$10,084,000)</del>
	\$9,128,000
General Fund--State Appropriation (FY 2011)	<del>(\$10,190,000)</del>
	\$8,698,000
General Fund--Federal Appropriation	<del>(\$149,101,000)</del>
	\$168,586,000
Enhanced 911 Account--State Appropriation	<del>(\$39,598,000)</del>
	\$45,998,000
Disaster Response Account--State Appropriation	<del>(\$28,194,000)</del>
	\$28,326,000
Disaster Response Account--Federal Appropriation	<del>(\$91,263,000)</del>
	\$114,496,000
Military Department Rent and Lease Account--State	
Appropriation	\$615,000
Military Department Active State Service Account--Federal	
Appropriation	<del>(\$200,000)</del>
	\$592,000
Worker and Community Right-to-Know Account--State	
Appropriation	\$341,000
Nisqually Earthquake Account--State Appropriation	<del>(\$144,000)</del>
	\$307,000
Nisqually Earthquake Account--Federal Appropriation	<del>(\$856,000)</del>
	\$1,067,000
TOTAL APPROPRIATION	<del>(\$330,586,000)</del>
	\$378,154,000

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

(1) ~~(\$28,194,000)~~ \$28,326,000 of the disaster response account-- state appropriation and ~~(\$91,263,000)~~ \$114,496,000 of the disaster response account--federal appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall submit a report (~~quarterly~~) to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2009-2011 biennium based on current revenue and expenditure patterns.

(2) ~~(\$144,000)~~ \$307,000 of the Nisqually earthquake account-- state appropriation and ~~(\$856,000)~~ \$1,067,000 of the Nisqually earthquake account--federal appropriation are provided solely for response and recovery costs associated with the February 28, 2001, earthquake. The military department shall submit a report (~~quarterly~~) to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing earthquake recovery costs, including: (a) Estimates of total costs; (b) incremental changes from the previous estimate; (c) actual expenditures; (d) estimates of total remaining costs to be paid; and (e) estimates of future payments by biennium. This information shall be displayed by fund, by type of assistance, and by amount paid on behalf of state agencies or local organizations. The military department shall also submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the Nisqually earthquake account, including: (a) The amount and type of deposits into the account; (b) the current available fund

balance as of the reporting date; and (c) the projected fund balance at the end of the 2009-2011 biennium based on current revenue and expenditure patterns.

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

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

(b) The department shall submit ~~((a quarterly))~~ 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 ~~((planned and actual homeland security expenditures by the state and local governments with this federal funding; and matching or accompanying state or local expenditures; and~~

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

(4) \$500,000 of the general fund--state appropriation for fiscal year 2010 ~~((and \$500,000 of the general fund--state appropriation for fiscal year 2011 are))~~ is provided solely for the military department to contract with the Washington information network 2-1-1 to operate a statewide 2-1-1 system. The department ~~((shall))~~ may not provide the entire amount for 2-1-1 and shall use any of the funds for administrative purposes.

**Sec. 143.** 2009 c 564 s 152 (uncodified) is amended to read as follows:

**FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

General Fund--State Appropriation (FY 2010) ~~(((\$1,128,000))~~

\$2,667,000

General Fund--State Appropriation (FY 2011) ~~(((\$3,130,000))~~

\$2,734,000

Higher Education Personnel Services Account--State

Appropriation \$250,000

Department of Personnel Service Account--State

Appropriation \$3,290,000

**TOTAL APPROPRIATION** ~~(((\$9,548,000))~~

\$8,941,000

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

(1) \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Substitute House Bill No. 1329 (child care center bargaining). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(2) \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Second Substitute House Bill No. 3062 (language access provider bargaining). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

**Sec. 144.** 2010 c 3 s 112 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) \$1,371,000

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

\$1,149,000

General Fund--Federal Appropriation ~~(((\$1,653,000))~~

\$2,303,000

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

Historical and Archaeological Geographic System

Account--State Appropriation \$167,000

**TOTAL APPROPRIATION** ~~(((\$4,387,000))~~

\$5,004,000

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

**Sec. 145.** 2010 c 3 s 113 (uncodified) is amended to read as follows:

**FOR THE GROWTH MANAGEMENT HEARINGS BOARD**

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

\$1,642,000

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

\$1,439,000

**TOTAL APPROPRIATION** ~~(((\$3,172,000))~~

\$3,081,000

The appropriations in this section are subject to the following conditions and limitations: \$19,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for Substitute House Bill No. 2442 (growth management hearings boards). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(End of part)

**PART II  
HUMAN SERVICES**

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

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES.** (1) 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) 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.

(4) The department is authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP), the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 209 of this act as may be necessary to finance a unified health care plan for the WMIP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons, nor expand beyond one county, during the 2009-2011 biennium. The amount of funding assigned to the pilot projects 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 in the pilot project, times the number of clients enrolled in the pilot project. In implementing the WMIP pilot projects, the department may: (a) Withhold from calculations of "available resources" as set forth in RCW 71.24.025 a sum equal to the capitated rate for individuals enrolled in the pilots; and (b) 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 department shall conduct an evaluation of the WMIP, measuring changes in participant health outcomes, changes in patterns of service utilization, participant satisfaction, participant access to services, and the state fiscal impact.

(5) 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, 2010, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2010 among programs after approval by the director of financial management. 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.

(6) 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.

**Sec. 202.** 2010 c 3 s 201 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010)	<del>((314,698,000))</del>
\$314,520,000	
General Fund--State Appropriation (FY 2011)	<del>((316,181,000))</del>
\$307,336,000	
General Fund--Federal Appropriation	<del>((494,889,000))</del>
\$506,148,000	
General Fund--Private/Local Appropriation	<del>((828,000))</del>
\$3,324,000	
Home Security Fund Appropriation	\$8,389,000
Domestic Violence Prevention Account--State	
Appropriation	\$1,154,000
Education Legacy Trust Account--State Appropriation	\$725,000
<b>TOTAL APPROPRIATION</b>	<del><b>((1,136,864,000))</b></del>
\$1,141,596,000	

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

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

~~((2) \$993,000))~~ \$976,000 of the general fund--state appropriation for fiscal year 2010 and ~~((993,000))~~ \$799,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to ~~(seventeen)~~ fourteen children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility shall also provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract.

~~((3) \$375,000))~~ (2) \$369,000 of the general fund--state appropriation for fiscal year 2010, ~~((375,000))~~ \$366,000 of the general fund--state appropriation for fiscal year 2011, and ~~((322,000))~~ \$316,000 of the general fund--federal appropriation are provided solely for up to three nonfacility-based programs for the training, consultation, support, and recruitment of biological, foster, and adoptive parents of children through

age three in need of special care as a result of substance abuse by their mothers, except that each program may serve up to three medically fragile nonsubstance-abuse-affected children. In selecting nonfacility-based programs, preference shall be given to programs whose federal or private funding sources have expired or that have successfully performed under the existing pediatric interim care program.

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

—((5)) (3) A maximum of ~~((76,831,000))~~ \$70,084,000 of the general fund--state appropriations and ~~((56,901,000))~~ \$53,485,000 of the general fund--federal appropriations for the 2009-11 biennium shall be expended for behavioral rehabilitative services and these amounts are provided solely for this purpose. The department shall work with behavioral rehabilitative service providers to safely keep youth with emotional, behavioral, or medical needs at home, with relatives, or with other permanent placement resources and decrease the length of ~~((stay))~~ service through improved emotional, behavioral, or medical outcomes for children in behavioral rehabilitative services in order to achieve the appropriated levels.

(a) Contracted providers shall act in good faith and accept the hardest to ~~((place))~~ serve children, to the greatest extent possible, in order to improve their emotional, behavioral, or medical conditions.

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

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

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

~~((6))~~ (4) Within amounts provided for the foster care and adoption support programs, the department shall control reimbursement decisions for foster care and adoption support cases such that the aggregate average cost per case for foster care and for adoption support does not exceed the amounts assumed in the projected caseload expenditures.

~~((7) Within amounts appropriated in this section,))~~ (5) \$14,843,000 of the general fund--state appropriation for fiscal year 2011 and \$6,368,000 of the general fund--federal appropriation are provided solely for the department to provide contracted prevention and early intervention services. The legislature recognizes the need for flexibility as the department transitions to performance-based contracts. The following services are included in the prevention and early intervention block grant: Crisis family intervention services, family preservation services, intensive family preservation services, evidence-based programs, public health nurses, and early family support services. The legislature intends for the department to maintain and build on existing evidence-based and research-based programs with the goal of utilizing contracted prevention and intervention services to keep children safe at home and to safely reunify families. Priority shall be given to proven intervention models, including evidence-based prevention and early intervention programs identified by the Washington state institute for public policy and the department. The department shall include information on the number, type, and outcomes of the evidence-based programs being implemented in its reports on child welfare reform efforts and shall provide the legislature and governor a report regarding the allocation of resources in this subsection by September 30, 2010. The department shall expend federal funds under this subsection in compliance with federal regulations.

~~((8) \$37,000))~~ (6) \$36,000 of the general fund--state appropriation for fiscal year 2010, ~~((37,000))~~ \$36,000 of the general fund--state appropriation for fiscal year 2011, and ~~((32,000))~~ \$31,000 of the general fund--federal appropriation are provided solely for the implementation of chapter 465, Laws of 2007 (child welfare).

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

—~~((10) \$616,000))~~ (7) \$1,904,000 of the general fund--state appropriation for fiscal year 2010, ~~((616,000))~~ \$1,832,000 of the general fund--state appropriation for fiscal year 2011, and ~~((368,000))~~ \$357,000 of the general fund--federal appropriation are provided solely to contract with medical professionals for comprehensive safety assessments of high-risk families and for foster care assessments. The safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors. ~~((800,000 of this amount is for))~~ The department will maintain the availability of comprehensive foster care assessments and follow up services for children in out-of-home care who do not have permanent plans, comprehensive safety assessments for families receiving in-home child protective services or family voluntary services ~~((800,000 of this amount is for))~~, and comprehensive safety assessments ~~((of))~~ for families with an infant age birth to fifteen days where the infant was, at birth, diagnosed as substance exposed and the department received an intake referral related to the infant due to the substance exposure. The department must consolidate contracts, streamline administration, and explore efficiencies to achieve savings.

~~((11) \$7,970,000))~~ (8) \$7,833,000 of the general fund--state appropriation for fiscal year 2010, ~~((7,711,000))~~ \$6,521,000 of the general fund--state appropriation for fiscal year 2011, and ~~((5,177,000))~~ \$4,820,000 of the general fund--federal appropriation are provided solely for court-ordered supervised visits between parents and dependent children and for sibling visits. The department shall work collaboratively with the juvenile dependency courts and revise the supervised visit reimbursement procedures to stay within appropriations without impeding reunification outcomes between parents and dependent children. The department shall report to the legislative fiscal committees ~~((quarterly))~~ on

September 30, 2010, and December 30, 2010, the number of children in foster care who receive supervised visits, their frequency, length of time of each visit, and whether reunification is attained.

~~((12) \$1,789,000))~~ (9) \$1,753,000 of the home security fund--state appropriation is provided solely for street youth program services.

~~((13) \$1,584,000))~~ (10) \$1,557,000 of the general fund--state appropriation for fiscal year 2010, ~~((1,584,000))~~ \$1,548,000 of the general fund--state appropriation for fiscal year 2011, and ~~((1,586,000))~~ \$1,554,000 of the general fund--federal appropriation are provided solely for the department to recruit foster parents. The recruitment efforts shall include collaborating with community-based organizations and current or former foster parents to recruit foster parents.

~~((14))~~ (11) \$493,000 of the general fund--state appropriation for fiscal year 2010, \$303,000 of the general fund--state appropriation for fiscal year 2011, \$466,000 of the general fund--private/local appropriation, and \$725,000 of the education legacy trust account-- state appropriation ~~((is))~~ are provided solely for children's administration to contract with an educational advocacy provider with expertise in foster care educational outreach. Funding is provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems. Funding shall be prioritized to regions with high numbers of foster care youth and/or regions where backlogs of youth that have formerly requested educational outreach services exist. The department shall utilize private matching funds to maintain educational advocacy services.

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

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

~~((17))~~ (12) The appropriations in this section reflect reductions in the appropriations for the children's administration administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

~~((18))~~ (13) Within the amounts appropriated in this section, the department shall contract for a pilot project with family and community networks in Whatcom county and up to four additional counties to provide services. The pilot project shall be designed to provide a continuum of services that reduce out-of-home placements and the lengths of stay for children in out-of-home placement. The department and the community networks shall collaboratively select the additional counties for the pilot project and shall collaboratively design the contract. Within the framework of the pilot project, the contract shall seek to maximize federal funds. The pilot project in each county shall include the creation of advisory and management teams which include members from neighborhood-based family advisory committees, residents, parents, youth, providers, and local and regional department staff. The Whatcom county team shall facilitate the development of outcome-based protocols and policies for the pilot project and develop a structure to oversee, monitor, and evaluate the results of the pilot projects. The department shall report the costs and savings of the pilot project to the appropriate committees of the legislature by November 1 of each year.

~~((19))~~ (14) \$157,000 of the general fund--state appropriation for fiscal year 2010 and \$157,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to contract with a nonprofit entity for a reunification pilot project in Whatcom and Skagit counties. The contract for the reunification pilot project shall include a rate of \$46.16 per hour for evidence-based interventions, in combination with supervised visits, to provide 3,564 hours of services to reduce the length of stay for children in the child welfare system. The contract shall also include evidence-based intensive parenting skills building services and family support case management services for 38 families participating in the reunification pilot project. The contract shall include the flexibility for the nonprofit entity to subcontract with trained providers.

~~((20))~~ (15) \$303,000 of the general fund--state appropriation for fiscal year 2010, \$418,000 of the general fund--state appropriation for fiscal year 2011, and \$257,000 of the general fund--federal appropriation are provided solely to implement Engrossed Substitute House Bill No. 1961 (increasing adoptions act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

~~((21) \$100,000))~~ (16) \$98,000 of the general fund--state appropriation for fiscal year 2010 and ~~((100,000))~~ \$98,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to contract with an agency that is working in partnership with, and has been evaluated by, the University of Washington school of social work to implement promising practice constellation hub models of foster care support.

~~((22))~~ (17) The legislature intends for the department to reduce the time a child remains in the child welfare system. The department shall establish a measurable goal and report progress toward meeting that goal to the legislature by January 15 of each fiscal year of the 2009- 11 fiscal biennium. To the extent that actual caseloads exceed those assumed in this section, it is the intent of the legislature to address those issues in a manner similar to all other caseload programs.

(18) \$715,000 of the general fund--state appropriation for fiscal year 2010 and \$715,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for services provided through children's advocacy centers.

(19) \$11,000 of the general fund--state appropriation for fiscal year 2011 and \$3,000 of the general fund--federal appropriation are provided solely to implement Second Substitute House Bill No. 3045 (confinement alternatives). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(20) \$1,855,000 of the general fund--state appropriation for fiscal year 2010, \$1,743,000 of the general fund--state appropriation for fiscal year 2011, and \$4,599,000 of the general fund--federal appropriation are provided solely for the department to contract for medicaid treatment child care (MTCC) services. Children's administration case workers, local public health nurses and case workers from the temporary assistance for needy families program shall refer children to MTCC services, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC services.

(21) \$3,069,000 of the general fund--state appropriation for fiscal year 2011, \$191,000 of the general fund--federal appropriation, and \$3,300,000 of the home security fund--state appropriation are provided solely for the following adolescent services: Secure crisis residential centers, crisis residential centers, hope beds, and responsible living skills program. The department shall work with adolescent service providers to maintain availability of adolescent services and maintain the delivery of services in a geographically representative manner. The department shall examine current staffing requirements, flexible payment options, center-specific licensing waivers, and other appropriate methods to achieve savings and streamline the delivery of services. The legislature intends to provide flexibility to the department to improve outcomes and to achieve more efficient utilization of existing resources, while meeting the statutory goals of the adolescent service programs.

**Sec. 203.** 2010 c 3 s 202 (uncodified) is amended to read as follows:

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

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

\$103,025,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$92,392,000</del> ))
\$100,696,000	
General Fund--Federal Appropriation	(( <del>\$6,565,000</del> ))
\$1,790,000	
General Fund--Private/Local Appropriation	\$1,900,000
Washington Auto Theft Prevention Authority Account--	
State Appropriation	\$3,896,000
Juvenile Accountability Incentive Account--Federal	
Appropriation	\$2,801,000
TOTAL APPROPRIATION	(( <del>\$211,739,000</del> ))
\$214,108,000	

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

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

(2) ((~~\$3,578,000~~)) \$3,408,000 of the general fund--state appropriation for fiscal year 2010 and ((~~\$3,578,000~~)) \$2,898,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

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

(4) ((~~\$1,506,000~~)) \$1,427,000 of the general fund--state appropriation for fiscal year 2010 and ((~~\$1,506,000~~)) \$1,206,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

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

(6) \$1,287,000 of the general fund--state appropriation for fiscal year 2010 and \$1,287,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family integrated transitions, and aggression replacement training. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

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

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

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

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

administrator of the courts will have responsibility for collecting and distributing information and providing access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data; and necessary changes to the Washington administrative code.

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

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

**Sec. 204.** 2010 c 3 s 203 (uncodified) is amended to read as follows:

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

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2010)	(( <del>\$266,677,000</del> ))
\$273,648,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$296,619,000</del> ))
\$280,421,000	
General Fund--Federal Appropriation	(( <del>\$463,180,000</del> ))
\$518,344,000	
General Fund--Private/Local Appropriation	(( <del>\$14,868,000</del> ))
\$20,091,000	
TOTAL APPROPRIATION	(( <del>\$1,041,344,000</del> ))
\$1,092,504,000	

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

(a) \$113,689,000 of the general fund--state appropriation for fiscal year 2010 and ((~~\$113,689,000~~)) \$114,158,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for persons and services not covered by the medicaid program. This is a reduction of \$11,606,000 each fiscal year from the nonmedicaid funding that was allocated for expenditure by regional support networks during fiscal year 2009 prior to supplemental budget reductions. This \$11,606,000 reduction shall be distributed among regional support networks proportional to each network's share of the total state population. To the extent possible, levels of regional support network spending shall be maintained in the following priority order: (i) Crisis and commitment services; (ii) community inpatient services; and (iii) residential care services, including personal care and emergency housing assistance.

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

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

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

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

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

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

(h) (\$1,500,000 of the general fund--state appropriation for fiscal year 2010 and \$1,500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

- (i) High intensity treatment team for persons who are high utilizers of psychiatric inpatient services, including those with co-occurring disorders and other special needs;
- (ii) Crisis outreach and diversion services to stabilize in the community individuals in crisis who are at risk of requiring inpatient care or jail services;
- (iii) Mental health services provided in nursing facilities to individuals with dementia, and consultation to facility staff treating those individuals; and

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

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

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

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

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

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

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

(m) \$952,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the north central regional support network (NCRSN) to improve the utilization of medicaid services in that region. During the actuarial rate rebase, the actuaries determined that north central's productivity was too low for funding to be certified at the fiscal year 2010 rate ranges. The department shall enter into a performance-based contract with NCRSN and shall contract with an expert in the delivery of mental health services in a frontier setting to provide technical assistance to NCRSN. Improvements in utilization and cost effectiveness must be demonstrated by NCRSN on or before June 30, 2011, or contracts for state medicaid and nonmedicaid services may be subject to termination. The department shall submit the following reports to the legislature:

(i) On or before June 30, 2010, a written plan of improvement for NCRSN shall be submitted to the legislature. The plan must be collaboratively developed by the department and NCRSN and must be acknowledged by signatures from NCRSN, the providers in the network, and the secretary of the department of social and health services. In the plan, the department shall identify the contracting source for technical assistance and shall include the implementation strategy and schedule for providing technical assistance to the RSN. The plan must also include a strategy for restructuring services, a process for improving community outreach, and an outline on the methods for collecting data and monitoring outcomes.

(ii) On or before August 15, 2010, the department shall submit to the legislature a progress report. The report shall identify best practices and areas of recommended changes to service delivery with a detailed strategy for implementation. A timeline shall be included. The report shall provide a progress update on tracking and monitoring outcomes.

(iii) On or before January 10, 2011, the department shall provide a progress report to include outcomes from July 1, 2010, through November 30, 2010.

(n) \$179,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the Chelan Douglas regional support network to improve the utilization of medicaid services in that region. During the actuarial rate rebase, the actuaries determined that the Chelan Douglas regional support network's productivity was too low for funding to be certified at the fiscal year 2010 rate ranges. Funding provided in this subsection is sufficient to hold the RSN at the fiscal year 2010 rate.

(o) \$5,223,000 of the general fund--private/local appropriation and \$8,870,000 of the general fund--federal appropriation are provided solely for services to medicaid eligible clients. County legislative authorities may authorize a one-tenth of one percent sales tax and may choose to use this funding for the delivery of either medicaid or nonmedicaid chemical dependency or mental health treatment programs as specified in RCW 82.14.460. Local funding that is authorized to serve medicaid clients is matched with federal funding and becomes part of the overall medicaid expenditures. When medicaid rates are rebased, the increased level of medicaid expenditures due to local match becomes the state's responsibility. An individual regional support network will be allowed to leverage local funding into the medicaid rates on a one-time basis only.

(p) \$1,287,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for either Second Substitute House Bill No. 3076 (involuntary treatment act evaluations), or Second Substitute House Bill No. 2882 (detaining persons with mental illness), or both. Funding provided in this subsection shall be used for increases in 72-hour detentions for persons with mental disorders and 14-day involuntary commitments that result from modifications to the involuntary treatment act, chapter 71.05 RCW. If neither bill is enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

## (2) INSTITUTIONAL SERVICES



General Fund--State Appropriation (FY 2010)	<del>(\$120,637,000)</del>
\$119,637,000	
General Fund--State Appropriation (FY 2011)	<del>(\$124,995,000)</del>
\$121,094,000	
General Fund--Federal Appropriation	<del>(\$151,160,000)</del>
\$153,112,000	
General Fund--Private/Local Appropriation	<del>(\$65,868,000)</del>
\$64,806,000	
TOTAL APPROPRIATION	<del>(\$462,660,000)</del>
\$458,649,000	

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

- (a) The state psychiatric hospitals may use funds appropriated in this subsection to purchase goods and supplies through hospital group purchasing organizations when it is cost-effective to do so.
- (b) \$231,000 of the general fund--state appropriation for fiscal year 2008 and \$231,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.
- (c) \$45,000 of the general fund--state appropriation for fiscal year 2010 and \$45,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2010)	\$1,819,000
General Fund--State Appropriation (FY 2011)	<del>(\$1,812,000)</del>
\$2,087,000	
General Fund--Federal Appropriation	<del>(\$2,142,000)</del>
\$2,184,000	
TOTAL APPROPRIATION	<del>(\$5,773,000)</del>
\$6,090,000	

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

- (a) \$1,511,000 of the general fund--state appropriation for fiscal year 2010 and \$1,511,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for children's evidence based mental health services. Funding is sufficient to continue serving children at the same levels as fiscal year 2009.
- (b) \$150,000 of the general fund--state appropriation for fiscal year 2011 and \$30,000 of the general fund--federal appropriation are provided solely for the department to implement a performance-based contract with north central regional support network per subsection (1)(m) of this section. Funding provided in this subsection is sufficient to purchase technical assistance for the RSN from a contracted expert in the delivery of mental health services in a frontier setting.
- (c) \$125,000 of the general fund--state appropriation for fiscal year 2011 and \$12,000 of the general fund--federal appropriation are provided solely for Second Substitute House Bill No. 3076 (involuntary treatment act evaluations). Funding provided in this subsection is sufficient to provide training on new policies and protocols that result from modifications to the involuntary treatment act, chapter 71.05 RCW. In addition, funding is provided for the department to collaborate with the Washington institute of public policy in a search for a validated mental health assessment tool. If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010)	<del>(\$4,077,000)</del>
\$4,078,000	
General Fund--State Appropriation (FY 2011)	<del>(\$4,094,000)</del>
\$4,027,000	
General Fund--Federal Appropriation	<del>(\$7,227,000)</del>
\$7,185,000	
TOTAL APPROPRIATION	<del>(\$15,398,000)</del>
\$15,290,000	

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

Sec. 205. 2010 c 3 s 204 (uncodified) is amended to read as follows:

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

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2010)	<del>(\$311,589,000)</del>
\$307,384,000	
General Fund--State Appropriation (FY 2011)	<del>(\$366,489,000)</del>
\$337,890,000	

General Fund--Federal Appropriation	<del>(\$849,263,000)</del>
\$904,919,000	
General Fund--Private/Local Appropriation	\$102,000
TOTAL APPROPRIATION	<del>(\$1,527,341,000)</del>
\$1,550,295,000	

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

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

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

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

(d) ~~(\$5,593,000)~~ \$5,773,000 of the general fund--state appropriation for fiscal year 2010, ~~(\$4,002,000)~~ \$4,797,000 of the general fund--state appropriation for fiscal year 2011, and ~~(\$14,701,000)~~ \$16,159,000 of the general fund--federal appropriation are provided solely for community residential and support services. Funding in this subsection shall be prioritized for (i) residents of residential habilitation centers who are able to be adequately cared for in community settings and who choose to live in those community settings; (ii) clients without residential services who are at immediate risk of institutionalization or in crisis; (iii) children who are at risk of institutionalization or who are aging out of other state services; and (iv) current home and community-based waiver program clients who have been assessed as having an immediate need for increased services. First priority shall be given to children who are at risk of institutionalization. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed \$300. In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds, provided the total projected carry-forward expenditures do not exceed the amounts estimated. The department shall electronically report to the appropriate committees of the legislature, within 45 days following each fiscal year quarter, the number of persons served with these additional community services, where they were residing, what kinds of services they were receiving prior to placement, and the actual expenditures for all community services to support these clients.

(e)(i) ~~(\$493,000)~~ \$679,000 of the general fund--state appropriation for fiscal year 2010, ~~(\$1,463,000)~~ \$2,146,000 of the general fund--state appropriation for fiscal year 2011, and ~~(\$2,741,000)~~ \$4,057,000 of the general fund--federal appropriation are provided solely for community services for persons with developmental disabilities who also have community protection issues. Funding in this subsection shall be prioritized for (A) clients being diverted or discharged from the state psychiatric hospitals; (B) clients participating in the dangerous mentally ill offender program; (C) clients participating in the community protection program; and (D) mental health crisis diversion outplacements. The department shall ensure that the average cost per day for all program services other than start-up costs shall not exceed \$349 per day in fiscal year 2010 and \$356 per day in fiscal year 2011. In order to maximize the number of clients served and ensure the cost-effectiveness of the waiver programs, the department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds if the total projected carry-forward expenditures do not exceed the amounts estimated.

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

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

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

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

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

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

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

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

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

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

- (i) Persons with AIDS or HIV-related diseases who might otherwise require nursing home or hospital care;
- (ii) Persons with Alzheimer's disease and related dementia who might otherwise require nursing home care; and
- (iii) Persons with co-occurring mental illness and long-term care needs who are eligible for expanded community services and who might otherwise require state and local psychiatric hospital care.

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

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

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

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

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

(o) Upon the effective date of this section, the department shall no longer hold funded residential vacancies to achieve savings.

(p) The division of developmental disabilities shall not reduce funding for county employment contracts. Funding for this purpose shall be maintained at the amount appropriated for this purpose in chapter 564, Laws of 2009.

(q) The department shall, by September 30, 2010, provide a report to the legislature on the implementation of chapter 571, Laws of 2009 (Substitute House Bill No. 2361). The report shall provide an analysis of the savings and/or costs to the agency associated with the implementation of the bill. Additionally, the report shall provide a full accounting of the relative hourly costs of agency providers and individual providers.

(r) Pursuant to RCW 43.135.055 and Substitute House Bill No. 2954, the department is authorized to establish the following fees for fiscal year 2011:

(i) The annual licensing renewal fee for boarding homes is \$112.00 per licensed bed.

(ii) The annual licensing renewal fee for adult family homes is \$220.00 per licensed bed. The renewal fee may be paid in two installments over the course of the licensed period as defined by the department in rule.

(iii) The initial processing fee for adult family home licenses is \$1,800.00 per home and shall be paid in full at the time of the licensing application. The department shall refund all initial processing fees, with the exception of \$100.00, paid between July 1, 2009, and June 30, 2010, for any adult family home that remains in active status on or after July 1, 2010.

(s) The department shall establish a working group with representatives of the home care industry to identify and eliminate or mitigate administrative burdens. The make-up of this working group shall be limited to:

(i) The state unit on aging chief of the aging and disabilities service administration (ADSA);

(ii) Other ADSA representatives as the state unit on aging chief deems necessary;

(iii) A representative from the department of health facility services licensing;

(iv) No more than seven representatives of the home care industry, to include:

(A) A representative of each of the three home care associations;

(B) A for-profit agency with at least seven area agency on aging contracts;

(C) A nonprofit with at least seven area agency on aging contracts;

(D) An agency that serves persons with developmental disabilities; and

(E) An agency that is a community action program;

(v) No more than two area agency on aging directors; and

(vi) Representatives from each of the two labor unions which represent home care workers.

The department is authorized to assign work group members consistent with this subsection (1)(s). The working group shall hold its first meeting no later than May 1, 2010, and shall meet at least monthly or as needed until the group has accomplished its goals. The work group shall provide a report on its findings to the legislative fiscal committees by January 1, 2011.

(t) No employer, provider, or entity receiving state funds to provide long-term care services or services to the developmentally disabled may use these funds to assist, promote, or deter union organization.

(2) INSTITUTIONAL SERVICES

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

\$61,264,000

General Fund--State Appropriation (FY 2011) ~~((74,185,000))~~

\$63,495,000	
General Fund--Federal Appropriation	<del>((202,160,000))</del>
\$207,522,000	
General Fund--Private/Local Appropriation	\$22,441,000
TOTAL APPROPRIATION	<del>((360,398,000))</del>
\$354,722,000	

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

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

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

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

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

### (3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010)	<del>((1,420,000))</del>
\$1,407,000	
General Fund--State Appropriation (FY 2011)	<del>((1,372,000))</del>
\$1,360,000	
General Fund--Federal Appropriation	<del>((1,360,000))</del>
\$1,305,000	
TOTAL APPROPRIATION	<del>((4,152,000))</del>
\$4,072,000	

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

### (4) SPECIAL PROJECTS

(General Fund--State Appropriation (FY 2010)	\$15,000
General Fund--State Appropriation (FY 2011)	\$15,000))
General Fund--Federal Appropriation	<del>((21,066,000))</del>
\$9,617,000	
TOTAL APPROPRIATION	<del>((21,096,000))</del>
\$9,617,000	

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

**Sec. 206.** 2010 c 3 s 205 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010)	<del>((584,741,000))</del>
\$616,996,000	
General Fund--State Appropriation (FY 2011)	<del>((693,325,000))</del>
\$634,234,000	
General Fund--Federal Appropriation	<del>((1,805,958,000))</del>
\$1,953,725,000	
General Fund--Private/Local Appropriation	<del>((19,973,000))</del>
\$21,491,000	
Traumatic Brain Injury Account--State Appropriation	<del>((1,816,000))</del>
\$3,816,000	
TOTAL APPROPRIATION	<del>((3,105,813,000))</del>
\$3,230,262,000	

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed ~~((156.37))~~ \$169.85 for fiscal year 2010 and shall not exceed ~~((158.74))~~ \$168.17 for fiscal year 2011, including the rate add-on described in subsection (12) of this section. ~~((There will be no adjustments for economic trends and conditions in fiscal years 2010 and 2011.))~~ The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with

chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~((12))~~ ~~((11))~~ Within the funds provided, the department shall continue to provide an add-on per medicaid resident day per facility not to exceed \$1.57. The add-on shall be used to increase wages, benefits, and/or staffing levels for certified nurse aides; or to increase wages and/or benefits for dietary aides, housekeepers, laundry aides, or any other category of worker whose statewide average dollars- per-hour wage was less than \$15 in calendar year 2008, according to cost report data. The add-on may also be used to address resulting wage compression for related job classes immediately affected by wage increases to low-wage workers. The department shall continue reporting requirements and a settlement process to ensure that the funds are spent according to this subsection. The department shall adopt rules to implement the terms of this subsection.

~~((13))~~ ~~((12))~~ \$1,840,000 of the general fund--state appropriation for fiscal year 2010 and \$1,877,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for operation of the volunteer ~~((chore))~~ services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with developmental disabilities.

~~((14))~~ ~~((13))~~ In accordance with chapter 74.39 RCW, the department may implement two medicaid waiver programs for persons who do not qualify for such services as categorically needy, subject to federal approval and the following conditions and limitations:

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

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

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

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

~~((14))~~ (14) The department shall establish waiting lists to the extent necessary to assure that annual expenditures on the community options program entry systems (COPES) program do not exceed appropriated levels. In establishing and managing any such waiting list, the department shall assure priority access to persons with the greatest unmet needs, as determined by department assessment processes.

~~((15))~~ (15) The department shall contract for housing with service models, such as cluster care, to create efficiencies in service delivery and responsiveness to unscheduled personal care needs by clustering hours for clients that live in close proximity to each other.

~~((16))~~ (16) The department shall not pay a home care agency licensed under chapter 70.127 RCW for personal care services provided by a family member, pursuant to Substitute House Bill No. 2361 (modifying state payments for in-home care).

~~((17))~~ (17) ~~\$204,000~~ \$209,000 of the general fund--state appropriation for fiscal year 2010, ~~(\$1,099,000)~~ \$781,000 of the general fund--state appropriation for fiscal year 2011, and ~~(\$1,697,000)~~ \$1,293,000 of the general fund--federal appropriation are provided solely to implement Engrossed House Bill No. 2194 (extraordinary medical placement for offenders). The department shall work in partnership with the department of corrections to identify services and find placements for offenders who are released through the extraordinary medical placement program. The department shall collaborate with the department of corrections to identify and track cost savings to the department of corrections, including medical cost savings and to identify and track expenditures incurred by the aging and disability services program for community services and by the medical assistance program for medical expenses. A joint report regarding the identified savings and expenditures shall be provided to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010. If this bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

~~((19))~~ Sufficient funding is provided in this section for the department to implement Engrossed Second Substitute House Bill No. 1935 (adult family homes). During the 2009-11 biennium, the initial licensing fee for an adult family home shall be set at \$900.00. During the 2009-11 biennium, the annual licensing renewal fee shall be set at \$100.00. (18) Pursuant to RCW 43.135.055 and Substitute House Bill No. 2954, the department is authorized to establish the following fees for fiscal year 2011:

(a) The annual licensing renewal fee for nursing facilities is \$327.00 per licensed bed.

(b) The annual licensing renewal fee for boarding homes is \$112.00 per licensed bed.

(c) The annual licensing renewal fee for adult family homes is \$220.00 per licensed bed. The renewal fee may be paid in two installments over the course of the licensed period as defined by the department in rule.

(d) The initial processing fee for adult family home licenses is \$1,800.00 per home and shall be paid in full at the time of the licensing application. The department shall refund all initial processing fees, with the exception of \$100.00, paid between July 1, 2009, and June 30, 2010, for any adult family home that remains in active status on or after July 1, 2010.

(19) The department shall, by September 30, 2010, provide a report to the legislature on the implementation of chapter 571, Laws of 2009 (Substitute House Bill No. 2361). The report shall provide an analysis of the savings and/or costs to the agency associated with the implementation of the bill. Additionally, the report shall provide a full accounting of the relative hourly costs of agency providers and individual providers.

(20) The department shall establish a working group with representatives of the home care industry to identify and eliminate or mitigate administrative burdens. The make-up of this working group shall be limited to:

(a) The state unit on aging chief of the aging and disabilities service administration (ADSA);

(b) Other ADSA representatives as the state unit on aging chief deems necessary;

(c) A representative from the department of health facility services licensing;

(d) No more than seven representatives of the home care industry, to include:

(i) A representative of each of the three home care associations;

(ii) A for-profit agency with at least seven area agency on aging contracts;

(iii) A nonprofit with at least seven area agency on aging contracts;

(iv) An agency that serves persons with developmental disabilities; and

(v) An agency that is a community action program;

(e) No more than two area agency on aging directors; and

(f) Representatives from each of the two labor unions which represent home care workers.

The department is authorized to assign work group members consistent with this subsection. The working group shall hold its first meeting no later than May 1, 2010, and shall meet at least monthly or as needed until the group has accomplished its goals. The work group shall provide a report on its findings to the legislative fiscal committees by January 1, 2011.

(21) \$1,816,000 of the traumatic brain injury account--state appropriation is provided solely to continue services for persons with traumatic brain injury (TBI) as defined in RCW 74.31.020 through 74.31.050. The TBI advisory council shall provide a report to the legislature by December 1, 2010, on the effectiveness of the functions overseen by the council and shall provide recommendations on the development of critical services for individuals with traumatic brain injury.

(22) No employer, provider, or entity receiving state funds to provide long-term care services or services to the developmentally disabled may use these funds to assist, promote, or deter union organization.

**Sec. 207.** 2010 c 3 s 206 (uncodified) is amended to read as follows:

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

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

\$568,732,000

General Fund--State Appropriation (FY 2011) ~~(\$587,973,000)~~

\$540,758,000

General Fund--Federal Appropriation ~~(\$1,139,899,000)~~

\$1,151,351,000

General Fund--Private/Local Appropriation ~~(\$27,920,000)~~

\$30,827,000  
 Administrative Contingency Account--State  
 Appropriation ((~~\$29,136,000~~)  
 \$24,336,000  
 TOTAL APPROPRIATION ((~~\$2,342,380,000~~)  
 \$2,316,004,000

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

(1) (~~(\$303,196,000)~~) \$303,393,000 of the general fund--state appropriation for fiscal year 2010, (~~(\$309,755,000)~~) \$256,292,000 of the general fund--state appropriation for fiscal year 2011, (~~(\$29,136,000)~~) \$24,336,000 of the administrative contingency account-- state appropriation, and \$778,606,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program. The department shall use moneys from the administrative contingency account for WorkFirst job placement services provided by the employment security department. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. In addition, within the amounts provided for WorkFirst the department shall:

- (a) Establish a career services work transition program;
- (b) Continue to implement WorkFirst program improvements that are designed to achieve progress against outcome measures specified in RCW 74.08A.410. Outcome data regarding job retention and wage progression shall be reported quarterly to appropriate fiscal and policy committees of the legislature for families who leave assistance, measured after 12 months, 24 months, and 36 months. The department shall also report the percentage of families who have returned to temporary assistance for needy families after 12 months, 24 months, and 36 months;
- (c) Submit a report electronically by October 1, 2009, to the fiscal committees of the legislature containing a spending plan for the WorkFirst program. The plan shall identify how spending levels in the 2009-2011 biennium will be adjusted to stay within available federal grant levels and the appropriated state-fund levels;
- (d) Provide quarterly fiscal reports to the office of financial management and the legislative fiscal committees detailing information on the amount expended from general fund--state and general fund-- federal by activity;
- (e) Maintain the fiscal year 2009 grant standard for the temporary assistance for needy families grant;
- (f) Suspend funding for all community works programs, except community jobs in fiscal year 2011;
- (g) Reduce funding for WorkFirst job search activities by \$2,363,000 from levels budgeted for those activities as of February 1, 2010, for fiscal year 2011;
- (h) Use savings from (f) and (g) of this subsection (1) to increase availability of child care services, and implement a 12 month authorization for working connections child care pursuant to Engrossed Second Substitute House Bill No. 3141 (delivery of temporary assistance to needy families);
- (i) Allow single parents of children under the age of six years to meet the work participation requirements with twenty hours per week of qualifying activities in conformance with standards established by the federal government.

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

(3) The WorkFirst subcabinet, in partnership with the department of social and health services, shall review and prepare a report on services provided and accessed by both general population clients and limited English proficiency clients. The review shall include information on efficiencies and outcomes related to client services for each client population. The report should identify services and expenditures related to client outcomes in fiscal year 2010. The report on these programs and client outcomes shall be reported to the appropriate committees of the legislature no later than December 15, 2010.

~~(\$84,856,000)~~ \$73,326,000 of the general fund--state appropriation for fiscal year 2010 and (~~(\$95,173,000)~~) \$75,621,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for cash assistance and other services to recipients in the (~~general assistance-unemployable~~) disability lifeline program. Within these amounts:

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

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

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

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

(e) In addition to any earlier evaluation that may have been conducted, the department shall intensively evaluate those clients who have been receiving (~~general assistance-unemployable~~) disability lifeline benefits for twelve months or more as of July 1, 2009, or thereafter, if the available medical and incapacity related evidence indicates that the client is unlikely to meet the disability standard for federal supplemental security income benefits. The evaluation shall identify services necessary to eliminate or minimize barriers to employment, including mental health treatment, substance abuse treatment and vocational rehabilitation services. The department shall expedite referrals to chemical dependency treatment, mental health and vocational rehabilitation services for these clients.

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

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

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

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

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

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

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

(10) \$60,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract with the city of Tukwila to provide funding for basic human services programs that include food, shelter, and clothing.

**Sec. 208.** 2010 c 3 s 207 (uncodified) is amended to read as follows:

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

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

\$81,941,000

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

\$81,959,000

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

\$148,050,000

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

Criminal Justice Treatment Account--State

Appropriation \$17,747,000

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

TOTAL APPROPRIATION ~~((334,239,000))~~

\$333,875,000

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

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

(2) Within the amounts appropriated in this section, the department shall continue to provide for chemical dependency treatment services for adult medicaid eligible and general assistance-unemployable patients.

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

(4) \$3,786,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of the disability lifeline program under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 209.** 2010 c 3 s 208 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010) ~~((1,598,043,000))~~

\$1,702,180,000

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

\$1,814,103,000

General Fund--Federal Appropriation ~~((5,212,855,000))~~

\$6,040,909,000

General Fund--Private/Local Appropriation ~~((12,903,000))~~

\$37,259,000

Emergency Medical Services and Trauma Care Systems

Trust Account--State Appropriation \$15,076,000

Tobacco Prevention and Control Account--

State Appropriation ~~((3,766,000))~~

\$4,094,000

Hospital Safety Net Assessment Fund--State

Appropriation \$230,933,000



TOTAL APPROPRIATION      (~~(\$8,828,440,000)~~)  
\$9,844,554,000

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

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

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

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

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

(5) In accordance with RCW 74.46.625, \$6,000,000 of the general fund--federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate- setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the department's discretion. During either the interim cost settlement or the final cost settlement, the department shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The department shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

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

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

~~—(8))~~ The department shall continue the inpatient hospital certified public expenditures program for the 2009-11 biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The department shall submit reports to the governor and legislature by November 1, 2009, and by November 1, 2010, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the department shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2010 and fiscal year 2011, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program, (b) one half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2009-11 biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. \$26,396,000 of the general fund--state appropriation for fiscal year 2010, of which \$6,570,000 (of the general fund--state appropriation for fiscal year 2010, which) is appropriated in section 204(1) of this act, and \$45,398,000 of the general fund--state appropriation for fiscal year 2011, of which \$1,500,000 (of the general fund--state appropriation for fiscal year 2011, which) is appropriated in section 204(1) of this act, are provided solely for state grants for the participating hospitals. ~~((Sufficient amounts are appropriated in this section for the remaining state grants for the participating hospitals.~~

~~—(9))~~ (8) The department is authorized to use funds appropriated in this section to purchase goods and supplies through direct contracting with vendors when the department determines it is cost-effective to do so.

~~((40))~~ (9) \$93,000 of the general fund--state appropriation for fiscal year 2010 and \$93,000 of the general fund--federal appropriation are provided solely for the department to pursue a federal Medicaid waiver pursuant to Second Substitute Senate Bill No. 5945 (Washington health partnership plan). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

~~((11))~~ (10) The department shall require managed health care systems that have contracts with the department to serve medical assistance clients to limit any reimbursements or payments the systems make to providers not employed by or under contract with the systems to no more

than the medical assistance rates paid by the department to providers for comparable services rendered to clients in the fee-for-service delivery system.

~~((12))~~ (11) A maximum of ~~(((\$166,875,000))~~ \$179,643,000 of the general fund--state appropriation and ~~(((\$38,389,000))~~ \$59,758,000 of the general fund--federal appropriation may be expended in the fiscal biennium for the ~~((general assistance unemployable))~~ disability lifeline medical program, and these amounts are provided solely for this program. Of these amounts, \$10,749,000 of the general fund--state appropriation for fiscal year 2010 ~~((and \$10,892,000)),~~ \$5,233,000 of the general fund--state appropriation for fiscal year 2011, and \$16,125,000 of the general fund--federal appropriation are provided solely for payments to hospitals for providing outpatient services to low income patients who are recipients of ~~((general assistance unemployable))~~ disability lifeline benefits. Pursuant to RCW 74.09.035, the department shall not expend for the general assistance medical care services program any amounts in excess of the amounts provided in this subsection.

~~((13))~~ (12) If the department determines that it is feasible within the amounts provided in subsection (16) of this section, and without the loss of federal disproportionate share hospital funds, the department shall contract with the carrier currently operating a managed care pilot project for the provision of medical care services to ~~((general assistance unemployable))~~ disability lifeline clients. Mental health services shall be included in the services provided through the managed care system. If the department determines that it is feasible, effective October 1, 2009, in addition to serving clients in the pilot counties, the carrier shall expand managed care services to clients residing in at least the following counties: Spokane, Yakima, Chelan, Kitsap, and Cowlitz. If the department determines that it is feasible, the carrier shall complete implementation into the remaining counties. ~~((Total per person costs to the state, including outpatient and inpatient services and any additional costs due to stop loss agreements, shall not exceed the per capita payments projected for the general assistance unemployable eligibility category, by fiscal year, in the February 2009 medical assistance expenditures forecast.))~~ The department, in collaboration with the carrier, shall seek to improve the transition rate of ~~((general assistance))~~ disability lifeline clients to the federal supplemental security income program.

~~((14))~~ (13) The department shall evaluate the impact of the use of a managed care delivery and financing system on state costs, savings, and outcomes for ~~((general assistance))~~ disability lifeline medical clients. Outcomes measured shall include state costs, utilization, changes in mental health status and symptoms, and involvement in the criminal justice system. The department shall provide a report on these outcomes to the relevant policy and fiscal committees of the legislature by November 15, 2010.

~~((15))~~ (14) The department shall report to the governor and the fiscal committees of the legislature by June 1, 2010, on its progress toward achieving a twenty percentage point increase in the generic prescription drug utilization rate.

~~((16))~~ (15) State funds shall not be used by hospitals for advertising purposes.

~~((17))~~ (16) \$24,293,000 of the general fund--private/local appropriation and \$35,707,000 of the general fund--federal appropriation are provided solely for the implementation of professional services supplemental payment programs. The department shall seek a medicaid state plan amendment to create a professional services supplemental payment program for University of Washington medicine professional providers no later than July 1, 2009. The department shall apply federal rules for identifying the shortfall between current fee-for-service medicaid payments to participating providers and the applicable federal upper payment limit. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the department in the development, implementation, and maintenance of this program will be the responsibility of the participating providers. Participating providers will retain the full amount of supplemental payments provided under this program, net of any potential costs for any related audits or litigation brought against the state. The department shall report to the governor and the legislative fiscal committees on the prospects for expansion of the program to other qualifying providers as soon as feasibility is determined but no later than December 31, 2009. The report will outline estimated impacts on the participating providers, the procedures necessary to comply with federal guidelines, and the administrative resource requirements necessary to implement the program. The department will create a process for expansion of the program to other qualifying providers as soon as it is determined feasible by both the department and providers but no later than June 30, 2010.

~~((18))~~ ~~(\$9,350,000)~~ (17) \$9,075,000 of the general fund--state appropriation for fiscal year 2010, ~~(((\$8,313,000))~~ \$8,588,000 of the general fund--state appropriation for fiscal year 2011, and ~~(((\$20,371,000))~~ \$39,747,000 of the general fund--federal appropriation are provided solely for development and implementation of a replacement system for the existing medicaid management information system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of section 902 of this act.

~~((19))~~ (18) \$506,000 of the general fund--state appropriation for fiscal year 2011 and \$657,000 of the general fund--federal appropriation are provided solely for the implementation of Second Substitute House Bill No. 1373 (children's mental health). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

~~((20))~~ (19) Pursuant to 42 U.S.C. Sec. 1396(a)(25), the department shall pursue insurance claims on behalf of medicaid children served through its in-home medically intensive child program under WAC 388-551-3000. The department shall report to the Legislature by December 31, 2009, on the results of its efforts to recover such claims.

~~((21))~~ (20) The department may, on a case-by-case basis and in the best interests of the child, set payment rates for medically intensive home care services to promote access to home care as an alternative to hospitalization. Expenditures related to these increased payments shall not exceed the amount the department would otherwise pay for hospitalization for the child receiving medically intensive home care services.

~~((22))~~ (21) \$425,000 of the general fund--state appropriation for fiscal year 2010, \$425,000 of the general fund--state appropriation for fiscal year 2011, and \$1,580,000 of the general fund--federal appropriation are provided solely to continue children's health coverage outreach and education efforts under RCW 74.09.470. These efforts shall rely on existing relationships and systems developed with local public health agencies, health care providers, public schools, the women, infants, and children program, the early childhood education and assistance program, child care providers, newborn visiting nurses, and other community-based organizations. The department shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

~~((23))~~ (22) The department, in conjunction with the office of financial management, shall reduce outpatient and inpatient hospital rates and implement a prorated inpatient payment policy. In determining the level of reductions needed, the department shall include in its calculations services paid under fee-for-service, managed care, and certified public expenditure payment methods; but reductions shall not apply to payments for psychiatric inpatient services or payments to critical access hospitals.

~~((24))~~ (23) The department will pursue a competitive procurement process for antihemophilic products, emphasizing evidence-based medicine and protection of patient access without significant disruption in treatment.

~~((25))~~ (24) The department will pursue several strategies towards reducing pharmacy expenditures including but not limited to increasing generic prescription drug utilization by 20 percentage points and promoting increased utilization of the existing mail-order pharmacy program.

~~((26))~~ (25) The department shall reduce reimbursement for over-the-counter medications while maintaining reimbursement for those over-the-counter medications that can replace more costly prescription medications.

~~((27))~~ (26) The department shall seek public-private partnerships and federal funds that are or may become available to implement health information technology projects under the federal American recovery and reinvestment act of 2009.

~~((28))~~ (27) The department shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race.

~~((29))~~ (28) \$230,933,000 of the hospital safety net assessment fund--state appropriation and \$221,415,000 of the general fund--federal appropriation are provided solely for the implementation of Substitute House Bill No. 2956 (hospital safety net assessment). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

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

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

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

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

(33) The department shall contract with an organization that provides medication therapy management services to increase the use of lower cost alternative medications, improve patient compliance with prescribed regimens, reduce harmful side effects from medication, and ensure that medications achieve their desired therapeutic results. The department shall not contract for these services unless the contractor guarantees that the services will generate savings, as measured by the department's actual experience after implementation, that are greater than the cost of the contracted services.

(34) \$120,000 of the general fund--state appropriation for fiscal year 2010, \$280,000 of the general fund--state appropriation for fiscal year 2011, and \$745,000 of the general fund--federal appropriation are provided solely for the department to support the activities of the Washington poison center. The department shall seek federal authority to receive matching funds from the federal government through the children's health insurance program.

(35) The department in consultation with Washington's federally recognized tribes shall develop a plan for a new behavioral health service delivery system design for American Indians and Alaska natives in the medicaid and apple health for kids programs. The system must be designed to integrate behavioral health and primary care. The system shall be developed with input from urban tribal programs, regional support networks, and community mental health agencies. The department shall report to the governor and legislature on the plan for the new system design by December 1, 2010. Sufficient amounts are provided in this section to develop the plan.

(36) With the objective of improving and enhancing the efficiency and effectiveness of the audit and oversight program, the department shall identify streamlining opportunities in the areas described in (a) through (d) of this subsection. The goals of these activities are to leverage department resources to better fulfill the obligations of all aspects of audit and oversight programs in an era of resource constraints and to assure that the burden of audits and other oversight activities on the state's businesses, organizations, and individuals is as minimal as practical.

(a) The department shall complete an assessment of expanding the use of technology and automated data matches for identification and recovery of third party resources, including data matches with pharmacy benefit managers (PBM). The department shall submit a report to the governor and the relevant fiscal and policy committees of the legislature by September 1, 2010, that identifies resources needed to implement the enhanced data matching capability and the actions and timelines necessary for implementation of automated production data matching capability.

(b) The department shall complete a comprehensive review of multiple licensing and certification reviews, onsite surveys, and contract oversight obligations that require provider site visits or require provider response. The department shall identify all related oversight and review activities and identify opportunities for consolidation of multiple clinical and business management review activities as appropriate with a view to minimizing the cost of both conducting and receiving the audits or other review or oversight activities.

(c) The department shall expand its provider audit capacity through its provider one payment system. The department shall identify medicaid payment system enhancements that will maximize new technical capabilities. The department shall explore new technical capabilities of its fraud and abuse detection system to identify more efficient ways to correlate audit efforts to the levels of risk and materiality. Results of focused audits must be used to enhance educational materials. The department shall report to the governor and legislature by December 1, 2010, on the status of developing this audit capacity.

(d) The department shall conduct a review and assessment of audit processes and timeframes. The department shall review audit outcomes from the past three fiscal years and will concentrate on identifying opportunities to shorten timeframes between the various stages of an audit, including the letter of intent to audit, records collection to issuance of the draft audit, dispute resolution activities, issuance of the final audit, and administrative hearings. The department shall initiate a provider outreach and education program to include communication materials that clearly identify expectations of the department and the provider being audited. The department must develop and publish an orientation to medicaid audits publication by October 1, 2010, that includes audit requirements, expectations of providers and the department, and associated timelines.

The department shall report to the governor and relevant policy and fiscal committees of the legislature by December 1, 2010, on the status of these activities.

(37) \$528,000 of the general fund--state appropriation and \$5,910,000 of the general fund--federal appropriation are provided solely for the implementation of the disability lifeline program under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(38) If the cost of a brand name drug, after receiving discounted prices and rebates, is less than the cost of the generic version of the drug for the medical assistance program, the brand name drug shall be purchased.

**Sec. 210.** 2010 c 3 s 209 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010)	<del>(\$10,451,000)</del>
\$10,243,000	
General Fund--State Appropriation (FY 2011)	<del>(\$10,125,000)</del>
\$9,899,000	
General Fund--Federal Appropriation	<del>(\$83,534,000)</del>
\$107,570,000	
Telecommunications Devices for the Hearing and Speech Impaired--State Appropriation	<del>(\$1,979,000)</del>
\$5,979,000	
TOTAL APPROPRIATION	<del>(\$106,089,000)</del>
\$133,691,000	

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

**Sec. 211.** 2010 c 3 s 210 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010)	<del>(\$49,818,000)</del>
\$48,849,000	
General Fund--State Appropriation (FY 2011)	<del>(\$47,259,000)</del>
\$46,965,000	
TOTAL APPROPRIATION	<del>(\$97,077,000)</del>
\$95,814,000	

**Sec. 212.** 2010 c 3 s 211 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010)	<del>(\$34,425,000)</del>
\$33,094,000	
General Fund--State Appropriation (FY 2011)	<del>(\$34,627,000)</del>
\$31,909,000	
General Fund--Federal Appropriation	<del>(\$55,169,000)</del>
\$53,672,000	
General Fund--Private/Local Appropriation	\$1,526,000
Institutional Impact Account--State Appropriation	\$22,000
TOTAL APPROPRIATION	<del>(\$125,747,000)</del>
\$120,223,000	

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

(1) ~~(\$150,000)~~ \$333,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$150,000)~~ \$300,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state mentors program to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

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

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

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

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

(6) The department shall not reduce funding to the governor's juvenile justice advisory committee from the amounts appropriated for this purpose in chapter 564, Laws of 2009.

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

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

General Fund--State Appropriation (FY 2010)      ((~~\$53,431,000~~)  
 \$60,697,000  
 General Fund--State Appropriation (FY 2011)      ((~~\$53,472,000~~)  
 \$60,173,000  
 General Fund--Federal Appropriation      ((~~\$49,494,000~~)  
 \$55,842,000  
 TOTAL APPROPRIATION      ((~~\$156,397,000~~)  
 \$176,712,000

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

FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2010)      ((~~\$206,295,000~~)  
 \$208,288,000  
 General Fund--State Appropriation (FY 2011)      ((~~\$182,138,000~~)  
 \$132,194,000  
 General Fund--Federal Appropriation      ((~~\$6,302,000~~)  
 \$8,849,000  
 State Health Care Authority Administration Account--  
 State Appropriation      ((~~\$35,261,000~~)  
 \$35,033,000  
 Medical Aid Account--State Appropriation \$529,000  
 TOTAL APPROPRIATION      ((~~\$430,525,000~~)  
 \$384,893,000

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

- (1) Within amounts appropriated in this section and sections 205 and 206 of this act, the health care authority shall continue to provide an enhanced basic health plan subsidy for foster parents licensed under chapter 74.15 RCW and workers in state-funded home care programs. Under this enhanced subsidy option, foster parents eligible to participate in the basic health plan as subsidized enrollees and home care workers with family incomes below 200 percent of the federal poverty level shall be allowed to enroll in the basic health plan at the minimum premium amount charged to enrollees with incomes below sixty-five percent of the federal poverty level.
- (2) The health care authority shall require organizations and individuals that are paid to deliver basic health plan services and that choose to sponsor enrollment in the subsidized basic health plan to pay 133 percent of the premium amount which would otherwise be due from the sponsored enrollees.
- (3) The administrator shall take at least the following actions to assure that persons participating in the basic health plan are eligible for the level of assistance they receive: (a) Require submission of (i) income tax returns, and recent pay history, from all applicants, or (ii) other verifiable evidence of earned and unearned income from those persons not required to file income tax returns; (b) check employment security payroll records at least once every twelve months on all enrollees; (c) require enrollees whose income as indicated by payroll records exceeds that upon which their subsidy is based to document their current income as a condition of continued eligibility; (d) require enrollees for whom employment security payroll records cannot be obtained to document their current income at least once every six months; (e) not reduce gross family income for self-employed persons by noncash-flow expenses such as, but not limited to, depreciation, amortization, and home office deductions, as defined by the United States internal revenue service; and (f) pursue repayment and civil penalties from persons who have received excessive subsidies, as provided in RCW 70.47.060(9).
- (4) In order to maximize the funding appropriated for the basic health plan, the health care authority is directed to make modifications that will reduce the total number of subsidized enrollees to approximately 65,000 by January 1, 2010. In addition to the reduced enrollment, other modifications may include changes in enrollee premium obligations, changes in benefits, enrollee cost-sharing, and termination of the enrollment of individuals concurrently enrolled in a medical assistance program as provided in Substitute House Bill No. 2341. The health care authority shall seek federal matching funds for enrollees. If federal matching funds are not available for enrollees below one hundred thirty-three percent of the federal poverty level by January 1, 2011, then the basic health plan program shall be discontinued as of April 1, 2011.
- (5) \$250,000 of the general fund--state appropriation for fiscal year 2010 and \$250,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5360 (community collaboratives). If the bill is not enacted by June 30, 2009, the amounts provided in this section shall lapse.
- (6) The ~~(department)~~ authority shall seek public-private partnerships and federal funds that are or may become available to implement health information technology projects under the federal American recovery and reinvestment act of 2009.
- (7) \$92,000 of the general fund--state appropriation for fiscal year 2011 and \$8,000 of the general fund--federal appropriation are provided solely for the implementation of the disability lifeline program under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.
- (8) All health care authority contracts with managed health care systems to serve basic health plan enrollees shall require that the managed health care systems limit any reimbursements or payments by the systems to health care providers who are not employed or under contract with the systems, but are delivering services at or in affiliation with a facility contracted with the systems to no more than the medical assistance rates paid by the department of social and health services for comparable services rendered to medical assistance clients in the fee-for-service delivery program.
- (9)(a) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$5,814,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the health care authority to conduct three pilot projects to determine the feasibility of providing low-income adults at or below two hundred percent of the federal poverty level, who are neither enrolled in the basic health plan, nor eligible for medical assistance programs or federal medicare programs, with a set of health services that includes a primary care component provided through a community delivery system combined with select specialty care services and catastrophic insurance coverage provided through the health care authority. Each pilot project site shall develop a set of health services that includes a benefit package and payment mechanism that allows it to

enroll one thousand individuals in the primary care and limited specialty services components. The health care authority shall be responsible for enrolling the individuals covered by the primary care component in a catastrophic insurance plan. Enrollees shall be required to pay a premium toward the cost of the plan. The pilot projects shall be based in Spokane, Thurston, and Whatcom counties. The pilot project shall be in operation from July 1, 2010, through July 1, 2012.

(b) The health care authority shall submit a study to the legislature by December 1, 2011 that:

(i) Considers the impact of offering the set of health services as:

(A) A basic health coverage option in addition to the current benefit package and payment mechanism; and

(B) A replacement of the current basic health plan benefit package and payment mechanism; and

(ii) Identifies the most effective strategy for providing such a set of health services that would provide meaningful coverage to low-income individuals, the number of enrollees that would be required to attain a stable risk pool to realize a cost-effective program, the estimated cost per individual for providing such a set of health services, the extent to which such a set could be offered statewide, and recommendations on implementation of such a set of health services.

**Sec. 215.** 2010 c 3 s 212 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

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

General Fund--State Appropriation (FY 2011) \$2,533,000

General Fund--Federal Appropriation ((~~\$1,299,000~~))

\$1,596,000

TOTAL APPROPRIATION ((~~\$6,470,000~~))

\$6,767,000

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

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account--

State Appropriation \$20,000

Accident Account--State Appropriation ((~~\$18,453,000~~))

\$18,272,000

Medical Aid Account--State Appropriation ((~~\$18,453,000~~))

\$18,272,000

TOTAL APPROPRIATION ((~~\$36,926,000~~))

\$36,564,000

**Sec. 217.** 2009 c 564 s 217 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund--State Appropriation (FY 2010) ((~~\$19,146,000~~))

\$17,343,000

General Fund--State Appropriation (FY 2011) ((~~\$19,176,000~~))

\$18,530,000

General Fund--Federal Appropriation \$228,000

General Fund--Private/Local Appropriation((~~\$200,000~~))

\$1,321,000

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

Municipal Criminal Justice Assistance Account--

State Appropriation \$460,000

Washington Auto Theft Prevention Authority Account--

State Appropriation \$5,844,000

TOTAL APPROPRIATION ((~~\$44,974,000~~))

\$43,874,000

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

(1) ((~~\$1,874,000~~)) \$169,000 of the general fund--state appropriation for fiscal year 2010 and ((~~\$1,922,000~~)) \$1,339,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for ((~~40~~)) 1 additional basic law enforcement ((~~academies~~)) academy in fiscal year 2010 and ((~~40~~)) 7 additional basic law enforcement academies in fiscal year 2011.

(2) \$1,191,000 of the general fund--state appropriation for fiscal year 2010 and \$1,191,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington association of sheriffs and police chiefs to continue to develop, maintain, and operate the jail booking and reporting system (JBRS) and the statewide automated victim information and notification system (SAVIN).

(3) \$5,000,000 of the general fund--state appropriation for fiscal year 2010 and \$5,000,000 of the general fund--state appropriation for fiscal year 2011, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130. The Washington association of sheriffs and police chiefs shall:

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

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

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

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

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

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

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

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

(4) \$30,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Second Substitute House Bill No. 2078 (persons with developmental disabilities in correctional facilities or jails). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(5) \$171,000 of the general fund--local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions with one hundred or more full-time commissioned officers shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

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

**Sec. 218.** 2009 c 564 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2010)	<del>(\$24,224,000)</del>
\$24,944,000	
General Fund--State Appropriation (FY 2011)	<del>(\$25,237,000)</del>
\$21,630,000	
((General Fund--Federal Appropriation	\$100,000))
General Fund--Federal Appropriation	<del>(\$10,000,000)</del>
\$10,100,000	
Asbestos Account--State Appropriation	<del>(\$924,000)</del>
\$918,000	
Electrical License Account--State Appropriation	<del>(\$43,162,000)</del>
\$36,908,000	
Farm Labor Revolving Account--Private/Local Appropriation	\$28,000
Worker and Community Right-to-Know Account--	
State Appropriation	<del>(\$1,979,000)</del>
\$1,977,000	
Public Works Administration Account--State	
Appropriation	<del>(\$5,764,000)</del>
\$5,862,000	
Manufactured Home Installation Training Account--	
State Appropriation	<del>(\$138,000)</del>
\$144,000	
Accident Account--State Appropriation	<del>(\$248,281,000)</del>
\$249,805,000	
Accident Account--Federal Appropriation	\$13,622,000
Medical Aid Account--State Appropriation	<del>(\$249,537,000)</del>
\$248,559,000	
Medical Aid Account--Federal Appropriation	\$3,186,000
Plumbing Certificate Account--State Appropriation	<del>(\$1,693,000)</del>
\$1,700,000	
Pressure Systems Safety Account--State Appropriation	<del>(\$3,775,000)</del>
\$4,141,000	
TOTAL APPROPRIATION	<del>(\$631,650,000)</del>
\$623,524,000	

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees related to factory assembled structures, contractor registration, electricians, plumbers, asbestos removal, boilers, elevators, and manufactured home installers. These increases are necessary to support expenditures authorized in this section, consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

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

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

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

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

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

(7) \$500,000 of the accident account--state appropriation is provided solely for the department to contract with one or more independent experts to oversee and assist the department's implementation of improvements to the rating plan under chapter 51.18 RCW, in collaboration with the department and with the department's work group of retrospective rating and workers' compensation stakeholders. The independent experts will validate the impact of recommended changes on retrospective rating participants and nonparticipants, confirm implementation technology changes, and provide other implementation assistance as determined by the department.

(8) \$194,000 of the accident account--state appropriation and \$192,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5346 (health care administrative procedures). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(9) \$131,000 of the accident account--state appropriation and \$128,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5613 (stop work orders). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(10) \$68,000 of the accident account--state appropriation and \$68,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5688 (registered domestic partners). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(11) \$320,000 of the accident account--state appropriation and \$147,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5873 (apprenticeship utilization). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

~~((15))~~ (12) \$73,000 of the general fund--state appropriation for fiscal year 2010, \$66,000 of the general fund--state appropriation for fiscal year 2011, \$606,000 of the accident account--state appropriation, and \$600,000 of the medical aid account--state appropriation are provided solely for the implementation of House Bill No. 1555 (underground economy). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

~~((16))~~ (13) \$574,000 of the accident account--state appropriation and \$579,000 of the medical aid account--state appropriation are provided solely for the implementation of House Bill No. 1402 (industrial insurance appeals). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

(15) \$16,000 of the general fund--state appropriation for fiscal year 2010 and \$50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the crime victims compensation program to pay claims for mental health services for crime victim compensation program clients who have an established relationship with a mental health provider and subsequently obtain coverage under the medicaid program or the medical care services program under chapter 74.09 RCW. Prior to making such payment, the program must have determined that payment for the specific treatment or provider is not available under the medicaid or medical care services program. In addition, the program shall make efforts to contact any healthy options or medical care services health plan in which the client may be enrolled to help the client obtain authorization to pay the claim on an out-of-network basis.

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

**Sec. 219.** 2010 c 3 s 213 (uncodified) is amended to read as follows:

FOR THE INDETERMINATE SENTENCE REVIEW BOARD	
General Fund--State Appropriation (FY 2010)	\$1,882,000
<del>((General Fund--State Appropriation (FY 2011)</del>	<del>\$1,886,000))</del>
TOTAL APPROPRIATION	<del>((3,768,000))</del>
\$1,882,000	

The appropriations in this section are subject to the following conditions and limitations: Beginning July 1, 2010, the functions of the indeterminate sentence review board are transferred to the department of corrections. Funding for these activities for fiscal year 2011 is appropriated to the department of corrections.

**Sec. 220.** 2009 c 564 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2010)	\$1,913,000
General Fund--State Appropriation (FY 2011)	\$1,899,000
Charitable, Educational, Penal, and Reformatory Institutions Account--State Appropriation	\$10,000
TOTAL APPROPRIATION	\$3,822,000

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

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2010)	\$4,885,000
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General Fund--State Appropriation (FY 2011) \$4,943,000  
 General Fund--Federal Appropriation ((~~\$1,842,000~~))  
 \$2,385,000  
 General Fund--Private/Local Appropriation((~~\$3,491,000~~))  
 \$4,512,000  
 Veterans Innovations Program Account--State  
 Appropriation ((~~\$648,000~~))  
 \$898,000  
 Veteran Estate Management Account--Private/Local  
 Appropriation \$1,069,000  
 TOTAL APPROPRIATION ((~~\$16,878,000~~))  
 \$18,692,000

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

(a) The department shall collaborate with the department of social and health services to identify and assist eligible general assistance unemployable clients to access the federal department of veterans affairs benefits.

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

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

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010) ((~~\$3,638,000~~))  
 \$3,318,000  
 General Fund--State Appropriation (FY 2011) ((~~\$2,845,000~~))  
 \$2,287,000  
 General Fund--Federal Appropriation ((~~\$50,791,000~~))  
 \$50,224,000  
 General Fund--Private/Local Appropriation((~~\$31,734,000~~))  
 \$34,070,000  
 TOTAL APPROPRIATION ((~~\$89,008,000~~))  
 \$89,899,000

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

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

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

**Sec. 221.** 2010 c 3 s 214 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2010) ((~~\$107,413,000~~))  
 \$97,685,000  
 General Fund--State Appropriation (FY 2011) ((~~\$82,806,000~~))  
 \$79,898,000  
 General Fund--Federal Appropriation ((~~\$480,871,000~~))  
 \$564,709,000  
 General Fund--Private/Local Appropriation((~~\$138,846,000~~))  
 \$162,206,000  
 Hospital Data Collection Account--State Appropriation ((~~\$326,000~~))  
 \$213,000  
 Health Professions Account--State Appropriation ((~~\$76,218,000~~))  
 \$82,378,000  
 Aquatic Lands Enhancement Account--State Appropriation \$603,000  
 Emergency Medical Services and Trauma Care Systems  
 Trust Account--State Appropriation ((~~\$13,531,000~~))  
 \$13,212,000  
 Safe Drinking Water Account--State Appropriation \$2,723,000  
 Drinking Water Assistance Account--Federal  
 Appropriation ((~~\$22,817,000~~))  
 \$22,819,000  
 Waterworks Operator Certification--State Appropriation \$1,519,000  
 Drinking Water Assistance Administrative Account--  
 State Appropriation \$326,000

State Toxics Control Account--State Appropriation	\$3,600,000
Medical Test Site Licensure Account--State Appropriation (( <del>\$2,117,000</del> ))	\$2,270,000
Youth Tobacco Prevention Account--State Appropriation	\$1,512,000
Public Health Supplemental Account--Private/Local Appropriation (( <del>\$3,525,000</del> ))	\$3,805,000
Community and Economic Development Fee Account--State Appropriation	\$298,000
Accident Account--State Appropriation	\$295,000
Medical Aid Account--State Appropriation	\$48,000
Tobacco Prevention and Control Account-- State Appropriation (( <del>\$46,852,000</del> ))	\$44,203,000
Biotoxin Account--State Appropriation	\$1,165,000
TOTAL APPROPRIATION (( <del>\$987,113,000</del> ))	\$1,085,487,000

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

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

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

(3) \$764,000 of the health professions account--state appropriation is provided solely for the medical quality assurance commission to maintain disciplinary staff and associated costs sufficient to reduce the backlog of disciplinary cases and to continue to manage the disciplinary caseload of the commission.

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

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

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

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

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

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

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

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

- (12) \$100,000 of the health professions account appropriation is provided solely for implementation of Substitute House Bill No. 1414 (health care assistants). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
- (13) \$42,000 of the health professions account--state appropriation is provided solely to implement Substitute House Bill No. 1740 (dentistry license issuance). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.
- (14) \$23,000 of the health professions account--state appropriation is provided solely to implement Second Substitute House Bill No. 1899 (retired active physician licenses). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.
- (15) \$12,000 of the general fund--state appropriation for fiscal year 2010 and \$67,000 of the general fund--private/local appropriation are provided solely to implement House Bill No. 1510 (birth certificates). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.
- (16) \$31,000 of the health professions account is provided for the implementation of Second Substitute Senate Bill No. 5850 (human trafficking). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.
- (17) \$282,000 of the health professions account is provided for the implementation of Substitute Senate Bill No. 5752 (dentists cost recovery). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.
- (18) \$106,000 of the health professions account is provided for the implementation of Substitute Senate Bill No. 5601 (speech language assistants). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.
- (19) Subject to existing resources, the department of health is encouraged to examine, in the ordinary course of business, current and prospective programs, treatments, education, and awareness of cardiovascular disease that are needed for a thriving and healthy Washington.
- (20) \$10,000 of the general fund--state appropriation for fiscal year 2010 and \$40,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to study cost effective options for collecting demographic data related to the health care professions workforce to be submitted to the legislature by December 1, 2010.
- (21) \$4,500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for department of health-funded family planning clinics to increase the capacity of the clinics to provide family planning and reproductive health services to low-income men and women who are not otherwise eligible for services through the department of social and health services medical assistance program and for clinical or other health services associated with sexually transmitted disease testing through the infertility prevention project. Funds appropriated and expended through this subsection shall be distributed in a manner that allocates funding to department of health-funded family planning clinics based upon the percentage of medical assistance family planning waiver clients in calendar year 2005 who received services from a provider located in the geographic area served by the department of health-funded clinic.
- (22) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish or raise fees in fiscal year 2011 as necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees for the review of sewage tank designs, and fees associated with the following professions: Acupuncture, dental, dentist, mental health counselor, nursing, nursing assistant, optometry, radiologic technologist, recreational therapy, respiratory therapy, cardiovascular invasive specialist, and social worker.
- (23) \$66,000 of the health professions account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 2876 (pain management). If the bill is not enacted by June 30, 2010, the amount provided in this section shall lapse.
- (24) \$12,000 of the health professions account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 3072 (occupational therapy wound care). If the bill is not enacted by June 30, 2010, the amount provided in this section shall lapse.
- (25) \$18,000 of the health professions account--state appropriation is provided solely to implement House Bill No. 2888 (pharmacy technician continuing education). If the bill is not enacted by June 30, 2010, the amount provided in this section shall lapse.
- (26) \$10,000 of the health professions account--state appropriation is provided solely to implement Engrossed Substitute House Bill No. 2430 (cardiovascular invasive specialists). If the bill is not enacted by June 30, 2010, the amount provided in this section shall lapse.
- (27) \$23,000 of the general fund--state appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 2961 (tracking ephedrine, etc.). If the bill is not enacted by June 30, 2010, the amount provided in this section shall lapse.
- (28) \$58,000 of the general fund--state appropriation is provided solely to implement Second Substitute House Bill No. 2793 (registered domestic partnerships). If the bill is not enacted by June 30, 2010, the amount provided in this section shall lapse.
- (29) \$100,000 of the general fund--state appropriation is provided solely to implement Second Substitute House Bill No. 2551 (Washington vaccine association). If the bill is not enacted by June 30, 2010, the amount provided in this section shall lapse.
- (30) The department is authorized to coordinate a tobacco cessation media campaign using all appropriate media with the purpose of maximizing the use of quit-line services and youth smoking prevention.

**NEW SECTION. Sec. 222.** A new section is added to 2009 c 564 (uncodified) 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 herein. However, after May 1, 2010, 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 2010 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 and not federal 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.

**Sec. 223.** 2010 c 3 s 215 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2010)	(( <del>\$55,622,000</del> ))
\$55,772,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$56,318,000</del> ))
\$57,089,000	
<b>TOTAL APPROPRIATION</b>	<b>((<del>\$111,940,000</del>))</b>
\$112,861,000	

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

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

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

(c) \$1,323,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the functions of the indeterminate sentence review board, pursuant to Substitute House Bill No. 2957 (indeterminate sentence review board). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2010)	(\$456,657,000))
\$457,940,000	
General Fund--State Appropriation (FY 2011)	(\$626,303,000))
\$624,963,000	
General Fund--Federal Appropriation	(\$185,131,000))
\$186,043,000	
((General Fund--Private/Local Appropriation	\$3,536,000))
Washington Auto Theft Prevention Authority Account--	
State Appropriation	\$5,960,000
TOTAL APPROPRIATION	(\$1,277,587,000))
\$1,274,906,000	

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

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

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

(c) During the 2009-11 biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

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

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

(f) Within amounts provided in this subsection, the department, jointly with the department of social and health services, shall identify the number of offenders released through the extraordinary medical placement program, the cost savings to the department of corrections, including estimated medical cost savings, and the costs for medical services in the community incurred by the department of social and health services. The department and the department of social and health services shall jointly report to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010.

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

(h) The department shall appropriately transition offenders from custody as close as possible to the offender's earned release date without adversely affecting public safety. The number of offenders held beyond their earned release date should not exceed the number of offenders held beyond their earned release date in fiscal year 2008. By June 1, 2010, the department shall provide a report on its offender population to the office of financial management and the legislative fiscal committees. The report shall include (i) an explanation for the increase in the adult inmate population between the November 2009 forecast and the February 2010 forecast; (ii) an explanation for the increase in the number of offenders held beyond their earned release date between fiscal year 2008 and calendar year 2009; and (iii) a description of the department's actions to reduce and maintain the number of offenders held beyond their earned release date to the population level from fiscal year 2008, and a timetable for achieving that goal.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2010)	(\$151,249,000))
\$152,812,000	
General Fund--State Appropriation (FY 2011)	(\$141,785,000))
\$141,644,000	

TOTAL APPROPRIATION      (~~(\$293,034,000)~~)  
 \$294,456,000

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

- (a) The department shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.
- (b) \$2,083,000 of the general fund--state appropriation for fiscal year 2010 and \$2,083,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Senate Bill No. 5525 (state institutions/release). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.
- (c) The appropriations in this subsection are based upon savings assumed from the implementation of Engrossed Substitute Senate Bill No. 5288 (supervision of offenders).
- (d) \$2,791,000 of the general fund--state appropriation for fiscal year 2010 and \$3,166,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for evidence-based community programs and for community justice centers as part of the offender re- entry initiative.
- (e) \$984,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for supplemental services that will be provided to offenders in lieu of a prison sentence, pursuant to Second Substitute House Bill No. 3045 (confinement alternatives). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(4) CORRECTIONAL INDUSTRIES

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

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

(5) INTERAGENCY PAYMENTS

General Fund--State Appropriation (FY 2010)      (~~(\$40,455,000)~~)  
 \$40,728,000  
 General Fund--State Appropriation (FY 2011)      (~~(\$40,450,000)~~)  
 \$40,084,000  
 TOTAL APPROPRIATION      (~~(\$80,905,000)~~)  
 \$80,812,000

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

- (a) The state prison institutions may use funds appropriated in this subsection to rent uniforms from correctional industries in accordance with existing legislative mandates.
- (b) The state prison medical facilities may use funds appropriated in this subsection to purchase goods and supplies through hospital or other group purchasing organizations when it is cost effective to do so.

**Sec. 224.** 2009 c 564 s 224 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund--State Appropriation (FY 2010)      (~~(\$2,544,000)~~)  
 \$2,504,000  
 General Fund--State Appropriation (FY 2011)      (~~(\$2,550,000)~~)  
 \$2,509,000  
 General Fund--Federal Appropriation      (~~(\$18,125,000)~~)  
 \$18,208,000  
 General Fund--Private/Local Appropriation(~~(\$20,000)~~)  
 \$30,000  
 TOTAL APPROPRIATION      (~~(\$23,239,000)~~)  
 \$23,251,000

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

**Sec. 225.** 2010 c 3 s 216 (uncodified) is amended to read as follows:

FOR THE SENTENCING GUIDELINES COMMISSION

General Fund--State Appropriation (FY 2010)      \$962,000  
 General Fund--State Appropriation (FY 2011)      (~~(\$960,000)~~)  
 \$942,000  
 TOTAL APPROPRIATION      (~~(\$1,922,000)~~)  
 \$1,910,000

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

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

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

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

**Sec. 226.** 2009 c 564 s 226 (uncodified) is amended to read as follows:

**FOR THE EMPLOYMENT SECURITY DEPARTMENT**

General Fund--State Appropriation (FY 2010)      ((~~\$7,054,000~~))

\$5,054,000

General Fund--State Appropriation (FY 2011)      ((~~\$53,000~~))

\$2,053,000

General Fund--Federal Appropriation      ((~~\$320,561,000~~))

\$324,245,000

General Fund--Private/Local Appropriation \$33,825,000

Unemployment Compensation Administration

Account--Federal Appropriation      ((~~\$332,904,000~~))

\$361,467,000

Administrative Contingency Account--State

Appropriation      ((~~\$293,000~~))

\$295,000

Employment Service Administrative Account--

State Appropriation      ((~~\$37,195,000~~))

\$37,669,000

**TOTAL APPROPRIATION      ((~~\$731,885,000~~))**

\$764,608,000

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

(1) \$55,029,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) and (f) of the social security act (Reed act). This amount is authorized to continue current unemployment insurance functions and department services to employers and job seekers.

(2) \$32,067,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) and (f) of the social security act (Reed act). This amount is authorized to fund the replacement of the unemployment insurance tax information system (TAXIS) for the employment security department. This section is subject to section 902 of this act.

(3) \$110,000 of the unemployment compensation administration account--federal appropriation is provided solely for implementation of Senate Bill No. 5804 (leaving part time work voluntarily). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(4) \$1,263,000 of the unemployment compensation administration account--federal appropriation is provided solely for implementation of Senate Bill No. 5963 (unemployment insurance). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

(6) \$293,000 of the administrative contingency--state appropriation for fiscal year 2010 is provided solely for the implementation of House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(7) \$7,000,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Senate Bill No. 5809 (WorkForce employment and training). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(8) \$444,000 of the unemployment compensation administration account--federal appropriation from funds made available to the state by section 903(d) or (f) of the social security act (Reed act) is provided solely for the implementation of Substitute House Bill No. 2648 (unemployment insurance penalties and contribution rates). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

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

(End of part)

**PART III  
NATURAL RESOURCES**

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

**FOR THE COLUMBIA RIVER GORGE COMMISSION**

General Fund--State Appropriation (FY 2010)      ((~~\$441,000~~))

\$533,000  
 General Fund--State Appropriation (FY 2011)      ((~~\$445,000~~)  
 \$53,000  
 General Fund--Federal Appropriation      ((~~\$30,000~~)  
 \$15,000  
 General Fund--Private/Local Appropriation((~~\$864,000~~)  
 \$574,000  
     TOTAL APPROPRIATION      ((~~\$1,780,000~~)  
 \$1,175,000

The appropriations in the section are subject to the following conditions and limitations: \$92,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Substitute House Bill No. 3132 (Columbia river gorge compact). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 302.** 2010 c 3 s 301 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2010)      ((~~\$59,991,000~~)  
 \$58,676,000  
 General Fund--State Appropriation (FY 2011)      ((~~\$58,047,000~~)  
 \$51,681,000  
 General Fund--Federal Appropriation      ((~~\$82,452,000~~)  
 \$82,270,000  
 General Fund--Private/Local Appropriation((~~\$16,668,000~~)  
 \$16,900,000  
 Special Grass Seed Burning Research Account--State  
     Appropriation      \$14,000  
 Reclamation Account--State Appropriation      ((~~\$3,679,000~~)  
 \$3,665,000  
 Flood Control Assistance Account--State  
     Appropriation      ((~~\$1,965,000~~)  
 \$1,959,000  
 Waste Reduction/Recycling/Litter Control--State  
     Appropriation      ((~~\$14,554,000~~)  
 \$12,473,000  
 State and Local Improvements Revolving Account  
     (Water Supply Facilities)--State Appropriation      ((~~\$426,000~~)  
 \$424,000  
 Freshwater Aquatic Algae Control Account--State  
     Appropriation      \$509,000  
 ((Water Rights Tracking System Account--State  
     Appropriation      \$116,000))  
 Site Closure Account--State Appropriation ((~~\$706,000~~)  
 \$924,000  
 Wood Stove Education and Enforcement Account--  
     State Appropriation      \$612,000  
 Worker and Community Right-to-Know Account--  
     State Appropriation      ((~~\$1,670,000~~)  
 \$1,664,000  
 State Toxics Control Account--State  
     Appropriation      ((~~\$101,705,000~~)  
 \$97,407,000  
 State Toxics Control Account--Private/Local  
     Appropriation      ((~~\$383,000~~)  
 \$380,000  
 Local Toxics Control Account--State Appropriation      ((~~\$24,730,000~~)  
 \$24,698,000  
 Water Quality Permit Account--State Appropriation      ((~~\$37,433,000~~)  
 \$37,252,000  
 Underground Storage Tank Account--State  
     Appropriation      ((~~\$3,298,000~~)  
 \$3,277,000  
 Biosolids Permit Account--State Appropriation      ((~~\$1,413,000~~)  
 \$1,807,000  
 Hazardous Waste Assistance Account--State  
     Appropriation      ((~~\$5,930,000~~)  
 \$5,899,000  
 Air Pollution Control Account--State Appropriation      ((~~\$2,030,000~~)  
 \$2,135,000

Oil Spill Prevention Account--State Appropriation	(\$10,688,000)
\$10,633,000	
Air Operating Permit Account--State Appropriation	(\$2,783,000)
\$2,766,000	
Freshwater Aquatic Weeds Account--State Appropriation	(\$1,699,000)
\$1,698,000	
Oil Spill Response Account--State Appropriation	(\$7,078,000)
\$7,077,000	
Metals Mining Account--State Appropriation	\$14,000
Pollution Liability Insurance Program Trust Account--State Appropriation	\$314,000
Water Pollution Control Revolving Account--State Appropriation	(\$465,000)
\$535,000	
Water Pollution Control Revolving Account--Federal Appropriation	(\$1,940,000)
\$2,222,000	
Water Rights Processing and Dam Safety Account-- State Appropriation	\$2,500,000
TOTAL APPROPRIATION	(\$442,998,000)
\$432,385,000	

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) \$150,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$150,000)~~ \$100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for watershed planning implementation grants to continue ongoing efforts to develop and implement water agreements in the Nooksack Basin and the Bertrand watershed. These amounts are intended to support project administration; monitoring; negotiations in the Nooksack watershed between tribes, the department, and affected water users; continued implementation of a flow augmentation project; plan implementation in the Fishtrap watershed; and the development of a water bank.



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

(15) \$200,000 of the general fund--state appropriation for fiscal year 2010 and \$200,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purpose of supporting the trust water rights program and processing trust water right transfer applications that improve instream flow.

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

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

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

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

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

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

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

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

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

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

(24) \$220,000 of the site closure account--state appropriation is provided solely for litigation expenses associated with the lawsuit filed by energy solutions, inc., against the northwest interstate compact on low-level radioactive waste management, and its executive director.

(25) \$300,000 of the state toxics control account--state appropriation is provided solely for piloting and evaluating two coordinated, multijurisdictional permitting teams for nontransportation projects.

(26) \$48,000 of the state toxics control account--state appropriation is provided solely for implementation of Second Substitute House Bill No. 1180 (bisphenol A use). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(27) \$2,500,000 of the water rights processing and dam safety account--state appropriation is provided solely for implementation of Second Substitute House Bill No. 2591 (water rights permits). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(28) \$314,000 of the pollution liability insurance trust account-- state appropriation is provided solely for Engrossed House Bill No. 3023 (pollution liability agency). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 303.** 2010 c 3 s 302 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2010)      ((~~\$23,326,000~~))  
\$23,176,000

General Fund--State Appropriation (FY 2011)      ((~~\$22,729,000~~))  
\$20,337,000

General Fund--Federal Appropriation      ((~~\$5,902,000~~))  
\$6,902,000

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

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

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

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

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

Recreation Resources Account--State Appropriation \$9,802,000  
 NOVA Program Account--State Appropriation \$9,560,000  
 Parks Renewal and Stewardship Account--State  
 Appropriation ~~(((\$71,778,000))~~  
 \$72,978,000  
 Parks Renewal and Stewardship Account--  
 Private/Local Appropriation \$300,000  
 TOTAL APPROPRIATION ~~(((\$150,472,000))~~  
 \$150,130,000

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

(1) \$79,000 of the general fund--state appropriation for fiscal year 2010 and \$79,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant for the operation of the Northwest avalanche center.

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

(3) With the passage of Substitute House Bill No. 2339 (state parks system donation), the legislature finds that it has provided sufficient funds to ensure that all state parks remain open during the 2009-11 biennium. The commission shall not close state parks unless the bill is not enacted by June 30, 2009, or revenue collections are insufficient to fund the ongoing operation of state parks. By January 10, 2010, the commission shall provide a report to the legislature on their budget and resources related to operating parks for the remainder of the biennium.

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

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

FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund--State Appropriation (FY 2010) ~~(((\$1,511,000))~~  
 \$1,486,000  
 General Fund--State Appropriation (FY 2011) ~~(((\$1,558,000))~~  
 \$1,331,000  
 General Fund--Federal Appropriation ~~(((\$10,431,000))~~  
 \$10,322,000  
 General Fund--Private/Local Appropriation \$250,000  
 Aquatic Lands Enhancement Account--State Appropriation \$278,000  
 Firearms Range Account--State Appropriation \$39,000  
 Recreation Resources Account--State Appropriation ~~(((\$2,805,000))~~  
 \$2,776,000  
 NOVA Program Account--State Appropriation ~~(((\$1,062,000))~~  
 \$1,052,000  
 TOTAL APPROPRIATION ~~(((\$17,934,000))~~  
 \$17,534,000

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

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

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

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

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

FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund--State Appropriation (FY 2010) ~~(((\$1,079,000))~~  
 \$1,062,000  
 General Fund--State Appropriation (FY 2011) ~~(((\$1,074,000))~~  
 \$1,167,000  
 TOTAL APPROPRIATION ~~(((\$2,153,000))~~  
 \$2,229,000

The appropriations in this section are subject to the following conditions and limitations: \$46,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for tenant improvement costs associated with moving the office to a new location.

**Sec. 306.** 2010 c 3 s 303 (uncodified) is amended to read as follows:

FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2010) \$7,575,000

General Fund--State Appropriation (FY 2011)      (~~(\$7,590,000)~~)  
 \$7,340,000  
 General Fund--Federal Appropriation      \$1,179,000  
 TOTAL APPROPRIATION(~~(\$16,344,000)~~)  
 \$16,094,000

The appropriations in this section are subject to the following conditions and limitations: The commission is not required to utilize the office of financial management small agency client services under section 903 of this act for contracts and financial support to conservation districts. The commission shall continue to utilize small agency client services for personnel and payroll processing.

**Sec. 307.** 2010 c 3 s 304 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2010)      (~~(\$40,686,000)~~)  
 \$41,319,000  
 General Fund--State Appropriation (FY 2011)      (~~(\$38,891,000)~~)  
 \$35,350,000  
 General Fund--Federal Appropriation      (~~(\$86,330,000)~~)  
 \$86,336,000  
 General Fund--Private/Local Appropriation(~~(\$47,490,000)~~)  
 \$47,492,000  
 Off Road Vehicle Account--State Appropriation      \$415,000  
 Aquatic Lands Enhancement Account--State  
 Appropriation      \$6,757,000  
 Recreational Fisheries Enhancement--State  
 Appropriation      (~~(\$3,640,000)~~)  
 \$3,482,000  
 Warm Water Game Fish Account--State Appropriation      \$2,877,000  
 Eastern Washington Pheasant Enhancement Account--  
 State Appropriation      \$848,000  
 Aquatic Invasive Species Enforcement Account--  
 State Appropriation      \$207,000  
 Aquatic Invasive Species Prevention Account--  
 State Appropriation      \$844,000  
 Wildlife Account--State Appropriation      (~~(\$76,178,000)~~)  
 \$83,784,000  
 Game Special Wildlife Account--State Appropriation \$2,381,000  
 Game Special Wildlife Account--Federal  
 Appropriation      (~~(\$8,928,000)~~)  
 \$3,428,000  
 Game Special Wildlife Account--Private/Local  
 Appropriation      \$487,000  
 Wildlife Rehabilitation Account--State Appropriation \$270,000  
 Regional Fisheries Salmonid Recovery Account--  
 Federal Appropriation      \$5,001,000  
 Oil Spill Prevention Account--State Appropriation      \$884,000  
 Oyster Reserve Land Account--State Appropriation      \$918,000  
 Hydraulic Project Approval Account--State Appropriation      \$3,407,000  
 TOTAL APPROPRIATION      (~~(\$324,032,000)~~)  
 \$326,487,000

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

- (1) \$294,000 of the aquatic lands enhancement account--state appropriation is provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.
- (2) \$355,000 of the general fund--state appropriation for fiscal year 2010 and \$422,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to implement a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline and to conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River water supply program. For the purposes of the pilot project:
  - (a) A fishing permit issued to a nontribal member by the Colville Tribes shall satisfy the license requirement of RCW 77.32.010 on the waters of Lake Rufus Woods and on the north shore of Lake Rufus Woods;
  - (b) The Colville Tribes have agreed to provide to holders of its nontribal member fishing permits a means to demonstrate that fish in their possession were lawfully taken in Lake Rufus Woods;
  - (c) A Colville tribal member identification card shall satisfy the license requirement of RCW 77.32.010 on all waters of Lake Rufus Woods;
  - (d) The department and the Colville Tribes shall jointly designate fishing areas on the north shore of Lake Rufus Woods for the purposes of enhancing access to the recreational fisheries on the lake; and

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

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

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

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

(6) \$400,000 of the general fund--state appropriation for fiscal year 2010 and \$400,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

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

(8) The department of fish and wildlife shall dispose of all (~~fixed-wing~~) Cessna aircraft it currently owns. The proceeds from the aircraft shall be deposited into the state wildlife account. Disposal of the aircraft must occur no later than June 30, 2010. The department shall coordinate with the department of natural resources on the installation of fire surveillance equipment into its Partenavia aircraft. The department shall make its Partenavia aircraft available to the department of natural resources on a cost-reimbursement basis for its use in coordinating fire suppression efforts. The two agencies shall develop an interagency agreement that defines how they will share access to the plane.

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

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

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

(12) \$100,000 of the eastern Washington pheasant enhancement account--state appropriation is provided solely for the department to support efforts to enhance permanent and temporary pheasant habitat on public and private lands in Grant, Franklin, and Adams counties. The department may support efforts by entities including conservation districts, nonprofit organizations, and landowners, and must require such entities to provide significant nonstate matching resources, which may be in the form of funds, material, or labor.

(13) Within the amounts appropriated in this section, the department of fish and wildlife shall develop a method for allocating its administrative and overhead costs proportionate to program fund use. As part of its 2011-2013 biennial operating budget, the department shall submit a decision package that rebalances expenditure authority for all agency funds based upon proportionate contributions.

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

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

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

(17) \$56,000 of the state wildlife account--state appropriation is provided solely for implementation of Substitute House Bill No. 1838 (Spirit Lake trout fishery). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(18) \$123,000 of the state wildlife account--state appropriation is provided solely for implementation of Substitute House Bill No. 2569 (outdoor recreation information). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(19) \$3,407,000 of the hydraulic project approval account--state appropriation is provided solely for implementation of House Bill No. 3037 (hydraulic project permitting). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(20) \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for increased fish production at Voight Creek hatchery.

**Sec. 308.** 2009 c 564 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2010)	(( <del>\$40,275,000</del> ))
\$48,822,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$40,857,000</del> ))
\$37,262,000	
General Fund--Federal Appropriation	(( <del>\$26,731,000</del> ))
\$27,231,000	
General Fund--Private/Local Appropriation	(( <del>\$1,371,000</del> ))
\$2,371,000	
Forest Development Account--State Appropriation	(( <del>\$41,765,000</del> ))
\$41,812,000	
Off Road Vehicle Account--State Appropriation	(( <del>\$4,236,000</del> ))
\$4,436,000	
Surveys and Maps Account--State Appropriation	(( <del>\$2,543,000</del> ))
\$2,343,000	
Aquatic Lands Enhancement Account--State Appropriation	(( <del>\$7,217,000</del> ))
\$8,247,000	
Resources Management Cost Account--State Appropriation	(( <del>\$78,951,000</del> ))
\$79,006,000	
Surface Mining Reclamation Account--State Appropriation	\$3,490,000
Disaster Response Account--State Appropriation	\$5,000,000
Forest and Fish Support Account--State Appropriation	\$8,000,000
Aquatic Land Dredged Material Disposal Site Account--State Appropriation	\$1,336,000
Natural Resources Conservation Areas Stewardship Account--State Appropriation	(( <del>\$34,000</del> ))
\$177,000	
State Toxics Control Account--State Appropriation	(( <del>\$80,000</del> ))
\$720,000	
Air Pollution Control Account--State Appropriation	\$569,000
NOVA Program Account--State Appropriation	\$982,000
Derelict Vessel Removal Account--State Appropriation	\$1,754,000
Agricultural College Trust Management Account-- State Appropriation	(( <del>\$2,643,000</del> ))
\$1,945,000	
TOTAL APPROPRIATION	(( <del>\$267,834,000</del> ))
\$275,503,000	

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

- (1) \$1,355,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$1,299,000)~~ \$349,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.
- (2) \$11,128,000 of the general fund--state appropriation for fiscal year 2010, ~~(\$11,128,000)~~ \$22,670,000 of the general fund--state appropriation for fiscal year 2011, and \$5,000,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression. None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.
- (3) \$5,000,000 of the forest and fish support account--state appropriation is provided solely for adaptive management, monitoring, and participation grants to tribes. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.
- (4) \$600,000 of the derelict vessel removal account--state appropriation is provided solely for removal of derelict and abandoned vessels that have the potential to contaminate Puget Sound.
- (5) \$666,000 of the general fund--federal appropriation is provided solely to implement House Bill No. 2165 (forest biomass energy project). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
- (6) \$5,000 of the general fund--state appropriation for fiscal year 2010 and \$5,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Substitute House Bill No. 1038 (specialized forest products). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.
- (7) \$440,000 of the state general fund--state appropriation for fiscal year 2010 and \$440,000 of the state general fund--state appropriation for fiscal year 2011 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of Naselle youth camp at the level provided in fiscal year 2008. The department shall consider using up to \$2,000,000 of the general fund--federal

appropriation to support and utilize correctional camp crews to implement natural resource projects approved by the federal government for federal stimulus funding.

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

(9) \$30,000 of the general fund--state appropriation for fiscal year 2010 and \$30,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(10) The department may not include shellfish growers in its aquatic habitat conservation plan if those growers have been issued a federal nationwide permit by the United States army corps of engineers, in consultation with the United States fish and wildlife service and the national marine fisheries service, which concludes that existing shellfish cultivation activities on department-managed aquatic lands will not pose jeopardy to threatened or endangered species under the federal endangered species act.

(11) \$1,030,000 of the aquatic lands enhancement account--state appropriation for fiscal year 2011 is provided solely for continuing scientific studies already underway as part of the adaptive management process. Funds may not be used to initiate new studies unless the department secures new federal funding for the adaptive management process.

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

(13) \$143,000 of the natural resources conservation areas stewardship account--state appropriation is provided solely for implementation of House Bill No. 3122 (natural heritage program/DNR). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

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

(15) \$56,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2480 (sustainable recreation work group). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 309.** 2010 c 3 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2010)      ((~~\$12,329,000~~))  
\$12,331,000

General Fund--State Appropriation (FY 2011)      ((~~\$11,271,000~~))  
\$16,122,000

General Fund--Federal Appropriation      ((~~\$11,565,000~~))  
\$21,008,000

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

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

State Toxics Control Account--State Appropriation      ((~~\$4,298,000~~))  
\$4,714,000

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

TOTAL APPROPRIATION      ((~~\$42,277,000~~))

\$56,989,000

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

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

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

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

(4) Fair account allocations to youth shows for each fiscal year of the 2009-2011 biennium must be at a minimum equal to those in the previous biennium.

(5) \$5,420,000 of the general fund--state appropriation for fiscal year 2011 and \$2,782,000 of the general fund--federal appropriation are provided solely for implementation of Substitute House Bill No. 2863 (food assistance/ag dept). Within amounts appropriated in this subsection, \$65,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for a contract with a food distribution program for communities in the southwestern portion of the state and for workers impacted by timber and salmon fishing closures and reductions. The department may not charge administrative overhead or expenses to this contract. If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(6) The department shall, if public or private funds are available, partner with eligible public and private entities with experience in food collection and distribution to review funding sources for eight full-time volunteers in the AmeriCorps VISTA program to conduct outreach to local growers, agricultural donors, and community volunteers. Public and private partners shall also be utilized to coordinate gleaning unharvested tree fruits and fresh produce for distribution to individuals throughout Washington state.

**Sec. 310.** 2009 c 564 s 310 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM**

Pollution Liability Insurance Program Trust Account--State Appropriation      ((~~\$638,000~~))  
\$324,000

The appropriation in this section is subject to the following conditions and limitations: Beginning July 1, 2010, the functions of the pollution liability insurance agency set forth in chapters 70.148 and 70.149 RCW are transferred to the department of ecology. Funding for these activities for fiscal year 2011 is appropriated to the department of ecology.

**Sec. 311.** 2010 c 3 s 306 (uncodified) is amended to read as follows:

**FOR THE PUGET SOUND PARTNERSHIP**

General Fund--State Appropriation (FY 2010)      ((~~\$3,172,000~~))  
\$3,181,000

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

General Fund--Federal Appropriation      ((~~\$3,623,000~~))  
\$7,236,000

Aquatic Lands Enhancement Account--State  
Appropriation      ((~~\$500,000~~))  
\$496,000

State Toxics Control Account--State Appropriation      ((~~\$896,000~~))  
\$817,000

TOTAL APPROPRIATION      ((~~\$11,334,000~~))  
\$14,730,000

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

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

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

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

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

(5) \$877,000 of the general fund--state appropriation for fiscal year 2010 and \$877,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to support public education and volunteer programs. The partnership is directed to distribute the majority of funding as grants to local organizations, local governments, and education, communication, and outreach network partners. The partnership shall track progress for this activity through the accountability system of the Puget Sound partnership.

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

(End of part)

**PART IV  
TRANSPORTATION**

**Sec. 401.** 2010 c 3 s 401 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF LICENSING**

General Fund--State Appropriation (FY 2010)      \$1,436,000

General Fund--State Appropriation (FY 2011)      \$1,535,000

Architects' License Account--State Appropriation      \$767,000

Professional Engineers' Account--State  
Appropriation      ((~~\$3,586,000~~))  
\$3,580,000

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

Master License Account--State Appropriation      ((~~\$15,718,000~~))  
\$16,014,000

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

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

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

Business and Professions Account--State

Appropriation	(\$15,270,000)	
\$15,272,000		
Real Estate Research Account--State Appropriation	(\$320,000)	
\$471,000		
Geologists' Account--State Appropriation	\$53,000	
Derelict Vessel Removal Account--State Appropriation		\$31,000
TOTAL APPROPRIATION	(\$53,831,000)	
\$54,274,000		

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

- (1) Pursuant to RCW 43.135.055, the department is authorized to increase fees for cosmetologists, funeral directors, cemeteries, court reporters and appraisers. These increases are necessary to support the expenditures authorized in this section, consistent with RCW 43.24.086.
- (2) \$1,352,000 of the business and professions account--state appropriation is provided solely to implement Substitute Senate Bill No. 5391 (tattoo and body piercing). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
- (3) \$358,000 of the business and professions account--state appropriation is provided solely to implement Senate Bill No. 6126 (professional athletics). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.
- (4) \$151,000 of the real estate research account appropriation is provided solely to implement House Bill No. 2697 (real estate broker licensure fees). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.
- (5) \$294,000 of the master license account appropriation is provided solely to implement Engrossed Substitute House Bill No. 1775 (limousine carriers). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 402.** 2010 c 3 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2010)	(\$40,668,000)
\$37,996,000	
General Fund--State Appropriation (FY 2011)	(\$39,566,000)
\$34,888,000	
General Fund--Federal Appropriation	(\$11,401,000)
\$15,769,000	
General Fund--Private/Local Appropriation	(\$3,568,000)
\$4,981,000	
Death Investigations Account--State Appropriation	(\$6,022,000)
\$5,561,000	
Enhanced 911 Account--State Appropriation	\$589,000
County Criminal Justice Assistance Account--State	
Appropriation	\$3,122,000
Municipal Criminal Justice Assistance Account--State	
Appropriation	\$1,245,000
Fire Service Trust Account--State Appropriation	\$131,000
Vehicle License Fraud Account--State Appropriation	\$270,000
Disaster Response Account--State Appropriation	\$8,002,000
Fire Service Training Account--State Appropriation	(\$8,717,000)
\$8,807,000	
Aquatic Invasive Species Enforcement Account--State	
Appropriation	\$54,000
State Toxics Control Account--State Appropriation	\$504,000
Fingerprint Identification Account--State	
Appropriation	(\$7,371,000)
\$10,411,000	
TOTAL APPROPRIATION	(\$130,960,000)
\$132,330,000	

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

- (1) \$200,000 of the fire service training account--state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.
- (2) \$8,000,000 of the disaster response account--state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.
- (3) The 2010 legislature will review the use of king air planes by the executive branch and the adequacy of funding in this budget regarding maintaining and operating the planes to successfully accomplish their mission.
- (4) The appropriations in this section reflect reductions in the appropriations for the agency's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.
- (5) \$400,000 of the fire service training account--state appropriation is provided solely for the firefighter apprenticeship training program.



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

(7) In accordance with RCW 43.43.942, 46.52.085, and 43.135.055, the state patrol is authorized to increase the following fees in fiscal year 2011 as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Collision records requests; fire training academy courses; and fire training academy dorm accommodations.

(8) \$270,000 of the vehicle license fraud account--state appropriation is provided solely to implement Second Substitute House Bill No. 2436 (vehicle license fraud). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(9) \$24,000 of the fingerprint identification account--state appropriation is provided solely to implement House Bill No. 2437 (criminal background checks). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(End of part)

## PART V EDUCATION

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

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2010)	<del>(\$34,798,000)</del>
\$35,219,000	
General Fund--State Appropriation (FY 2011)	<del>(\$32,969,000)</del>
\$29,468,000	
General Fund--Federal Appropriation	<del>(\$86,571,000)</del>
\$87,433,000	
TOTAL APPROPRIATION	<del>(\$154,338,000)</del>
\$152,120,000	

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

(1) A maximum of ~~(\$22,532,000)~~ \$22,900,000 of the general fund-- state appropriation for fiscal year 2010 and ~~(\$21,023,000)~~ \$20,678,000 of the general fund--state appropriation for fiscal year 2011 is for state agency operations.

(a) ~~(\$11,792,000)~~ \$11,226,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$11,325,000)~~ \$10,563,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

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

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

(iii) ~~(\$927,000)~~ \$920,000 of the general fund--state appropriation for fiscal year 2010 and \$941,000 of the general fund-- state appropriation for fiscal year 2011 are provided solely for research and development activities associated with the development of options for new school finance systems, including technical staff, reprogramming, and analysis of alternative student funding formulae. Within this amount is \$150,000 for the state board of education for further development of accountability systems, and \$150,000 for the professional educator standards board for continued development of teacher certification and evaluation systems.

(b) \$965,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$965,000)~~ \$946,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(c) \$5,366,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$5,264,000)~~ \$3,049,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the professional educator standards board for the following:

(i) \$1,070,000 in fiscal year 2010 and ~~(\$1,070,000)~~ \$1,058,000 in fiscal year 2011 are for the operation and expenses of the Washington professional educator standards board, including administering the alternative routes to certification program, pipeline for paraeducators conditional scholarship loan program, and the retooling to teach math conditional loan program;

(ii) \$3,431,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$3,431,000)~~ \$1,378,000 of the general fund--state appropriation for fiscal year 2011 are for conditional scholarship loans and mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board. ~~(Of these amounts:~~

(A) \$500,000 each year is for conditional scholarships to candidates seeking an endorsement in special education, math, science, or bilingual education;

(B) \$2,372,000 for fiscal year 2010 and \$2,372,000 for fiscal year 2011 are for the expansion of conditional scholarship loans and mentor stipends for individuals enrolled in alternative route state partnership programs and seeking endorsements in math, science, special education or bilingual education;

(C) Any remaining amounts in this subsection (c) shall be used to continue existing alternative routes to certification programs; and

~~(D) Candidates seeking math and science endorsements under (A) and (B) of this subsection shall receive priority for funding.)~~ Of the amounts provided, a minimum of eighty-five percent of endorsements supported in scholarship grants shall be in special education, math, science, or bilingual education;

(iii) \$231,000 of the general fund--state appropriation for fiscal year 2010 and \$231,000 of the general fund--state appropriation for fiscal year 2011 are for the recruiting Washington teachers program;

(iv) \$200,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$200,000)~~ \$50,000 of the general fund--state appropriation for fiscal year 2011 provided in this subsection are for \$4,000 conditional loan stipends for paraeducators participating in the pipeline for paraeducators program;

(v) \$244,000 of the general fund--state appropriation for fiscal year 2010 and \$244,000 of the general fund--state appropriation for fiscal year 2011 are for conditional stipends for certificated teachers pursuing a mathematics or science endorsement under the retooling to teach mathematics or science program. The conditional stipends shall be for endorsement exam fees as well as stipends for teachers who must also complete coursework; and

(vi) \$102,000 of the general fund--state appropriation for fiscal year 2010 is provided for the implementation of Second Substitute Senate Bill No. 5973 (student achievement gap). The professional educator standards board (PESB) will convene a workgroup to identify a list of model standards for cultural competency and make recommendations to the education committees of the legislature on the strengths and weaknesses of those standards. Funding is also included here in the amount of \$10,000 for the PESB to develop an interagency agreement with the center for the improvement of student learning to participate.

(d) (~~(\$1,099,000)~~) \$1,349,000 of the general fund--state appropriation for fiscal year 2010 and \$144,000 of the general fund-- state appropriation for fiscal year 2011 are provided solely for replacement of the apportionment system, which includes the processes that collect school district budget and expenditure information, staffing characteristics, and the student enrollments that drive the funding process.

(e) (~~(\$1,227,000)~~) \$1,140,000 of the general fund--state appropriation for fiscal year 2010 and \$1,227,000 of the general fund-- state appropriation for fiscal year 2011 are provided solely for the creation of a statewide data base of longitudinal student information. This amount is conditioned on the department satisfying the requirements in section 902 of this act.

(f) \$75,000 of the general fund--state appropriation for fiscal year 2010 and \$75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to promote the financial literacy of students. The effort will be coordinated through the financial education public-private partnership.

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

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

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

(j) \$25,000 of the general fund--state appropriation for fiscal year 2010 and \$25,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for 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) \$2,518,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of Substitute House Bill No. 2776 (K-12 education funding). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(l) \$133,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 3026 (state and federal civil rights laws). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(m) The state superintendent of public instruction shall analyze the feasibility of increasing efficiencies and economies of scale in school district administrative and noninstructional operations through shared-service arrangements and school district cooperatives. The analysis shall include an examination of administrative efficiencies achieved through school district cooperatives currently, and strategies for replicating best practices. The report is to be submitted to the fiscal committees of the legislature by December 15, 2010.

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

(2) (~~(\$12,836,000)~~) \$12,320,000 of the general fund--state appropriation for fiscal year 2010, (~~(\$12,407,000)~~) \$8,791,000 of the general fund--state appropriation for fiscal year 2011, and \$55,890,000 of the general fund--federal appropriation are for statewide programs.

(a) HEALTH AND SAFETY

(i) \$2,541,000 of the general fund--state appropriation for fiscal year 2010 and \$2,541,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

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

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

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

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

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

(v) \$70,000 of the general fund--state appropriation for fiscal year 2010 and \$70,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the youth suicide prevention program.

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

(b) TECHNOLOGY

(i) ~~(\$1,939,000)~~ \$1,842,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$1,939,000)~~ \$1,163,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(ii) \$1,475,000 of the general fund--state appropriation for fiscal year 2010, \$1,045,000 of the general fund--state appropriation for fiscal year 2011, and \$435,000 of the general fund--federal appropriation are provided solely for implementing a comprehensive data system to include financial, student, and educator data. The office of the superintendent of public instruction will convene a data governance group to create a comprehensive needs-requirement document, conduct a gap analysis, and define operating rules and a governance structure for K-12 data collections. ~~((A preliminary report shall be submitted to the fiscal committees and the education policy committees of the house of representatives and senate by November 2009.))~~

(iii) ~~(\$1,656,000)~~ \$4,139,000 of the general fund--federal appropriation for ~~(fiscal year 2010 and \$2,483,000 of the general fund--federal appropriation for fiscal year 2011 of)~~ the American recovery and reinvestment act (ARRA) ~~((2009))~~ funds for education technology are provided solely for distribution to school districts, by formula, as provided in the ARRA and related federal guidelines. ~~(\$4,139,000 of the general fund--federal appropriation of the American recovery and reinvestment act (ARRA) 2009 funds for education technology shall be awarded to local education agencies through a competitive grant process.))~~

(c) GRANTS AND ALLOCATIONS

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

(ii) \$750,000 of the general fund--state appropriation for fiscal year 2010 and \$750,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

(iii) \$25,000 of the general fund--state appropriation for fiscal year 2010 ~~((and \$25,000 of the general fund--state appropriation for fiscal year 2011 are))~~ is provided solely for developing and disseminating curriculum and other materials documenting women's role in World War II.

(iv) \$175,000 of the general fund--state appropriation for fiscal year 2010 and \$175,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for incentive grants for districts and pilot projects to develop preapprenticeship programs. Incentive grant awards up to \$10,000 each shall be used to support the program's design, school/business/labor agreement negotiations, and recruiting high school students for preapprenticeship programs in the building trades and crafts.

(v) ~~(\$3,219,000)~~ \$2,898,000 of the general fund--state appropriation for fiscal year 2010 ~~((and \$3,220,000 of the general fund--state appropriation for fiscal year 2011 are))~~ is provided solely for the dissemination of the navigation 101 curriculum to all districts. The funding shall support electronic student planning tools and software for analyzing the impact of navigation 101 on student performance, as well as grants to a maximum of one hundred school districts each year, based on progress and need for the implementation of the navigation 101 program. The implementation grants shall be awarded to a cross-section of school districts reflecting a balance of geographic and demographic characteristics. Within the amounts provided, the office of the superintendent of public instruction will create a navigation 101 accountability model to analyze the impact of the program.

(vi) ~~(\$675,000)~~ \$627,000 of the general fund--state appropriation for fiscal year 2010 and \$675,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of a statewide program for comprehensive dropout prevention, intervention, and retrieval.

(vii) ~~(\$50,000)~~ \$40,000 of the general fund--state appropriation for fiscal year 2010 ~~((and \$50,000 of the general fund--state appropriation for fiscal year 2011 are))~~ is provided solely for program initiatives to address the educational needs of Latino students and families. Using the full amounts of the appropriations under this subsection (2)(c)(vii), the office of the superintendent of public instruction shall contract with the Seattle community coalition of compaña quetzal to provide for three initiatives: (A) Early childhood education; (B) parent leadership training; and (C) high school success and college preparation programs.

(viii) ~~(\$75,000)~~ \$60,000 of the general fund--state appropriation for fiscal year 2010 and \$75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a pilot project to encourage bilingual high school students to pursue public school teaching as a profession. Using the full amounts of the appropriation under this subsection, the office of the superintendent of public instruction shall contract with the Latino/a educational achievement project (LEAP) to work with school districts to identify and mentor not fewer than fifty bilingual students in their junior year of high school, encouraging them to become bilingual instructors in schools with high English language learner populations. Students shall be mentored by bilingual teachers and complete a curriculum developed and approved by the participating districts.

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

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

(xi) ~~(\$25,000 of the general--state appropriation for fiscal year 2010 and \$25,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the communities in school program in Pierce county))~~ \$125,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of House Bill No. 2731 (at-risk children program). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(xii) \$500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for drop-out prevention and reengagement programs developed by the office of the superintendent of public instruction.

**Sec. 502.** 2009 c 564 s 502 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT**

General Fund--State Appropriation (FY 2010)	(( <del>\$5,083,217,000</del> ))
\$5,126,108,000	
General Fund--State Appropriation (FY 2011)	(( <del>\$5,103,543,000</del> ))
\$5,178,606,000	
<b>TOTAL APPROPRIATION</b>	<b>((<del>\$10,186,760,000</del>))</b>
\$10,304,714,000	

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

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

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

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

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

(ii)(A) For the 2009-10 school year, fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grades K-4 for districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grades K-4 in digital or online learning programs defined in WAC 392- 121-182.

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

(C) ((Certificated instructional staff allocations in this subsection (2)(a)(ii) exceeding the statutory minimums established in RCW 28A.150.260 shall not be considered part of basic education.)) For the 2010-11 school year, fifty-two and sixty-nine one-hundredths certificated instructional staff units per thousand full-time equivalent students in grades K-4 for districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grades K-4 in digital or online learning programs defined in WAC 392- 121-182.

(D) For the 2010-11 school year, all other districts shall be allocated a minimum of forty-nine certificated instructional staff units per 1,000 FTE students in grades K-3, and forty-six certificated instructional staff units per 1,000 FTE students in grade 4, and shall be allocated additional certificated instructional staff units to equal the documented staffing level in grades K-4, up to a maximum of fifty- two and sixty-nine one-hundredths certificated instructional staff units per 1,000 FTE students;

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

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

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

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

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

(B) Skills center programs meeting the standards for skills center funding established in January 1999 by the superintendent of public instruction with a waiver allowed for skills centers in current operation that are not meeting this standard until the 2010-11 school year, 0.92 certificated instructional staff units and 0.08 certificated administrative units for each 16.67 full-time equivalent vocational students;

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

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

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

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

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

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

(i) For enrollment of up to sixty annual average full-time equivalent students in grades K-6, 2.76 certificated instructional staff units and 0.24 certificated administrative staff units; and

- (ii) For enrollment of up to twenty annual average full-time equivalent students in grades 7 and 8, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units;
- (f) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools:
- (i) For remote and necessary schools enrolling students in any grades 9-12 but no more than twenty-five average annual full-time equivalent students in grades K-12, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;
- (ii) For all other small high schools under this subsection, nine certificated instructional staff units and one-half of a certificated administrative staff unit for the first sixty average annual full time equivalent students, and additional staff units based on a ratio of 0.8732 certificated instructional staff units and 0.1268 certificated administrative staff units per each additional forty-three and one-half average annual full time equivalent students.
- Units calculated under (f)(ii) of this subsection shall be reduced by certificated staff units at the rate of forty-six certificated instructional staff units and four certificated administrative staff units per thousand vocational full-time equivalent students;
- (g) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-8 program or a grades 1-8 program, an additional one-half of a certificated instructional staff unit; and
- (h) For each nonhigh school district having an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-6 program or a grades 1-6 program, an additional one-half of a certificated instructional staff unit.
- (3) Allocations for classified salaries for the 2009-10 and 2010-11 school years shall be calculated using formula-generated classified staff units determined as follows:
- (a) For enrollments generating certificated staff unit allocations under subsection (2)(e) through (h) of this section, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;
- (b) For all other enrollment in grades K-12, including vocational full-time equivalent enrollments, one classified staff unit for each 58.75 average annual full-time equivalent students; and
- (c) For each nonhigh school district with an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, an additional one-half of a classified staff unit.
- (4) Fringe benefit allocations shall be calculated at a rate of 14.43 percent in the 2009-10 school year and 14.43 percent in the 2010- 11 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of 16.58 percent in the 2009-10 school year and 16.58 percent in the 2010-11 school year for classified salary allocations provided under subsection (3) of this section.
- (5) Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504(2) of this act, based on the number of benefit units determined as follows:
- (a) The number of certificated staff units determined in subsection (2) of this section; and
- (b) The number of classified staff units determined in subsection (3) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.
- (6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2)(a), (b), and (d) through (g) of this section, there shall be provided a maximum of \$10,179 per certificated staff unit in the 2009-10 school year and a maximum of ~~(\$10,445)~~ \$10,424 per certificated staff unit in the 2010- 11 school year.
- (b) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(A) of this section, there shall be provided a maximum of \$24,999 per certificated staff unit in the 2009-10 school year and a maximum of ~~(\$25,449)~~ \$25,399 per certificated staff unit in the 2010-11 school year.
- (c) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(B) of this section, there shall be provided a maximum of \$19,395 per certificated staff unit in the 2009-10 school year and a maximum of ~~(\$19,744)~~ \$19,705 per certificated staff unit in the 2010-11 school year.
- (7) Allocations for substitute costs for classroom teachers shall be distributed at a maintenance rate of \$607.44 for the 2009-10 and 2010-11 school years per allocated classroom teachers exclusive of salary increase amounts provided in section 504 of this act. Solely for the purposes of this subsection, allocated classroom teachers shall be equal to the number of certificated instructional staff units allocated under subsection (2) of this section, multiplied by the ratio between the number of actual basic education certificated teachers and the number of actual basic education certificated instructional staff reported statewide for the prior school year.
- (8) Any school district board of directors may petition the superintendent of public instruction by submission of a resolution adopted in a public meeting to reduce or delay any portion of its basic education allocation for any school year. The superintendent of public instruction shall approve such reduction or delay if it does not impair the district's financial condition. Any delay shall not be for more than two school years. Any reduction or delay shall have no impact on levy authority pursuant to RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 RCW.
- (9) Funding in this section is sufficient to provide additional service year credits to educational staff associates pursuant to chapter 403, Laws of 2007.
- (10)(a) The superintendent may distribute a maximum of ~~(\$7,288,000)~~ \$7,536,000 outside the basic education formula during fiscal years 2010 and 2011 as follows:
- (i) For fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW, a maximum of \$567,000 may be expended in fiscal year 2010 and a maximum of ~~(\$577,000)~~ \$576,000 may be expended in fiscal year 2011;
- (ii) For summer vocational programs at skills centers, a maximum of \$2,385,000 may be expended for the 2010 fiscal year and a maximum of \$2,385,000 for the 2011 fiscal year. 20 percent of each fiscal year amount may carry over from one year to the next;
- (iii) A maximum of ~~(\$404,000)~~ \$403,000 may be expended for school district emergencies; and
- (iv) A maximum of \$485,000 each fiscal year may be expended for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs.

(b) Funding in this section is sufficient to fund a maximum of 1.6 FTE enrollment for skills center students pursuant to chapter 463, Laws of 2007.

(c) \$250,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Substitute House Bill No. 2852 (college-level learning). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(11) For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 4.0 percent from the 2008-09 school year to the 2009-10 school year and 4.0 percent from the 2009-10 school year to the 2010-11 school year.

(12) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (2)(b) through (g) of this section, the following shall apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2)(a) through (h) of this section shall be reduced in increments of twenty percent per year.

**Sec. 503.** 2009 c 564 s 503 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION.** (1) The following calculations determine the salaries used in the general fund allocations for certificated instructional, certificated administrative, and classified staff units under section 502 of this act:

(a) Salary allocations for certificated instructional staff units shall be 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 shall be 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 April 22, 2009, at 08:22 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 April 22, 2009, at 08:22 hours.

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of 14.43 percent for school year 2009-10 and 14.43 percent for school year 2010-11 for certificated staff and for classified staff 16.58 percent for school year 2009-10 and 16.58 percent for the 2010-11 school year.

(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 2009-10

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 or PHD
0	34,237	35,162	36,120	37,080	40,161	42,145	41,047	44,128	46,115
1	34,698	35,635	36,606	37,608	40,721	42,695	41,503	44,617	46,589
2	35,137	36,083	37,064	38,144	41,248	43,242	41,963	45,067	47,061
3	35,589	36,545	37,536	38,650	41,749	43,791	42,398	45,494	47,538
4	36,033	37,031	38,028	39,180	42,297	44,354	42,855	45,971	48,030
5	36,492	37,494	38,501	39,718	42,823	44,921	43,319	46,425	48,523
6	36,963	37,943	38,984	40,262	43,352	45,462	43,794	46,885	48,993
7	37,790	38,786	39,841	41,187	44,324	46,491	44,685	47,820	49,989
8	39,002	40,052	41,132	42,590	45,768	48,016	46,086	49,266	51,512
9		41,363	42,497	44,008	47,260	49,584	47,503	50,757	53,081
10			43,877	45,498	48,794	51,195	48,995	52,291	54,692
11				47,032	50,399	52,849	50,528	53,897	56,345
12				48,517	52,048	54,571	52,122	55,545	58,068

13	53,737	56,335	53,773	57,234	59,831
14	55,434	58,165	55,471	59,042	61,663
15	56,877	59,679	56,913	60,577	63,266
16 or more	58,014	60,871	58,051	61,788	64,531

((Table Of Total Base Salaries For Certificated Instructional Staff

For School Year 2010-11

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 or PHD
0	34,237	35,162	36,120	37,080	40,161	42,145	41,047	44,128	46,115
1	34,698	35,635	36,606	37,608	40,721	42,695	41,503	44,617	46,589
2	35,137	36,083	37,064	38,144	41,248	43,242	41,963	45,067	47,061
3	35,589	36,545	37,536	38,650	41,749	43,791	42,398	45,494	47,538
4	36,033	37,031	38,028	39,180	42,297	44,354	42,855	45,971	48,030
5	36,492	37,494	38,501	39,718	42,823	44,921	43,319	46,425	48,523
6	36,963	37,943	38,984	40,262	43,352	45,462	43,794	46,885	48,993
7	37,790	38,786	39,841	41,187	44,324	46,491	44,685	47,820	49,989
8	39,002	40,052	41,132	42,590	45,768	48,016	46,086	49,266	51,512
9		41,363	42,497	44,008	47,260	49,584	47,503	50,757	53,081
10			43,877	45,498	48,794	51,195	48,995	52,291	54,692
11				47,032	50,399	52,849	50,528	53,897	56,345
12				48,517	52,048	54,571	52,122	55,545	58,068
13					53,737	56,335	53,773	57,234	59,831
14					55,434	58,165	55,471	59,042	61,663
15					56,877	59,679	56,913	60,577	63,266
16 or more					58,014	60,871	58,051	61,788	64,531))

Table Of Total Base Salaries For Certificated Instructional Staff

For School Year 2010-11

<u>Years of Service</u>	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>MA+90 OR Ph.D.</u>
<u>0</u>	<u>34,048</u>	<u>34,968</u>	<u>35,920</u>	<u>36,875</u>	<u>39,939</u>	<u>41,913</u>	<u>40,820</u>	<u>43,885</u>	<u>45,860</u>
<u>1</u>	<u>34,506</u>	<u>35,439</u>	<u>36,403</u>	<u>37,400</u>	<u>40,496</u>	<u>42,459</u>	<u>41,274</u>	<u>44,370</u>	<u>46,332</u>
<u>2</u>	<u>34,943</u>	<u>35,884</u>	<u>36,859</u>	<u>37,933</u>	<u>41,020</u>	<u>43,004</u>	<u>41,731</u>	<u>44,818</u>	<u>46,802</u>
<u>3</u>	<u>35,393</u>	<u>36,343</u>	<u>37,329</u>	<u>38,437</u>	<u>41,518</u>	<u>43,549</u>	<u>42,164</u>	<u>45,243</u>	<u>47,276</u>
<u>4</u>	<u>35,834</u>	<u>36,826</u>	<u>37,818</u>	<u>38,964</u>	<u>42,064</u>	<u>44,110</u>	<u>42,618</u>	<u>45,718</u>	<u>47,765</u>

## JOURNAL OF THE HOUSE

<u>5</u>	<u>36,290</u>	<u>37,287</u>	<u>38,288</u>	<u>39,498</u>	<u>42,586</u>	<u>44,673</u>	<u>43,080</u>	<u>46,169</u>	<u>48,256</u>
<u>6</u>	<u>36,759</u>	<u>37,734</u>	<u>38,769</u>	<u>40,039</u>	<u>43,113</u>	<u>45,211</u>	<u>43,552</u>	<u>46,626</u>	<u>48,723</u>
<u>7</u>	<u>37,582</u>	<u>38,572</u>	<u>39,621</u>	<u>40,960</u>	<u>44,079</u>	<u>46,235</u>	<u>44,438</u>	<u>47,556</u>	<u>49,713</u>
<u>8</u>	<u>38,787</u>	<u>39,831</u>	<u>40,905</u>	<u>42,355</u>	<u>45,516</u>	<u>47,751</u>	<u>45,832</u>	<u>48,994</u>	<u>51,228</u>
<u>9</u>		<u>41,135</u>	<u>42,262</u>	<u>43,765</u>	<u>46,999</u>	<u>49,310</u>	<u>47,241</u>	<u>50,477</u>	<u>52,788</u>
<u>10</u>			<u>43,635</u>	<u>45,247</u>	<u>48,524</u>	<u>50,913</u>	<u>48,724</u>	<u>52,003</u>	<u>54,390</u>
<u>11</u>				<u>46,772</u>	<u>50,121</u>	<u>52,557</u>	<u>50,249</u>	<u>53,599</u>	<u>56,034</u>
<u>12</u>				<u>48,249</u>	<u>51,761</u>	<u>54,269</u>	<u>51,835</u>	<u>55,238</u>	<u>57,748</u>
<u>13</u>					<u>53,440</u>	<u>56,024</u>	<u>53,476</u>	<u>56,918</u>	<u>59,501</u>
<u>14</u>					<u>55,128</u>	<u>57,844</u>	<u>55,165</u>	<u>58,716</u>	<u>61,322</u>
<u>15</u>					<u>56,563</u>	<u>59,349</u>	<u>56,599</u>	<u>60,242</u>	<u>62,917</u>
<u>16 or more</u>					<u>57,693</u>	<u>60,535</u>	<u>57,731</u>	<u>61,447</u>	<u>64,174</u>

(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 act, 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 certificated instructional staff base salary specified for each district in LEAP Document 2 and the salary schedules in subsection (4)(a) of this section include one learning improvement day for the 2009-10 school year and zero learning improvement days for the 2010-11 school year. A school district is eligible for the learning improvement day funds only if the learning improvement day has been added to the 180-day contract year. If fewer days are added, the additional learning improvement allocation shall be adjusted accordingly. The additional day shall be limited to specific activities identified in the state required school improvement plan related to improving student learning that are consistent with education reform implementation, and shall not be considered part of basic education. The principal in each school shall assure that the days are used to provide the necessary school-wide, all staff professional development that is tied directly to the school improvement plan. The school principal and the district superintendent shall maintain documentation as to their approval of these activities. The length of a learning improvement day shall not be less than the length of a full day under the base contract. The superintendent of public instruction shall ensure that school districts adhere to the intent and purposes of this subsection.

(8) The salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2).

**Sec. 504.** 2009 c 564 s 504 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS**

General Fund--State Appropriation (FY 2010) ((~~\$4,215,000~~))  
(\$4,414,000)

General Fund--State Appropriation (FY 2011) ((~~\$14,172,000~~))  
(\$1,862,000)

General Fund--Federal Appropriation ((~~\$6,000~~))  
(\$1,000)

TOTAL APPROPRIATION ((~~\$9,963,000~~))  
(\$6,277,000)

The appropriations in this section are 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. These adjustments shall ensure a minimum salary allocation for certificated administrative staff of \$57,986 in the 2009-10 school year and \$57,986 in the 2010-11 school year.

(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. These salary adjustments ensure a minimum salary allocation for classified staff of \$31,865 in the 2009- 10 school year and \$31,865 in the 2010-11 school year.

(d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at rates 13.79 percent for the 2009-10 school year and 13.79 percent for the 2010-11 school year for certificated staff and 13.08 percent for the 2009-10 school year and 13.08 percent for the 2010-11 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. The appropriations in this section provide incremental fringe benefit alterations based on formula adjustments as follows:

	School Year	
	2009-10	2010-11
Pupil Transportation (per weighted pupil mile)	\$0	\$0
Highly Capable (per formula student)	(\$1.49)	<del>(\$1.49)</del> (\$2.98)
Transitional Bilingual Education (per eligible bilingual student)	(\$3.93)	<del>(\$3.93)</del> (\$7.86)
Learning Assistance (per formula student)	(\$1.18)	<del>(\$1.18)</del> (\$2.36)

(f) The appropriations in this section include no salary adjustments for substitute teachers.

(2) ~~(\$44,188,000)~~ \$44,281,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$732.00 per month for the 2009-10 and 2010-11 school years. The appropriations in this section provide for a rate increase to \$745.00 per month for the 2009-10 school year and \$768.00 per month for the 2010-11 school year. The adjustments to health insurance benefits are at the following rates:

	School Year	
	2009-10	2010-11
Pupil Transportation (per weighted pupil mile)	\$0.12	\$0.33
Highly Capable (per formula student)	\$0.82	\$2.22
Transitional Bilingual Education (per eligible bilingual student)	\$2.10	\$5.83
Learning Assistance (per formula student)	\$0.54	\$1.49

(3) The rates specified in this section are subject to revision each year by the legislature.

**Sec. 505.** 2009 c 564 s 505 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

General Fund--State Appropriation (FY 2010)	<del>(\$307,357,000)</del>
\$317,105,000	
General Fund--State Appropriation (FY 2011)	<del>(\$307,070,000)</del>
\$296,741,000	
<b>TOTAL APPROPRIATION</b>	<del>(\$614,427,000)</del>
\$613,846,000	

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

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

(2) A maximum of \$878,000 of this fiscal year 2010 appropriation and a maximum of ~~(\$894,000)~~ \$892,000 of the fiscal year 2011 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each District

(3) Allocations for transportation of students shall be based on reimbursement rates of \$48.15 per weighted mile in the 2009-10 school year and ~~(\$48.40)~~ \$48.37 per weighted mile in the 2010-11 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

(4) The office of the superintendent of public instruction shall provide reimbursement funding to a school district only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

(5) The superintendent of public instruction shall base depreciation payments for school district buses on the pre-sales tax five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

(6) Funding levels in this section reflect reductions from the implementation of Substitute House Bill No. 1292 (authorizing waivers from the one hundred eighty-day school year requirement in order to allow four-day school weeks).

**Sec. 506.** 2009 c 564 s 506 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund--State Appropriation (FY 2010)	\$3,159,000
General Fund--State Appropriation (FY 2011)	\$3,159,000
General Fund--Federal Appropriation	<del>(\$281,988,000)</del>
\$391,988,000	
TOTAL APPROPRIATION	<del>(\$288,306,000)</del>
\$398,306,000	

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

(1) \$3,000,000 of the general fund--state appropriation for fiscal year 2010 and \$3,000,000 of the general fund--state appropriation for fiscal year 2011 are provided for state matching money for federal child nutrition programs.

(2) \$100,000 of the general fund--state appropriation for fiscal year 2010 and \$100,000 of the 2011 fiscal year appropriation are provided for summer food programs for children in low-income areas.

(3) \$59,000 of the general fund--state appropriation for fiscal year 2010 and \$59,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to reimburse school districts for school breakfasts served to students enrolled in the free or reduced price meal program pursuant to chapter 287, Laws of 2005 (requiring school breakfast programs in certain schools).

(4) \$1,588,000 of the general fund--federal appropriation of American recovery and reinvestment act of 2009 (ARRA) funds is provided solely for equipment assistance to school food authorities (SFAs) participating in the national school lunch program (NSLP). ~~((Local SFAs may apply to the office of the superintendent of public instruction to receive grants in accordance with provisions of the ARRA. As stipulated in the ARRA, priority will be given to SFAs for equipment for schools in which at least 50 percent of the students are eligible for free or reduced priced meals.))~~

**Sec. 507.** 2009 c 564 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2010)	<del>(\$640,959,000)</del>
\$632,131,000	
General Fund--State Appropriation (FY 2011)	<del>(\$652,388,000)</del>
\$651,254,000	
General Fund--Federal Appropriation	<del>(\$656,052,000)</del>
\$664,601,000	
Education Legacy Trust Account--State Appropriation	\$756,000
TOTAL APPROPRIATION	<del>(\$1,950,155,000)</del>
\$1,948,742,000	

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

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(2)(a) The superintendent of public instruction shall ensure that:

(i) Special education students are basic education students first;

(ii) As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

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

(4) The superintendent of public instruction shall distribute state funds to school districts based on two categories: (a) The first category includes (i) children birth through age two who are eligible for the optional program for special education eligible developmentally delayed infants and toddlers, and (ii) students eligible for the mandatory special education program and who are age three or four, or five and not yet enrolled in kindergarten; and (b) the second category includes students who are eligible for the mandatory special education program and who are age five and enrolled in kindergarten and students age six through 21.

(5)(a) For the 2009-10 and 2010-11 school years, the superintendent shall make allocations to each district based on the sum of:

(i) A district's annual average headcount enrollment of students ages birth through four and those five year olds not yet enrolled in kindergarten, as defined in subsection (4) of this section, multiplied by the district's average basic education allocation per full-time equivalent student, multiplied by 1.15; and

(ii) A district's annual average full-time equivalent basic education enrollment multiplied by the funded enrollment percent determined pursuant to subsection (6)(b) of this section, multiplied by the district's average basic education allocation per full-time equivalent student multiplied by 0.9309.

(b) For purposes of this subsection, "average basic education allocation per full-time equivalent student" for a district shall be based on the staffing ratios required by RCW 28A.150.260 and shall not include enhancements, secondary vocational education, or small schools.

(6) The definitions in this subsection apply throughout this section.

(a) "Annual average full-time equivalent basic education enrollment" means the resident enrollment including students enrolled through choice (RCW 28A.225.225) and students from nonhigh districts (RCW 28A.225.210) and excluding students residing in another district enrolled as part of an interdistrict cooperative program (RCW 28A.225.250).

(b) "Enrollment percent" means the district's resident special education annual average enrollment, excluding the birth through age four enrollment and those five year olds not yet enrolled in kindergarten, as a percent of the district's annual average full-time equivalent basic education enrollment.

Each district's general fund--state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(7) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with subsection (6)(b) of this section, and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(8) To the extent necessary, (~~(\$73,668,000)~~) \$44,269,000 of the general fund--state appropriation and \$29,574,000 of the general fund--federal appropriation are provided for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (5) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (8) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. Safety net funds shall be awarded by the state safety net oversight committee subject to the following conditions and limitations:

(a) The committee shall consider unmet needs for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas. In the determination of need, the committee shall also consider additional available revenues from federal sources. Differences in program costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards. In the determination of need, the committee shall require that districts demonstrate that they are maximizing their eligibility for all state and federal revenues related to services for special education-eligible students. Awards associated with (b) and (c) of this subsection shall not exceed the total of a district's specific determination of need.

(b) The committee shall then consider the extraordinary high cost needs of one or more individual special education students. Differences in costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(c) Using criteria developed by the committee, the committee shall then consider extraordinary costs associated with communities that draw a larger number of families with children in need of special education services. The safety net awards to school districts shall be adjusted to reflect amounts awarded under (b) of this subsection.

(d) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

(e) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

(f) Safety net awards shall be adjusted based on the percent of potential medicaid eligible students billed as calculated by the superintendent in accordance with chapter 318, Laws of 1999. The state safety net oversight committee shall ensure that safety net documentation and awards are based on current medicaid revenue amounts.

(9) The superintendent of public instruction may adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. Prior to revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature.

(10) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

(a) One staff from the office of superintendent of public instruction;

(b) Staff of the office of the state auditor who shall be nonvoting members of the committee; and

(c) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

(11) The office of the superintendent of public instruction shall review and streamline the application process to access safety net funds, provide technical assistance to school districts, and annually survey school districts regarding improvement to the process.

(12) A maximum of \$678,000 may be expended from the general fund-- state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(13) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high- cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(14) A school district may carry over from one year to the next year up to 10 percent of the general fund--state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(15) \$262,000 of the general fund--state appropriation for fiscal year 2010 and \$251,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(16) (~~(\$221,357,000)~~) \$229,833,000 of the general fund--federal appropriation of American recovery and reinvestment act of 2009 funds is provided solely for the individuals with disabilities education act (IDEA), Part B, for distribution to school districts. The funds' use is to be consistent with the current IDEA, Part B statutory and regulatory requirements.

(17) \$50,000 of the general fund--state appropriation for fiscal year 2010, \$50,000 of the general fund--state appropriation for fiscal 2011, and \$100,000 of the general fund--federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

**Sec. 508.** 2009 c 564 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2010)	\$8,394,000
General Fund--State Appropriation (FY 2011)	( <del>(\$8,395,000)</del> )
\$8,319,000	
TOTAL APPROPRIATION	( <del>(\$16,789,000)</del> )
\$16,713,000	

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) \$3,355,000 of the general fund--state appropriation for fiscal year 2010 and \$3,355,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for regional professional development related to mathematics and science curriculum and instructional strategies. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support. The office of superintendent of public instruction shall also allocate to each educational service district additional amounts provided in section 504 of this act for compensation increases associated with the salary amounts and staffing provided in this subsection (2).

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.310.340, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

**Sec. 509.** 2009 c 564 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2010)	( <del>(\$42,921,000)</del> )
\$73,900,000	
General Fund--State Appropriation (FY 2011)	( <del>(\$209,997,000)</del> )
\$289,691,000	
General Fund--Federal Appropriation	\$176,284,000
TOTAL APPROPRIATION	( <del>(\$429,202,000)</del> )
\$539,875,000	

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

(1) \$176,284,000 of the general fund--federal appropriation for fiscal year 2010 is provided solely for American recovery and reinvestment act of 2009 (ARRA) fiscal stabilization funds to restore state reductions for local effort assistance payments.

(2) \$25,331,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Substitute House Bill No. 2893 (changing school levy provisions). If Substitute House Bill No. 2893 is not enacted by June 30, 2010, \$22,857,000 of the amount provided shall lapse, and the remaining amount is provided solely for implementation of Substitute House Bill No. 2670 (school levies). If neither bill is enacted by June 30, 2010, the total amount provided in this subsection shall lapse.

**Sec. 510.** 2009 c 564 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2010)	( <del>(\$18,943,000)</del> )
\$18,059,000	
General Fund--State Appropriation (FY 2011)	( <del>(\$17,992,000)</del> )
\$17,264,000	
TOTAL APPROPRIATION	( <del>(\$36,935,000)</del> )
\$35,323,000	

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) ~~(\$329,000)~~ \$228,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$329,000)~~ \$228,000 of the general fund-- state appropriation for fiscal year 2011 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, and programs for juveniles under the juvenile rehabilitation administration.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

**Sec. 511.** 2009 c 564 s 511 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

General Fund--State Appropriation (FY 2010)	<del>(\$9,430,000)</del>
\$9,189,000	
General Fund--State Appropriation (FY 2011)	<del>(\$9,437,000)</del>
\$9,188,000	
<b>TOTAL APPROPRIATION</b>	<del>(\$18,867,000)</del>
\$18,377,000	

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

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

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of \$401.08 per funded student for the 2009-10 school year and \$401.08 per funded student for the 2010-11 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of funded students shall be a maximum of 2.314 percent of each district's full-time equivalent basic education enrollment.

(3) \$90,000 of the fiscal year 2010 appropriation and \$90,000 of the fiscal year 2011 appropriation are provided for the Washington destination imagination network and future problem-solving programs.

(4) \$170,000 of the fiscal year 2010 appropriation and \$170,000 of the fiscal year 2011 appropriation are provided for the centrum program at Fort Worden state park.

**Sec. 512.** 2009 c 564 s 512 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND THE NO CHILD LEFT BEHIND ACT**

General Fund--Federal Appropriation	<del>(\$43,450,000)</del>
\$43,886,000	
<b>Sec. 513.</b> 2010 c 3 s 501 (uncodified) is amended to read as follows:	
<b>FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS</b>	
General Fund--State Appropriation (FY 2010)	<del>(\$93,681,000)</del>
\$93,033,000	
General Fund--State Appropriation (FY 2011)	<del>(\$102,512,000)</del>
\$90,318,000	

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

Education Legacy Trust Account--State	
Appropriation	<del>(\$95,112,000)</del>
\$103,002,000	
<b>TOTAL APPROPRIATION</b>	<del>(\$443,931,000)</del>
\$438,979,000	

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

(1) ~~(\$36,806,000)~~ \$35,804,000 of the general fund--state appropriation for fiscal year 2010, \$34,516,000 of the general fund-- state appropriation for fiscal year 2011, \$1,350,000 of the education legacy trust account--state appropriation, and \$15,868,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington ~~(assessments of student learning (WASL))~~ 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 ~~(of the WASL)~~; and (ii) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student ~~(WASL)~~ assessment results, on or around June 10th of each year.

(2) \$3,249,000 of the general fund--state appropriation for fiscal year 2010 and \$3,249,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the design of the state assessment system and the implementation of end of course assessments for high school math.

(3) Within amounts provided in subsections (1) and (2) of this section, the superintendent of public instruction, in consultation with the state board of education, shall develop a statewide high school end-of-course assessment measuring student achievement of the state science standards

in biology to be implemented statewide in the 2011-12 school year. By December 1, 2010, the superintendent of public instruction shall recommend whether additional end-of-course assessments in science should be developed and in which content areas. Any recommendation for additional assessments must include an implementation timeline and the projected cost to develop and administer the assessments.

~~(4)~~ (4) \$1,014,000 of the education legacy trust account appropriation is provided solely for allocations to districts for salaries and benefits for the equivalent of two additional professional development days for fourth and fifth grade teachers during the 2008-2009 school year. The allocations shall be made based on the calculations of certificated instructional staff units for fourth and fifth grade provided in section 502 of this act and on the calculations of compensation provided in sections 503 and 504 of this act. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

~~((4))~~ (5) \$3,241,000 of the education legacy trust fund appropriation is provided solely for allocations to districts for salaries and benefits for the equivalent of three additional professional development days for middle and high school math and science teachers during the 2008-2009 school year, as well as specialized training for one math and science teacher in each middle school and high school during the 2008-2009 school year. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

~~((5) \$3,850,000)~~ (6) \$3,773,000 of the education legacy trust account--state appropriation is provided solely for a math and science instructional coaches program pursuant to chapter 396, Laws of 2007. Funding shall be used to provide grants to schools and districts to provide salaries, benefits, and professional development activities for up to twenty-five instructional coaches in middle and high school math and twenty-five instructional coaches in middle and high school science in each year of the biennium; and up to \$300,000 may be used by the office of the superintendent of public instruction to administer and coordinate the program.

~~((6) \$1,781,000)~~ (7) \$1,740,000 of the general fund--state appropriation for fiscal year 2010 ~~(and \$1,943,000 of the general fund--state appropriation for fiscal year 2011 are)~~ is provided solely to allow approved middle and junior high school career and technical education programs to receive enhanced vocational funding. The office of the superintendent of public instruction shall provide allocations to districts for middle and junior high school students in accordance with the funding formulas provided in section 502 of this act. If Second Substitute Senate Bill No. 5676 is enacted the allocations are formula-driven, otherwise the office of the superintendent shall consider the funding provided in this subsection as a fixed amount, and shall adjust funding to stay within the amounts provided in this subsection.

~~((7))~~ (8) \$139,000 of the general fund--state appropriation for fiscal year 2010 and \$139,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of \$2,500 to provide twenty middle and high school teachers each year professional development training for implementing integrated math, science, technology, and engineering program in their schools.

~~((8) \$1,579,000)~~ (9) \$1,473,000 of the general fund--state appropriation for fiscal year 2010 and \$1,579,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events. Funding shall be distributed to the various LASER activities in a manner proportional to LASER program spending during the 2007-2009 biennium.

~~((9) \$81,010,000)~~ (10) \$88,981,000 of the education legacy trust account--state appropriation is provided solely for grants for voluntary full-day kindergarten at the highest poverty schools, as provided in chapter 400, Laws of 2007. The office of the superintendent of public instruction shall provide allocations to districts for recipient schools in accordance with the funding formulas provided in section 502 of this act. Each kindergarten student who enrolls for the voluntary full-day program in a recipient school shall count as one-half of one full-time equivalent student for the purpose of making allocations under this subsection. Although the allocations are formula-driven, the office of the superintendent shall consider the funding provided in this subsection as a fixed amount, and shall limit the number of recipient schools so as to stay within the amounts appropriated each fiscal year in this subsection. The funding provided in this subsection is estimated to provide full-day kindergarten programs for 20 percent of kindergarten enrollment. Funding priority shall be given to schools with the highest poverty levels, as measured by prior year free and reduced priced lunch eligibility rates in each school. Additionally, as a condition of funding, school districts must agree to provide the full-day program to the children of parents who request it in each eligible school. For the purposes of calculating a school district levy base, funding provided in this subsection shall be considered a state block grant program under RCW 84.52.0531.

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

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

~~((10))~~ (11) \$700,000 of the general fund--state appropriation for fiscal year 2010 and \$900,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to design, field test, and implement a state-of-the-art education leadership academy that will be accessible throughout the state. Initial development of the content of the academy activities shall be supported by private funds. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners, with varying roles, shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

~~((11))~~ (12) \$105,754,000 of the general fund--federal appropriation is provided for preparing, training, and recruiting high quality teachers and principals under Title II of the no child left behind act.

~~((12) \$1,546,000)~~ (13) \$1,960,000 of the general fund--state appropriation for fiscal year 2010 ~~(and \$3,046,000 of the general fund--state appropriation for fiscal year 2011 are)~~ is provided solely to the office of the superintendent of public instruction for focused assistance activities to improve student learning, reduce drop-outs, and close the achievement gap. The office of the superintendent of public instruction shall conduct educational audits of low-performing schools and enter into performance agreements between school districts and the office to implement the recommendations of the audit and the community. Funding in this subsection may be used for focused assistance programs for individual schools as well as school districts. The superintendent is also authorized to use resources under this subsection for analysis of student learning.

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

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

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

(16) ~~(\$1,056,000)~~ \$1,003,000 of the general fund--state appropriation for fiscal year 2010 and \$1,056,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs. Grants provided under this section may be used by school districts for expenditures from September 2009 through August 31, 2011.

(17) ~~(\$3,594,000)~~ \$3,269,000 of the general fund--state appropriation for fiscal year 2010 and \$3,594,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible. Grant funds shall be allocated pursuant to RCW 70.190.040.

(18) ~~(\$1,959,000)~~ \$1,861,000 of the general fund--state appropriation for fiscal year 2010 and \$1,959,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW.

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

(20) ~~(\$250,000)~~ \$246,000 of the education legacy trust account--state appropriation is provided solely for costs associated with the office of the superintendent of public instruction's statewide director of technology position.

(21)(a) ~~(\$28,270,000)~~ \$26,017,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$36,513,000)~~ \$31,506,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

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

(ii) An additional ~~(\$5,000)~~ \$2,500 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced price lunch;

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

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

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

(22) ~~(\$2,750,000)~~ \$2,475,000 of the general fund--state appropriation for fiscal year 2010 and \$2,750,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008(~~--- This funding may additionally be used to~~), except that \$300,000 of this funding, if equally matched by private donations, shall be used to support FIRST Robotics programs.

(23) \$150,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of House Bill No. 2621 (K-12 school resource programs). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

~~((23))~~ (24) \$300,000 of the general fund--state appropriation for fiscal year 2010 and \$300,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the local farms-healthy kids program as described in chapter 215, Laws of 2008.

~~((24))~~ (25) \$2,348,000 of the general fund--state appropriation for fiscal year 2010 ~~((and \$2,348,000 of the general fund--state appropriation for fiscal year 2011 are appropriated))~~ is provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding beginning in the 2009-10 school year. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together, and teacher observation time with accomplished peers. \$250,000 may be used to provide state-wide professional development opportunities for mentors and beginning educators. The superintendent of public instruction shall adopt rules to

establish and operate a research-based beginning educator support program no later than August 31, 2009. OSPI must evaluate the program's progress and may contract for this work. A report to the legislature about the beginning educator support program is due November 1, 2010.

~~((25) \$4,400,000)~~ ~~(26) \$4,290,000~~ of the education legacy trust account--state appropriation is provided solely for the development and implementation of diagnostic assessments, consistent with the recommendations of the Washington assessment of student learning work group. ~~((26) \$70,000 of the general fund--state appropriation for fiscal year 2010 is provided solely))~~ (27) Funding within this section is provided for implementation of Engrossed Substitute Senate Bill No. 5414 (statewide assessments and curricula).

~~((27))~~ (28) \$530,000 of the general fund--state appropriation for fiscal year 2010 and \$530,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

**Sec. 514.** 2009 c 564 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2010) ~~((77,994,000))~~  
\$76,419,000

General Fund--State Appropriation (FY 2011) ~~((80,937,000))~~  
\$77,672,000

General Fund--Federal Appropriation ~~((45,263,000))~~  
\$65,263,000

TOTAL APPROPRIATION ~~((204,194,000))~~  
\$219,354,000

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) The superintendent shall distribute a maximum of \$901.46 per eligible bilingual student in the 2009-10 school year and \$901.46 in the 2010-11 school year, exclusive of salary and benefit adjustments provided in section 504 of this act.

(3) The superintendent may withhold up to 1.5 percent of the school year allocations to school districts in subsection (2) of this section, and adjust the per eligible pupil rates in subsection (2) of this section accordingly, solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2).

(4) \$70,000 of the amounts appropriated in this section are provided solely to track current and former transitional bilingual program students.

(5) The general fund--federal appropriation in this section is provided 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.

**Sec. 515.** 2009 c 564 s 515 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2010) ~~((101,067,000))~~  
\$103,865,000

General Fund--State Appropriation (FY 2011) ~~((102,237,000))~~  
\$110,312,000

General Fund--Federal Appropriation ~~((543,925,000))~~  
\$553,925,000

Education Legacy Trust Account--State  
Appropriation \$47,980,000

TOTAL APPROPRIATION ~~((795,209,000))~~  
\$816,082,000

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) Funding for school district learning assistance programs shall be allocated at maximum rates of \$281.71 per funded student for the 2009-10 school year and ~~((282.63))~~ \$283.00 per funded student for the 2010-11 school year exclusive of salary and benefit adjustments provided under section 504 of this act.

(c) A school district's funded students for the learning assistance program shall be the sum of the following as appropriate:

(i) 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; and

(ii) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch exceeded forty percent, subtract forty percent from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the prior school year.

(d) In addition to the amounts allocated in (b) and (c) of this subsection, an additional amount shall be allocated to school districts with high concentrations of poverty and English language learner students, subject to the following rules and conditions:

(i) To qualify for additional funding under this subsection, a district's October headcount enrollment in grades kindergarten through grade twelve must have at least twenty percent enrolled in the transitional bilingual instruction program based on an average of the program headcount taken in October and May of the prior school year; and must also have at least forty percent eligible for free or reduced price lunch based on October headcount enrollment in grades kindergarten through twelve in the prior school year.

(ii) Districts meeting the specifications in (d)(i) of this subsection shall receive additional funded students for the learning assistance program at the rates specified in subsection (1)(b) of this section. The number of additional funded student units shall be calculated by subtracting twenty



percent from the district's percent transitional bilingual instruction program enrollment as defined in (d)(i) of this subsection, and the resulting percent shall be multiplied by the district's kindergarten through twelve annual average full-time equivalent enrollment for 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.

~~((3))~~ (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.

~~((4))~~ (5) School districts are encouraged to coordinate the use of these funds with other federal, state, and local sources to serve students who are below grade level and to make efficient use of resources in meeting the needs of students with the greatest academic deficits.

~~((5))~~ (6) Within amounts appropriated in this section, funding is provided for the implementation of extended learning programs required in chapter 328, Laws of 2008.

~~((6) \$51,970,000)~~ (7) \$129,925,000 of the general fund--federal appropriation for ~~((fiscal year 2010 and \$77,955,000 of the general fund--federal appropriation for fiscal year 2011 of))~~ the American recovery and reinvestment act of 2009 (ARRA) Title I, Part A funds are in addition to regular Title I, Part A allocations solely for allocation to eligible school districts in accordance with the guidelines of ARRA.

~~((7))~~ (8) \$48,981,000 of the general fund--federal appropriation from the American recovery and reinvestment act of 2009 (ARRA) is for school improvement. This consists of 4 percent, or \$5,413,000 of the Title I, Part A recovery funds which must be set aside for school improvement as well as \$43,568,000 in additional school improvement funds.

**Sec. 516.** 2009 c 564 s 516 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT PROGRAM**

General Fund--State Appropriation (FY 2010)	\$19,260,000
General Fund--State Appropriation (FY 2011)	<del>((104,101,000))</del>
\$25,730,000	
General Fund--Federal Appropriation	<del>((200,295,000))</del>
\$181,054,000	
TOTAL APPROPRIATION	<del>((304,396,000))</del>
\$226,044,000	

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

(1) Funding for school district student achievement programs shall be allocated at a maximum rate of \$131.16 per FTE student for the 2009-10 school year and ~~((99.32))~~ \$0 per FTE student for the 2010-11 school year. For the purposes of this section, FTE student refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year, as reported to the office of the superintendent of public instruction by August 31st of the previous school year.

(2) The appropriation is allocated for the following uses as specified in RCW 28A.505.210:

(a) To reduce class size by hiring certificated elementary classroom teachers in grades K-4 and paying nonemployee-related costs associated with those new teachers;

(b) To make selected reductions in class size in grades 5-12, such as small high school writing classes;

(c) To provide extended learning opportunities to improve student academic achievement in grades K-12, including, but not limited to, extended school year, extended school day, before-and-after-school programs, special tutoring programs, weekend school programs, summer school, and all-day kindergarten;

(d) To provide additional professional development for educators including additional paid time for curriculum and lesson redesign and alignment, training to ensure that instruction is aligned with state standards and student needs, reimbursement for higher education costs related to enhancing teaching skills and knowledge, and mentoring programs to match teachers with skilled, master teachers. The funding shall not be used for salary increases or additional compensation for existing teaching duties, but may be used for extended year and extended day teaching contracts;

(e) To provide early assistance for children who need prekindergarten support in order to be successful in school; or

(f) To provide improvements or additions to school building facilities which are directly related to the class size reductions and extended learning opportunities under (a) through (c) of this subsection (2).

(3) The superintendent of public instruction shall distribute the school year allocation according to the monthly apportionment schedule defined in RCW 28A.510.250.

(4) ~~((200,295,000))~~ \$181,054,000 of the general fund--federal appropriation for fiscal year 2010 is provided solely for American recovery and reinvestment act of 2009 (ARRA) fiscal stabilization funds to restore state reductions for the student achievement program.

**Sec. 517.** 2009 c 564 s 518 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION.** (1) 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 (2) of this section.

(2) 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, 2010, 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 2010 among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; and learning assistance programs.

(3) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

(End of part)

**HIGHER EDUCATION**

**Sec. 601.** 2009 c 564 s 601 (uncodified) is amended to read as follows:

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 department of personnel 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) The colleges of education for institutions with appropriations in sections 606 through 611 shall develop a plan, by October 30, 2009, to increase the number of math and science teacher endorsements and certificates granted by the institution. The plan shall address the college's math and science teacher endorsement and certification completion goal for each of the next six years, beginning with the 2010-2011 academic year, and shall be reported to the governor, the relevant policy committees of the legislature, the higher education coordinating board (HECB) and the professional educator standards board (PESB). Plan components may address: Student advising practices, increased outreach and recruitment efforts to under-represented populations, linkages with university mathematics and science departments, and implementation of redesigned, innovative endorsement and certification programs. To accomplish this work, enrollments may need to be shifted from low-need endorsement and certificate areas to math and science. A report shall be made each October 30th to the HECB and PESB regarding the degree to which plan goals have been met and activities undertaken to support those outcomes.

(5) In accordance with RCW 28B.10.920 through 28B.10.922, the state performance agreement committee and each public four-year institution of higher education shall develop performance agreements for the period September 1, 2009, through June 30, 2015. The agreements shall reflect the level of state, tuition, and other resources appropriated or authorized for each institution in this act and in the omnibus 2009-11 omnibus capital budget act, as well as reasonably anticipated changes in such resources for the two subsequent biennia as required to accomplish the higher education master plan as adopted by the legislature. The agreements shall build upon each institution's actual performance relative to the 2011 targets previously negotiated between the institution, the higher education coordinating board, and the office of financial management, and shall include measurable performance targets, benchmarks, and goals in areas including but not limited to:

(a) Student enrollment levels, by campus;

(b) Baccalaureate and advanced degree production;

(c) Baccalaureate and advanced degree production in high employer- demand fields;

(d) Undergraduate retention and graduation rates;

(e) Time-to-degree for students entering as freshmen, and as upper- division transfers;

(f) Efficiency to degree; and

(g) Capital investment as required to (i) maintain existing capacity, and (ii) meet enrollment targets in accordance with the master plan as adopted by the legislature.

Each institution shall report progress toward its performance targets during the preceding academic year to the state performance agreement committee prior to November 1, 2010. The higher education coordinating board shall consolidate and summarize the institutional reports, and provide them to the relevant policy and fiscal committees of the legislature by December 1, 2010.

(6) To facilitate transparency and compliance with the American recovery and reinvestment act, the institutions of higher education receiving state and federal appropriations under sections 605 through 611 of this act shall allot anticipated state, federal, and tuition expenditures by budget program and fiscal year. The office of financial management shall notify the legislative ways and means committees of the proposed allotments at least ten days prior to their approval.

(7) To the extent permitted by the applicable personnel system rules, and to the extent collectively bargained with represented employees, institutions of higher education are encouraged to achieve the reductions in full-time-equivalent employment and payroll levels necessary to operate within this budget through strategies that will minimize impacts on employees, their families, their communities, and short- and longer-term accomplishment of institutional mission. Institutions are encouraged to utilize strategies such as reduced work- hours per day or week, voluntary leave without pay, and temporary furloughs that enable employees to maintain permanent employment status. Institutions are further encouraged to implement such strategies in ways that will enable employees to maintain full insurance benefits, full retirement service credit, and a living wage.

(8)(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, to the extent permitted by Engrossed Substitute Senate Bill No. 5460, and House Bill No. 2328.

(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, to the extent permitted by Engrossed Substitute Senate Bill No. 5460 (~~and~~), House Bill No. 2328, and Substitute Senate Bill No. 6382; and

(ii) Institutions may provide salary increases from other sources to instructional and research faculty, 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 RCW 28B.16.015, to the extent permitted by Engrossed Substitute Senate Bill No. 5460 (~~and~~), House Bill No. 2328, and Substitute Senate Bill No. 6382. Any salary increase granted under the authority of this subsection (8)(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 (8)(c)(ii).

**Sec. 602.** 2009 c 564 s 604 (uncodified) is amended to read as follows:

**STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES.** In order to operate within the state funds appropriated in this act, the state board for community and technical colleges and the trustees of the state's community and technical colleges are authorized to adopt and adjust tuition and fees for the 2009-10 and 2010-11 academic years as provided in this section:

(1) The state board may increase the tuition fees charged to resident undergraduate students by no more than seven percent over the amounts charged to resident undergraduates during the prior academic year. The board may increase tuition fees under this subsection differentially based on student credit hour load, provided that the overall increase in average tuition revenue per student does not exceed seven percent each year.

(2) The state board may increase the tuition fees charged to resident undergraduates enrolled in upper division applied baccalaureate programs by no more than fourteen percent over the amounts charged during the prior academic year.

(3) The state board may increase the tuition fees charged to nonresident students by amounts judged reasonable and necessary by the board.

(4) 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.

(5) For the 2009-10 academic year, the trustees of the technical colleges are authorized to increase building fees by four cents per clock hour and by sixty-two cents per credit hour. For the 2010-11 academic year, the trustees are authorized to increase building fees by four cents per clock hour and by sixty-nine cents per credit hour. The purpose of these increases is to progress toward parity with the building fees charged students attending the community colleges.

(6) The state board is authorized to increase the maximum allowable services and activities fee 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.

(7) 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.

(8) 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.

(9) 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.

(10) In fiscal year 2010 and fiscal year 2011, 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.

**Sec. 603.** 2009 c 564 s 605 (uncodified) is amended to read as follows:

**FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

General Fund--State Appropriation (FY 2010)	(\$620,071,000))
\$620,404,000	
General Fund--State Appropriation (FY 2011)	(\$642,509,000))
\$625,755,000	
General Fund--Federal Appropriation	\$17,171,000
Education Legacy Trust Account--State Appropriation	\$95,125,000
<b>TOTAL APPROPRIATION</b>	<b>(\$1,374,876,000))</b>
\$1,358,455,000	

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

(1) \$28,761,000 of the general fund--state appropriation for fiscal year 2010 and \$28,761,000 of the general fund--state appropriation for fiscal year 2011 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 6,200 full-time equivalent students in fiscal year 2010 and at least 6,200 full-time equivalent students in fiscal year 2011.

(2) \$2,725,000 of the general fund--state appropriation for fiscal year 2010 and \$2,725,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) Of the amounts appropriated in this section, \$3,500,000 is provided solely for the student achievement initiative.

(4) When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges shall minimize impact on academic programs, maximize reductions in administration, and shall at least maintain, and endeavor to increase, enrollment opportunities and degree and certificate production in high employer-demand fields of study at their academic year 2008-09 levels.

(5) Within the board's 2009-11 biennial budget allocation to Bellevue College, and pursuant to RCW 28B.50.810, the college may implement, on a tuition and fee basis, an additional applied baccalaureate degree in interior design. This program is intended to provide students with additional opportunities to earn baccalaureate degrees and to respond to emerging job and economic growth opportunities. The program reviews and approval decisions required by RCW 28B.50.810 (3) and (4) shall be completed by July 31, 2009, so that the degree may be offered during the 2009-10 academic year.

(6) In accordance with the recommendations of the higher education coordinating board's 2008 *Kitsap region higher education center study*, the state board shall facilitate development of university centers by allocating thirty 2-year and 4-year partnership full-time enrollment equivalencies to Olympic College and ten 2-year and 4-year partnership full-time enrollment equivalencies to Peninsula College. The colleges shall use the allocations to establish a partnership with a baccalaureate university or universities for delivery of upper division degree programs in the Kitsap region. The Olympic and Peninsula Community College districts shall additionally work together to ensure coordinated development of these and other future baccalaureate opportunities through coordinated needs assessment, planning, and scheduling.

(7) By September 1, 2009, the state board for community and technical colleges, the higher education coordinating board, and the office of financial management shall review and to the extent necessary revise current 2009-11 performance measures and targets based on the level of

state, tuition, and other resources appropriated or authorized in this act and in the omnibus 2009-11 omnibus capital budget act. The boards and the office of financial management shall additionally develop new performance targets for the 2011-13 and the 2013-15 biennia that will guide and measure the community and technical college system's contributions to achievement of the state's higher education master plan goals.

(8) \$2,250,000 of the general fund--state appropriation for fiscal year 2010 and \$2,250,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the hospital employee education and training program under which labor, management, and college partnerships develop or expand and evaluate training programs for incumbent hospital workers that lead to careers in nursing and other high-demand health care occupations. The board shall report student progress, outcomes, and costs to the relevant fiscal and policy committees of the legislature by November 2009 and November 2010.

(9) 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.

(10) \$1,112,000 of the general fund--state appropriation for fiscal year 2010 and \$1,113,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the state board to enhance online distance learning and open courseware technology. Funds shall be used to support open courseware, open textbooks, open licenses to increase access, affordability and quality of courses in higher education. The state board for community and technical colleges shall select the most appropriate courses to support open courseware based solely upon criteria of maximizing the value of instruction and reducing costs of textbooks and other instructional materials for the greatest number of students in higher education, regardless of the type of institution those students attend.

(11) \$210,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement House Bill No. 2694 (B.S. in nursing/university center). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(12)(a) The labor education and research center is transferred from The Evergreen State College to south Seattle community college and shall begin operations on July 1, 2010.

(b) At least \$150,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the labor education and research center to provide outreach programs and direct educational and research services to labor unions and worker-centered organizations.

**Sec. 604.** 2009 c 564 s 606 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2010)	(\$269,552,000)	
\$269,571,000		
General Fund--State Appropriation (FY 2011)	(\$297,130,000)	
\$266,186,000		
General Fund--Federal Appropriation	(\$24,730,000)	
\$43,971,000		
Education Legacy Trust Account--State Appropriation		\$54,408,000
Accident Account--State Appropriation	\$6,712,000	
Medical Aid Account--State Appropriation	\$6,524,000	
Biotoxin Account--State Appropriation	\$450,000	
TOTAL APPROPRIATION	(\$659,506,000)	
\$647,822,000		

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) \$75,000 of the general fund--state appropriation for fiscal year 2010 and \$75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for forestry research by the Olympic natural resources center.

(4) \$150,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the William D. Ruckelshaus center for facilitation, support, and analysis to support the nurse staffing steering committee in its work to apply best practices related to patient safety and nurse staffing.

(5) \$54,000 of the general fund--state appropriation for fiscal year 2010 and \$54,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the University of Washington geriatric education center to provide a voluntary adult family home certification program. In addition to the minimum qualifications required under RCW 70.128.120, individuals participating in the voluntary adult family home certification program shall complete fifty- two hours of class requirements as established by the University of Washington geriatric education center. Individuals completing the requirements of RCW 70.128.120 and the voluntary adult family home certification program shall be issued a certified adult family home license by the department of social and health services. The department of social and health services shall adopt rules implementing the provisions of this subsection.

(6) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$52,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the center for international trade in forest products in the college of forest resources.

(7)(a) \$183,000 of the general fund--state appropriation for fiscal year 2011 is for the technology law and public policy clinic at the University of Washington school of law to prepare a comprehensive report identifying and analyzing trends in the telecommunications industry and pathways for telecommunications regulatory reform. The report must include, but not be limited to, a review of the following issues: (i) The taxation treatment of all telecommunications services that provide the same or functionally equivalent services; (ii) the character and degree of competition in the telecommunications market; (iii) the regulatory, legal, and economic barriers to adequate competition, actual or perceived, that exist; (iv) what changes could be made in policy, law, or administrative rule to address any actual or perceived barriers to competition; and (v) the role of the utilities and transportation commission in the oversight and regulation of telecommunications services.

(b) The technology law and public policy clinic shall consult with local governments, public utility districts, telecommunications service providers, the utilities and transportation commission, the department of revenue, and other stakeholders in preparing its analysis and report.

(c) By December 1, 2011, the technology law and public policy clinic shall issue a report to the legislature with recommendations on legislative action that may be necessary in order to effectuate telecommunications regulatory reform in Washington.

(8) \$250,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for joint planning to increase the number of residency positions and programs in eastern Washington and Spokane within the existing Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) regional medical education program partnership between the University of Washington school of medicine, Washington State University, and area physicians and hospitals. The joint planning efforts are to include preparation of applications for new residency programs in family medicine, internal medicine, obstetrics, psychiatry and general surgery; business plans for those new programs; and for increasing the number of positions in existing programs among regional academic and hospital partners and networks.

**Sec. 605.** 2009 c 564 s 607 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2010)	<del>(\$178,578,000)</del>
\$178,592,000	
General Fund--State Appropriation (FY 2011)	<del>(\$196,163,000)</del>
\$190,648,000	
General Fund--Federal Appropriation	\$15,772,000
Education Legacy Trust Account--State Appropriation	\$34,696,000
TOTAL APPROPRIATION	<del>(\$425,209,000)</del>
\$419,708,000	

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) When implementing reductions for fiscal year 2010 and fiscal year 2011, Washington State University shall minimize reductions to extension services and agriculture extension services. Agriculture extension includes:

(a) Faculty with extension appointments working within the following departments in the college of agricultural, human, and natural resource sciences with extension appointments: Animal sciences, crop and soil sciences, entomology, horticulture, and plant pathology;

(b) The portion of county extension educators' appointments assigned to the "agricultural programs" area;

(c) Staff with extension appointments and extension operating allocations located at the irrigated agriculture research and extension center (Prosser), northwest Washington research and extension center (Mt. Vernon), and tree fruit research and extension center (Wenatchee); and

(d) Extension contributions to the center for precision agricultural systems, center for sustaining agriculture and natural resources, and the agriculture weather network.

(4) \$75,000 of the general fund--state appropriation for fiscal year 2010 and \$75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for research related to honeybee colony collapse disease.

**Sec. 606.** 2009 c 564 s 608 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010)	<del>(\$34,685,000)</del>
\$34,689,000	
General Fund--State Appropriation (FY 2011)	<del>(\$40,796,000)</del>
\$39,335,000	
General Fund--Federal Appropriation	\$5,522,000
Education Legacy Trust Account--State Appropriation	\$16,087,000
TOTAL APPROPRIATION	<del>(\$97,090,000)</del>
\$95,633,000	

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) At least \$200,000 of the general fund--state appropriation for fiscal year 2010 and at least \$200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the northwest autism center.

**Sec. 607.** 2009 c 564 s 609 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010)	<del>(\$30,284,000)</del>
\$30,289,000	
General Fund--State Appropriation (FY 2011)	<del>(\$37,580,000)</del>
\$36,171,000	
General Fund--Federal Appropriation	\$6,975,000

Education Legacy Trust Account--State Appropriation	\$19,076,000
TOTAL APPROPRIATION	<del>(\$93,915,000)</del>
	\$92,511,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

**Sec. 608.** 2009 c 564 s 610 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2010)	<del>(\$20,512,000)</del>
	\$20,514,000

General Fund--State Appropriation (FY 2011)	<del>(\$22,865,000)</del>
	\$22,074,000

General Fund--Federal Appropriation	\$2,366,000
Education Legacy Trust Account--State Appropriation	\$5,450,000
TOTAL APPROPRIATION	<del>(\$51,193,000)</del>
	\$50,404,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the college shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3)(a) At least \$100,000 of the general fund--state appropriation for fiscal year 2010 (~~and at least \$100,000 of the general fund--state appropriation for fiscal year 2011~~) shall be expended on the labor education and research center.

(b) In fiscal year 2011 the labor education and research center shall be transferred from The Evergreen State College to south Seattle community college.

(4) \$100,000 of the general fund--state appropriation for fiscal year 2010 and \$100,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state institute for public policy to report to the legislature regarding efficient and effective programs and policies. The report shall calculate the return on investment to taxpayers from evidence-based prevention and intervention programs and policies that influence crime, K-12 education outcomes, child maltreatment, substance abuse, mental health, public health, public assistance, employment, and housing. The institute for public policy shall provide the legislature with a comprehensive list of programs and policies that improve these outcomes for children and adults in Washington and result in more cost-efficient use of public resources. The institute shall submit interim reports by December 15, 2009, and October 1, 2010, and a final report by June 30, 2011. The institute may receive additional funds from a private organization for the purpose of conducting this study.

(5) To the extent federal or private funding is available for this purpose, the Washington state institute for public policy and the center for reinventing public education at the University of Washington shall examine the relationship between participation in pension systems and teacher quality and mobility patterns in the state. The department of retirement systems shall facilitate researchers' access to necessary individual-level data necessary to effectively conduct the study. The researchers shall ensure that no individually identifiable information will be disclosed at any time. An interim report on project findings shall be completed by November 15, 2010, and a final report shall be submitted to the governor and to the relevant committees of the legislature by October 15, 2011.

(6) At least \$200,000 of the general fund--state appropriation for fiscal year 2010 and at least \$200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the Washington center for undergraduate education.

(7) \$15,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute for public policy to examine the need for and methods to increase the availability of nonfood items, such as personal hygiene supplies, soaps, paper products, and other items, to needy persons in the state. The study shall examine existing private and public programs that provide such products, and develop recommendations for the most cost-effective incentives for private and public agencies to increase local distribution outlets and local and regional networks of supplies. A final report shall be delivered to the legislature and the governor by December 1, 2009.

(8) \$17,000 of the general fund--state appropriation for fiscal year 2010 and \$42,000 of the general fund--state appropriation for fiscal year 2011 are provided to the Washington state institute for public policy to implement Second Substitute House Bill No. 2106 (child welfare outcomes). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(9) \$54,000 of the general fund--state appropriation for fiscal year 2010 and \$23,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Substitute Senate Bill No. 5882 (racial disproportionality). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(10) \$75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute of public policy to evaluate the adequacy of and access to financial aid and independent living programs for youth in foster care. The examination shall include opportunities to improve efficiencies within these programs. The institute shall report its findings by December 1, 2009.

(11) \$75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington state institute for public policy to conduct an assessment of the general assistance unemployable program and other similar programs. The assessment shall include a

review of programs in other states that provide similar services and will include recommendations on promising approaches that both improve client outcomes and reduce state costs. A report is due by December 1, 2009.

(12) To the extent funds are available, the Washington state institute for public policy is encouraged to continue the longitudinal analysis of long-term mental health outcomes directed in chapter 334, Laws of 2001 (mental health performance audit), to build upon the evaluation of the impacts of chapter 214, Laws of 1999 (mentally ill offenders); and to assess program outcomes and cost effectiveness of the children's mental health pilot projects as required by chapter 372, Laws of 2006.

(13) \$10,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the Washington state institute for public policy to perform an evaluation of state substance abuse treatment programs as provided by the department of social and health services. The examinations shall review whether substance abuse treatment is provided to the appropriate clients in the appropriate settings and the utilization of evidence-based practices that maximize the effective use of limited state resources. The final report shall be delivered to the legislature and the governor by November 15, 2010.

(14) \$55,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the Washington state institute for public policy to conduct a study of K-12 student suspensions and expulsions. The study shall analyze available statewide data in comparison with a sample of school district data, identify alternative education options accessed by suspended and expelled students in a sample of school districts, examine school district suspension and expulsion policies, and include recommendations to improve statewide suspensions and expulsions data. The institute shall report its findings by December 1, 2010.

(15) \$60,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the Washington state institute for public policy to implement Second Substitute House Bill No. 3076 (concerning the involuntary treatment act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

**Sec. 609.** 2009 c 564 s 611 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010)	<del>(\$43,141,000)</del>
\$43,146,000	
General Fund--State Appropriation (FY 2011)	<del>(\$52,752,000)</del>
\$50,990,000	
General Fund--Federal Appropriation	\$8,885,000
Education Legacy Trust Account--State Appropriation	\$13,036,000
TOTAL APPROPRIATION	<del>(\$117,814,000)</del>
\$116,057,000	

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

**Sec. 610.** 2009 c 564 s 612 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2010)	<del>(\$6,611,000)</del>
\$6,612,000	
General Fund--State Appropriation (FY 2011)	<del>(\$6,203,000)</del>
\$5,819,000	
General Fund--Federal Appropriation	\$4,352,000
TOTAL APPROPRIATION	<del>(\$17,166,000)</del>
\$16,783,000	

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

(1) Within the funds appropriated in this section, the higher education coordinating board shall complete a system design planning project that defines how the current higher education delivery system can be shaped and expanded over the next ten years to best meet the needs of Washington citizens and businesses for high quality and accessible post-secondary education. The board shall propose policies and specific, fiscally feasible implementation recommendations to accomplish the goals established in the *2008 strategic master plan for higher education*. The project shall specifically address the roles, missions, and instructional delivery systems both of the existing and of proposed new components of the higher education system; the extent to which specific academic programs should be expanded, consolidated, or discontinued and how that would be accomplished; the utilization of innovative instructional delivery systems and pedagogies to reach both traditional and nontraditional students; and opportunities to consolidate institutional administrative functions. The study recommendations shall also address the proposed location, role, mission, academic program, and governance of any recommended new campus, institution, or university center. During the planning process, the board shall inform and actively involve the chairs from the senate and house of representatives committees on higher education, or their designees. The board shall report the findings and recommendations of this system design planning project to the governor and the appropriate committees of the legislature by December 1, 2009.

(2) \$146,000 of the general fund--state appropriation for fiscal year 2010 and \$65,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the higher education coordinating board to administer Engrossed Second Substitute House Bill No. 2021 (revitalizing student financial aid). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(3) \$227,000 of the general fund--state appropriation for fiscal year 2010 and \$11,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Engrossed Second Substitute House Bill No. 1946 (regarding higher education online technology). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(4) \$400,000 of the general fund--state appropriation for fiscal year 2010 and \$400,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the higher education coordinating board to contract with the Pacific Northwest university of health sciences to conduct training and education of health care professionals to promote osteopathic physician services in rural and underserved areas of the state.

**Sec. 611.** 2009 c 564 s 613 (uncodified) is amended to read as follows:

**FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT PROGRAMS**

General Fund--State Appropriation (FY 2010)      (~~(\$204,332,000)~~)

\$192,332,000

General Fund--State Appropriation (FY 2011)      (~~(\$229,711,000)~~)

\$202,229,000

General Fund--Federal Appropriation      \$13,124,000

Education Legacy Trust Account--State

Appropriation      (~~(\$88,062,000)~~)

\$111,236,000

TOTAL APPROPRIATION      (~~(\$535,229,000)~~)

\$518,921,000

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

(1) (~~(\$191,704,000)~~) \$182,599,000 of the general fund--state appropriation for fiscal year 2010, (~~(\$232,929,000)~~) \$194,154,000 of the general fund--state appropriation for fiscal year 2011, (~~(\$80,190,000)~~) \$104,190,000 of the education legacy trust account appropriation, and (~~(\$2,446,000)~~) \$2,545,000 of the general fund-- federal appropriation are provided solely for student financial aid payments under the state need grant; the state work study program including up to a four percent administrative allowance; the Washington scholars program; and the Washington award for vocational excellence. State need grant(~~(s)~~) and the Washington award for vocational excellence(~~(-and state work study awards)~~) shall be adjusted to offset the cost of the resident undergraduate tuition increases, limited to those tuition increases authorized under this act. The Washington scholars program shall provide awards sufficient to offset ninety percent of the total tuition and fee award.

(2)(a) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(b) Grant awards for students at private four-year colleges shall be set at the same level as the student would receive if attending one of the public research universities.

(3) \$1,000,000 of the education legacy trust account--state appropriation is provided solely to encourage more students to teach secondary mathematics and science. \$500,000 of this amount is for the future teacher scholarship and conditional loan program. \$500,000 of this amount is provided to support state work study positions for students to intern in secondary schools and classrooms.

(4) \$3,872,000 of the education legacy trust account--state appropriation is provided solely for the passport to college scholarship program pursuant to chapter 28B.117 RCW. The higher education coordinating board shall contract with a college scholarship organization with expertise in managing scholarships for low-income, high-potential students and foster care children and young adults to administer the program. Of the amount in this subsection, \$39,000 is provided solely for the higher education coordinating board for administration of the contract and the remaining shall be contracted out to the organization for the following purposes:

(a) \$384,000 is provided solely for program administration, and

(b) \$3,449,000 is provided solely for student financial aid for up to 151 students and to fund student support services. Funds are provided for student scholarships, provider training, and for incentive payments to the colleges they attend for individualized student support services which may include, but are not limited to, college and career advising, counseling, tutoring, costs incurred for students while school is not in session, personal expenses, health insurance, and emergency services.

(5) \$1,250,000 of the general fund--state appropriation for fiscal year 2010 (~~and \$1,250,000 of the general fund--state appropriation for fiscal year 2011 are~~) is provided solely for the health professional scholarship and loan program. The funds provided in this subsection shall be: (a) Prioritized for health care deliver sites demonstrating a commitment to serving the uninsured; and (b) allocated between loan repayments and scholarships proportional to current program allocations.

(6) For fiscal year 2010 and fiscal year 2011, the board shall defer loan or conditional scholarship repayments to the future teachers conditional scholarship and loan repayment program for up to one year for each participant if the participant has shown evidence of efforts to find a teaching job but has been unable to secure a teaching job per the requirements of the program.

(7) \$246,000 of the general fund--state appropriation for fiscal year 2010 and (~~(\$246,000)~~) \$165,000 of the general fund--state appropriation for fiscal year 2011 are for community scholarship matching grants and its administration. To be eligible for the matching grant, nonprofit groups organized under section 501(c)(3) of the federal internal revenue code must demonstrate they have raised at least \$2,000 in new moneys for college scholarships after the effective date of this section. Groups may receive no more than one \$2,000 matching grant per year and preference shall be given to groups affiliated with scholarship America. Up to a total of \$46,000 per year of the amount appropriated in this section may be awarded to a nonprofit community organization to administer scholarship matching grants, with preference given to an organization affiliated with scholarship America.

(8) \$500,000 of the general fund--state appropriation for fiscal year 2010 and \$500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for state need grants provided to students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Total state expenditures on this program shall not exceed the amounts provided in this subsection.

(9) (~~(\$3,000,000)~~) \$2,500,000 of the education legacy trust account--state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.



(10) \$75,000 of the general fund--state appropriation for fiscal year 2010 and \$75,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(11) \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided for the opportunity internship program as specified in RCW 28C.18.160.

**Sec. 612.** 2009 c 564 s 614 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2010)	<del>(\$1,587,000)</del>
\$1,562,000	
General Fund--State Appropriation (FY 2011)	<del>(\$1,556,000)</del>
\$1,306,000	
General Fund--Federal Appropriation	<del>(\$54,262,000)</del>
\$54,032,000	
TOTAL APPROPRIATION	<del>(\$57,405,000)</del>
\$56,900,000	

The appropriations in this section are subject to the following conditions and limitations: ~~((€))~~ \$60,000 of the general fund--state appropriation for fiscal year 2010 and \$60,000 of the general fund-- state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

**Sec. 613.** 2009 c 564 s 615 (uncodified) is amended to read as follows:

FOR THE SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE

General Fund--State Appropriation (FY 2010)	\$1,598,000
General Fund--State Appropriation (FY 2011)	<del>(\$1,611,000)</del>
\$1,511,000	
TOTAL APPROPRIATION	<del>(\$3,209,000)</del>
\$3,109,000	

The appropriations in this section are subject to the following conditions and limitations: Within existing resources, the Spokane intercollegiate research and technology institute shall coordinate with the Washington technology center to identify gaps and overlaps in programs and evaluate strategies to reduce administrative overhead expenses per section 123(29) of this act.

**Sec. 614.** 2009 c 564 s 616 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund--State Appropriation (FY 2010)	<del>(\$60,478,000)</del>
\$60,379,000	
General Fund--State Appropriation (FY 2011)	<del>(\$61,045,000)</del>
\$62,144,000	
General Fund--Federal Appropriation	<del>(\$244,859,000)</del>
\$265,598,000	
TOTAL APPROPRIATION	<del>(\$366,382,000)</del>
\$388,121,000	

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

(1) ~~(\$55,696,000)~~ \$54,878,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$55,696,000)~~ \$54,878,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for early childhood education and assistance program services. This appropriation temporarily reduces the number of slots for the 2009-11 fiscal biennium for the early childhood education and assistance program. The department shall reduce slots where providers serve both federal headstart and early childhood education and assistance program children, to the greatest extent possible, in order to achieve no reduction of slots across the state. The amounts in this subsection also reflect reductions to the administrative expenditures for the early childhood education and assistance program. The department shall reduce administrative expenditures, to the greatest extent possible, prior to reducing early childhood education and assistance program slots. Of these amounts, \$10,284,000 is a portion of the biennial amount of state matching dollars required to receive federal child care and development fund grant dollars.

(2) \$1,000,000 of the general fund--federal appropriation is provided to the department to contract with Thrive by Five, Washington for a pilot project for a quality rating and improvement system to provide parents with information they need to choose quality child care and education programs and to improve the quality of early care and education programs. The department in collaboration with Thrive by Five shall operate the pilot projects in King, Yakima, Clark, Spokane, and Kitsap counties. The department shall use child care development fund quality money for this purpose.

(3) \$425,000 of the general fund--state appropriation for fiscal year 2010, ~~(\$425,000)~~ \$325,000 of the general fund--state appropriation for fiscal year 2011, and \$850,000 of the general fund-- federal appropriation are provided solely for child care resource and referral network services. The general fund--federal funding represents moneys from the American recovery and reinvestment act of 2009 (child care development block grant).

(4) \$750,000 of the general fund--state appropriation for fiscal year 2010, \$750,000 of the general fund--state appropriation for fiscal year 2011, and \$1,500,000 of the general fund--federal appropriation are provided solely for the career and wage ladder program created by chapter 507, Laws of 2005. The general fund--federal funding represents moneys from the American recovery and reinvestment act of 2009 (child care development block grant).

(5) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to work with stakeholders and the office of the superintendent of public instruction to identify and test a kindergarten assessment process and tools in geographically diverse school districts. School districts may participate in testing the

kindergarten assessment process on a voluntary basis. The department shall report to the legislature on the kindergarten assessment process not later than January 15, 2011. Expenditure of amounts provided in this subsection is contingent on receipt of an equal match from private sources. As matching funds are made available, the department may expend the amounts provided in this subsection.

(6) \$1,600,000 of the general fund--federal appropriation is provided solely for the department to fund programs to improve the quality of infant and toddler child care through training, technical assistance, and child care consultation.

(7) \$200,000 of the general fund--state appropriation for fiscal year 2010 and \$200,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(8) \$98,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Second Substitute House Bill No. 2731 (creating an early learning program for educationally at-risk children). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(9) \$8,425,000 of the general fund--federal appropriation for fiscal year 2011 and \$8,370,000 of the American recovery and reinvestment act grant are provided to implement Substitute House Bill No. 2741 (transferring the infant and toddler early intervention program from the department of social and health services to the department of early learning). Effective July 1, 2010, the infant and toddler early intervention program is moved from the department of social and health services to the department of early learning and renamed the early support program.

(10) The legislature notes that the department of early learning is developing a plan for improving child care licensing and is consulting, as practicable, with parents, licensed child care providers, and stakeholders from the child care community. The plan shall outline the processes and specify the resources necessary to implement improvements such as, but not limited to, continuing licenses, child care licensing technology, weighted child care regulation, including risk based decision making models, and inclusive and evidence based rule making. The department shall submit to the appropriate committees of the legislature a draft plan by January 15, 2011.

~~((9))~~ (11) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to partially fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

~~((10))~~ (12) The department shall use child care development fund money to satisfy the federal audit requirement of the improper payments act (IPIA) of 2002. In accordance with the IPIA's rules, the money spent on the audits will not count against the five percent state limit on administrative expenditures.

~~((11))~~ (13) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report quarterly enrollments and active caseload for the working connections child care program to the legislative fiscal committees. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care.

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

(15) \$1,100,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for expenditure into the home visiting services account created in section 918 of this act. Of the amount deposited in the home visiting services account pursuant to this subsection, \$100,000 is appropriated from the home visiting services account to the department solely for administering services funded from the account.

**Sec. 615.** 2009 c 564 s 617 (uncodified) is amended to read as follows:

**FOR THE STATE SCHOOL FOR THE BLIND**

General Fund--State Appropriation (FY 2010)	\$5,902,000
General Fund--State Appropriation (FY 2011)	<del>(\$5,908,000)</del>
	\$5,844,000
General Fund--Private/Local Appropriation	\$1,928,000
<b>TOTAL APPROPRIATION</b>	<del>(\$13,738,000)</del>
	\$13,674,000

The appropriations in this section are subject to the following conditions and limitations: \$271,000 of the general fund-- private/local appropriation is provided solely for the school for the blind to offer short course programs, allowing students the opportunity to leave their home schools for short periods and receive intensive training. The school for the blind shall provide this service to the extent that it is funded by contracts with school districts and educational services districts.

**Sec. 616.** 2009 c 564 s 618 (uncodified) is amended to read as follows:

**FOR THE ~~((STATE SCHOOL FOR THE DEAF))~~ WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS**

General Fund--State Appropriation (FY 2010)	<del>(\$8,592,000)</del>
	\$8,593,000
General Fund--State Appropriation (FY 2011)	<del>(\$8,656,000)</del>
	\$8,610,000
General Fund--Private/Local Appropriation	\$526,000
<b>TOTAL APPROPRIATION</b>	<del>(\$17,774,000)</del>
	\$17,729,000

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

(1) \$210,000 of the general fund--private/local appropriation is provided solely for the operation of the shared reading video outreach program. The school for the deaf shall provide this service to the extent it is funded by contracts with school districts and educational service districts.

(2) \$25,000 of the general fund--state appropriation for fiscal year 2010 and \$25,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1879 (deaf and hard of hearing). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

**Sec. 617.** 2009 c 564 s 619 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund--State Appropriation (FY 2010)	<del>(\$1,876,000)</del>
\$1,844,000	
General Fund--State Appropriation (FY 2011)	<del>(\$1,883,000)</del>
\$1,359,000	
General Fund--Federal Appropriation	<del>(\$1,923,000)</del>
\$1,944,000	
General Fund--Private/Local Appropriation	\$1,054,000
TOTAL APPROPRIATION	<del>(\$6,736,000)</del>
\$6,201,000	

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

**Sec. 618.** 2009 c 564 s 620 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2010)	\$2,592,000
General Fund--State Appropriation (FY 2011)	<del>(\$2,636,000)</del>
\$2,390,000	
TOTAL APPROPRIATION	<del>(\$5,228,000)</del>
\$4,982,000	

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

- (1) It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.
- (2) The Washington state historical society shall negotiate and enter into an interagency agreement with the eastern Washington state historical society to consolidate or share certain administrative and programmatic functions currently being performed by each agency independently and shall proportionately share the costs of such shared functions. Examples of shared functions may include, but are not limited to, exhibit planning and display, educational programming, financial services, information technology, and digital archives.

**Sec. 619.** 2009 c 564 s 621 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund--State Appropriation (FY 2010)	\$1,612,000
General Fund--State Appropriation (FY 2011)	<del>(\$1,655,000)</del>
\$1,501,000	
TOTAL APPROPRIATION	<del>(\$3,267,000)</del>
\$3,113,000	

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

- (1) It is the intent of the legislature that the reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.
- (2) The eastern Washington state historical society shall negotiate and enter into an interagency agreement with the Washington state historical society to consolidate or share certain administrative and programmatic functions currently being performed by each agency independently and shall proportionately share the costs of such shared functions. Examples of shared functions may include, but are not limited to, exhibit planning and display, educational programming, financial services, information technology, and digital archives.

(End of part)

**PART VII  
SPECIAL APPROPRIATIONS**

**Sec. 701.** 2009 c 564 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 2010)	<del>(\$854,991,000)</del>
\$842,590,000	
General Fund--State Appropriation (FY 2011)	<del>(\$901,265,000)</del>
\$894,284,000	
State Building Construction Account--State Appropriation	\$11,707,000
Columbia River Basin Water Supply Development Account-- State Appropriation	<del>(\$92,000)</del>
\$117,000	

Hood Canal Aquatic Rehabilitation Bond Account--State  
 Appropriation \$11,000  
 State Taxable Building Construction Account--State  
 Appropriation \$1,136,000  
 Gardner-Evans Higher Education Construction Account--  
 State Appropriation \$260,000  
 Debt-Limit Reimbursable Bond Retirement Account--State  
 Appropriation ~~(\$2,619,000)~~  
 \$2,612,000  
 TOTAL APPROPRIATION ~~(\$1,772,081,000)~~  
 \$1,752,717,000

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 2010 shall be expended into the debt-limit general fund bond retirement account by June 30, 2010.

**Sec. 702.** 2009 c 564 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 GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2010) ~~(\$26,463,000)~~  
 \$26,436,000  
 General Fund--State Appropriation (FY 2011) ~~(\$27,811,000)~~  
 \$27,773,000  
 School Construction and Skill Centers Building  
 Account--State Appropriation \$477,000  
 Nondebt-Limit Reimbursable Bond Retirement Account--  
 State Appropriation ~~(\$141,507,000)~~  
 \$140,872,000  
 TOTAL APPROPRIATION ~~(\$196,258,000)~~  
 \$195,558,000

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 2010 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2010.

**Sec. 703.** 2009 c 564 s 704 (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 2010) \$1,357,000  
 General Fund--State Appropriation (FY 2011) \$1,357,000  
 State Building Construction Account--State  
 Appropriation \$1,273,000  
 Columbia River Basin Water Supply Development  
 Account--State Appropriation ~~(\$6,000)~~  
 \$9,000  
 Hood Canal Aquatic Rehabilitation Bond Account--  
 State Appropriation \$1,000  
 State Taxable Building Construction Account--State  
 Appropriation \$72,000  
 Gardner-Evans Higher Education Construction  
 Account--State Appropriation \$18,000  
 School Construction and Skill Centers Building  
 Account--State Appropriation \$30,000  
 TOTAL APPROPRIATION ~~(\$4,114,000)~~  
 \$4,117,000

**Sec. 704.** 2009 c 564 s 708 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ~~((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT))~~ HEALTH--COUNTY PUBLIC HEALTH ASSISTANCE

General Fund--State Appropriation (FY 2010) \$24,000,000  
 General Fund--State Appropriation (FY 2011) \$24,000,000  
 TOTAL APPROPRIATION \$48,000,000

The appropriations in this section are subject to the following conditions and limitations: The director of the department of ~~((community, trade, and economic development))~~ health shall distribute the appropriations to the following counties and health districts in the amounts designated to support public health services, including public health nursing:

**Health District**

**FY 2010**

**FY 2011**

**FY 2010-11  
 Biennium**

Adams County Health District	\$30,951	\$30,951	\$61,902
Asotin County Health District	\$67,714	\$67,714	\$135,428
Benton-Franklin Health District	\$1,165,612	\$1,165,612	\$2,331,224
Chelan-Douglas Health District	\$184,761	\$184,761	\$369,522
Clallam County Health and Human Services Department	\$141,752	\$141,752	\$283,504
Southwest Washington Health District	\$1,084,473	\$1,084,473	\$2,168,946
Columbia County Health District	\$40,529	\$40,529	\$81,058
Cowlitz County Health Department	\$278,560	\$278,560	\$557,120
Garfield County Health District	\$15,028	\$15,028	\$30,056
Grant County Health District	\$118,595	\$118,596	\$237,191
Grays Harbor Health Department	\$183,870	183,870	\$367,740
Island County Health Department	\$91,892	\$91,892	\$183,784
Jefferson County Health and Human Services	\$85,782	\$85,782	\$171,564
Seattle-King County Department of Public Health	\$9,531,747	\$9,531,747	\$19,063,494
Bremerton-Kitsap County Health District	\$554,669	\$554,669	\$1,109,338
Kittitas County Health Department	\$92,499	\$92,499	\$184,998
Klickitat County Health Department	\$62,402	\$62,402	\$124,804
Lewis County Health Department	\$105,801	\$105,801	\$211,602
Lincoln County Health Department	\$29,705	\$29,705	\$59,410
Mason County Department of Health Services	\$95,988	\$95,988	\$191,976
Okanogan County Health District	\$63,458	\$63,458	\$126,916
Pacific County Health Department	\$77,427	\$77,427	\$154,854
Tacoma-Pierce County Health Department	\$2,820,590	\$2,820,590	\$5,641,180
San Juan County Health and Community Services	\$37,531	\$37,531	\$75,062
Skagit County Health Department	\$223,927	\$223,927	\$447,854
Snohomish Health District	\$2,258,207	\$2,258,207	\$4,516,414
Spokane County Health District	\$2,101,429	\$2,101,429	\$4,202,858
Northeast Tri-County Health District	\$110,454	\$110,454	\$220,908
Thurston County Health Department	\$600,419	\$600,419	\$1,200,838
Wahkiakum County Health Department	\$13,773	\$13,772	\$27,545
Walla Walla County-City Health Department	\$172,062	\$172,062	\$344,124
Whatcom County Health Department	\$855,863	\$855,863	\$1,711,726
Whitman County Health Department	\$78,733	\$78,733	\$157,466

Yakima Health District	\$623,797	\$623,797	\$1,247,594
<b>TOTAL APPROPRIATIONS</b>	<b>\$24,000,000</b>	<b>\$24,000,000</b>	<b>\$48,000,000</b>

**Sec. 705.** 2009 c 564 s 710 (uncodified) is amended to read as follows:

**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 beginning July 1, 2009, 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 2010)	\$51,500,000
General Fund--State Appropriation (FY 2011)	<del>(\$54,300,000)</del>
\$55,400,000	
<b>TOTAL APPROPRIATION</b>	<del><b>(\$105,800,000)</b></del>
\$106,900,000	

(2) There is appropriated for contributions to the judicial retirement system:

General Fund--State Appropriation (FY 2010)	\$11,570,000
General Fund--State Appropriation (FY 2011)	<del>(\$12,860,000)</del>
\$10,860,000	
<b>TOTAL APPROPRIATION</b>	<del><b>(\$24,430,000)</b></del>
\$22,430,000	

**Sec. 706.** 2009 c 564 s 717 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--CAPITOL BUILDING CONSTRUCTION ACCOUNT**

General Fund--State Appropriation (FY 2010)	<del>(\$2,312,000)</del>
\$1,912,000	
General Fund--State Appropriation (FY 2011)	\$3,615,000
<b>TOTAL APPROPRIATION</b>	<del><b>(\$5,927,000)</b></del>
\$5,527,000	

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the capitol building construction account.

**NEW SECTION. Sec. 707.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--TEMPORARY LAYOFF OR AGENCY EQUIVALENT REDUCTIONS.**

The appropriations for 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 savings resulting from statutory changes to employee compensation made by Substitute Senate Bill No. 6503, as amended (closing state agencies on specified dates). The office of financial management shall update agency appropriations schedules to reflect the changes to funding levels in this section as identified by agency and fund in LEAP documents TL0- 2010 dated February 24, 2010, at 10:00 a.m. and TL1-2010 dated February 19, 2010, at 4:00 p.m. If the bill is not enacted by June 30, 2010, the appropriation reductions provided in this section shall lapse. To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the special account retirement contribution increase revolving account in accordance with schedules provided by the office of financial management.

(1) The following appropriations are reduced for implementation of the temporary layoff or agency equivalent reduction plans provided in Substitute House Bill No. 6503, as amended (closing state agencies on specified dates):

General Fund--State Appropriation (FY 2010)	(\$2,941,000)
General Fund--State Appropriation (FY 2011)	(\$35,274,000)
Special Account Salary/Insurance Increase Account--State Revolving Account Appropriation	(\$72,681,000)
<b>TOTAL APPROPRIATION</b>	<b>(\$110,896,000)</b>

(2) The following appropriations are reduced for implementation of the Washington management services and exempt management services reductions provided in Substitute House Bill No. 6503, as amended (closing state agencies on specified dates):

General Fund--State Appropriation (FY 2010)	(\$750,000)
General Fund--State Appropriation (FY 2011)	(\$9,250,000)
Special Account Salary/Insurance Increase Account--State Revolving Account Appropriation	(\$19,360,000)
<b>TOTAL APPROPRIATION</b>	<b>(\$29,750,000)</b>

**NEW SECTION. Sec. 708.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may be necessary, are appropriated from the general fund, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of financial management, except as otherwise provided, as follows:

(1) Reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110:

(a) Gerald S. Morrow, claim number 99970006	\$20,567
(b) Darrell R. Baumgart, claim number 99970007	\$4,528
(c) William Davis, claim number 99970008	\$8,093
(d) Gene T. Strader, claim number 99970009	\$33,875
(e) Cecilio Cortez, claim number 99970012	\$17,055

- (f) Alexander D. Coble, claim number 99970013 \$302,110
- (g) James W. Jolly, claim number 99970017 \$28,884
- (h) James Jay Olsen, claim number 99970018 \$97,220
- (i) Todd E. Miller, claim number 99970019 \$6,957
- (j) Sean S. DeHart, claim number 99970021 \$52,062
- (k) Thomas L. Raglin, Jr., claim number 99970022 \$4,360
- (l) Matthew Smitham, claim number 99970016 \$8,100
- (m) John R. Frederick, claim number 99970020 \$7,719
- (n) Justin C. Federmeier, claim number 99970023 \$29,728
- (o) David R. Palmer, claim number 99970024 \$4,250
- (p) Ian K. Berghoffer, claim number 99970026 \$33,455
- (2) Payment of death benefit, pursuant to RCW 41.04.017: Estate of Erik Anderson, claim number 99970014 \$150,000

**NEW SECTION. Sec. 709.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**STRATEGIC PRINTING STRATEGY.** (1) The office of financial management shall work with the appropriate state agencies to generate savings of \$6,162,000, of which \$3,081,000 shall be from the state general fund, that can arise from a strategic printing strategy. From appropriations in this act, the office of financial management shall reduce general fund--state allotments by \$3,081,000 for fiscal year 2011 to reflect the savings from the strategic printing strategy. The allotment reductions shall be placed in unallotted status and remain unexpended.

(2) The office of financial management, with the assistance of the department of information services and the department of printing, shall conduct an analysis of the state's printing processes to identify the most reasonable strategies of attaining a statewide savings target of \$6,162,000 without affecting direct program activities. The strategies shall include, but not be limited to, standardizing envelopes, utilizing print management, and streamlining processes. The analysis shall identify savings by agency and fund that will result from the implementation of a strategic printing strategy. The results of this analysis shall then be provided to the director of financial management and appropriate legislative committees by July 1, 2010. The director may use the analysis as the basis to achieve the savings identified in subsection (1) of this section.

**NEW SECTION. Sec. 710.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**INFORMATION TECHNOLOGY.** Pursuant to section 15 of Substitute House Bill No. 3178 (state government technology use), the office of financial management shall work with the appropriate state agencies to generate savings of \$60,000,000 from technology efficiencies, of which \$30,000,000 shall be from the state general fund. From appropriations in this act, the office of financial management shall reduce general fund--state allotments by \$30,000,000 for fiscal year 2011. The allotment reductions shall be placed in unallotted status and remain unexpended.

Nothing in this section is intended to impact revenue collection efforts by the department of revenue.

**NEW SECTION. Sec. 711.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE COSTS**  
 General Fund--State Appropriation (FY 2010) \$620,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute funds to Jefferson county (\$197,000), Skagit county (\$390,000), and Franklin county (\$33,000) for extraordinary criminal justice costs.

**NEW SECTION. Sec. 712.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--HELP AMERICA VOTE ACT**  
 General Fund--State Appropriation (FY 2010) \$77,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the election account--state.

**Sec. 713.** 2009 c 564 s 720 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--CONTRIBUTIONS TO RETIREMENT SYSTEMS**  
 ((General Fund--State Appropriation (FY 2010) \$400,000  
 General Fund--State Appropriation (FY 2011) \$400,000  
 Special Account Retirement System Contribution  
 Increase Revolving Account Appropriation \$1,000,000  
 TOTAL APPROPRIATION \$1,800,000

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

~~(1) The) Appropriations in this ((section are provided solely to increase)) act include agency and institution appropriations and public school funding allocations to reflect increased employer contribution rates in the public employees' retirement system and the school employees' retirement system as a result of the provisions of Substitute Senate Bill No. 6157 (calculating compensation for public retirement purposes). ((If the bill is not enacted by June 30, 2009, the amounts provided in this section shall lapse.~~

(2) To facilitate the transfer of moneys to dedicated funds and accounts, the state treasurer shall transfer sufficient moneys to each dedicated fund or account from the special account retirement contribution increase revolving account in accordance with schedules provided by the office of financial management.)

**NEW SECTION. Sec. 714.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--READING ACHIEVEMENT ACCOUNT**  
 General Fund--State Appropriation (FY 2011) \$150,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for the purpose of providing support to early reading programs operated within medical offices.

(End of part)

**PART VIII  
 OTHER TRANSFERS AND APPROPRIATIONS**

**Sec. 801.** 2009 c 564 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	<del>(\$8,268,000)</del>	
\$7,572,000		
General Fund Appropriation for public utility district excise tax distributions	<del>(\$48,771,000)</del>	
\$47,342,000		
General Fund Appropriation for prosecuting attorney distributions	\$6,281,000	
General Fund Appropriation for boating safety and education distributions	\$4,854,000	
General Fund Appropriation for other tax distributions	\$50,000	
General Fund Appropriation for habitat conservation program distributions	\$3,000,000	
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies		\$2,544,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution		\$170,000
Timber Tax Distribution Account Appropriation for distribution to "timber" counties	<del>(\$69,288,000)</del>	
\$36,651,000		
County Criminal Justice Assistance Appropriation	<del>(\$66,374,000)</del>	\$68,528,000
Municipal Criminal Justice Assistance Appropriation	<del>(\$25,622,000)</del>	
\$27,175,000		
City-County Assistance Account Appropriation for local government financial assistance distribution	<del>(\$28,564,000)</del>	
\$27,366,000		
Liquor Excise Tax Account Appropriation for liquor excise tax distribution	<del>(\$50,950,000)</del>	
\$58,268,000		
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	<del>(\$65,038,000)</del>	
\$50,056,000		
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation	<del>(\$7,308,000)</del>	
\$7,374,000		
Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians	<del>(\$4,676,000)</del>	
\$4,773,000		
Liquor Revolving Account Appropriation for liquor profits distribution	<del>(\$80,435,000)</del>	
\$68,741,000		
Liquor Revolving Account Appropriation for additional liquor profits distribution to local governments		\$18,677,000
TOTAL APPROPRIATION	<del>(\$490,870,000)</del>	
\$439,422,000		

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

**Sec. 802.** 2009 c 564 s 805 (uncodified) is amended to read as follows:

## FOR THE STATE TREASURER--TRANSFERS.

State Treasurer's Service Account: For transfer to the state general fund,	<del>(\$10,400,000)</del>	\$16,400,000	for		fiscal year 2010 and
<del>(\$10,400,000)</del>	\$16,400,000		for		fiscal year 2011
	<del>(\$20,800,000)</del>	\$32,800,000			
Waste Reduction, Recycling and Litter Control Account: For transfer to the state general fund,	<del>(\$2,000,000)</del>	\$3,000,000	for		fiscal year 2010
and <del>(\$2,000,000)</del>	\$3,000,000		for		fiscal year 2011
	<del>(\$4,000,000)</del>				
\$6,000,000					
State Toxics Control Account: For transfer to the state general fund,	\$15,340,000		for		fiscal year 2010 and \$14,400,000 for fiscal year 2011
\$29,740,000					
Local Toxics Control Account: For transfer to the state general fund,	\$37,060,000		for		fiscal year 2010 and \$36,000,000 for fiscal year 2011
\$73,060,000					
Education Construction Account: For transfer to the state general fund,	\$93,362,000		for		fiscal year 2010 and \$100,401,000 for fiscal year 2011
\$193,763,000					
Aquatics Lands Enhancement Account: For transfer to the state general fund,	\$5,050,000		for		fiscal year 2010 and \$5,050,000 for fiscal year 2011
\$10,100,000					
Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account		\$28,600,000			
Economic Development Strategic Reserve Account: For transfer to the state general fund,	\$2,500,000		for		fiscal year 2010 and \$2,500,000 for fiscal year 2011
\$5,000,000					
Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed by more than \$26,000,000 the actual amount of the annual payment to the tobacco settlement account	\$204,098,000				
Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed \$26,000,000 less than the actual amount of the strategic contribution supplemental payment to the tobacco settlement account	\$39,170,000				
General Fund: For transfer to the streamlined sales and use tax mitigation account,	\$31,447,000		for		fiscal year 2010 and \$33,591,000 for fiscal year 2011
\$65,038,000					
State Convention and Trade Center Account: For transfer to the state convention and trade center operations account,	\$1,000,000		for		fiscal year 2010 and \$3,100,000 for fiscal year 2011
\$4,100,000					
Tobacco Prevention and Control Account: For transfer to the state general fund for fiscal year 2010		\$1,961,000			
Nisqually Earthquake Account: For transfer to the disaster response account for fiscal year 2010		\$500,000			
Judicial Information Systems Account: For transfer to the state general fund,	\$2,500,000		for		fiscal year 2010 and \$2,500,000 for fiscal year 2011
\$5,000,000					



Department of Retirement Systems Expense Account: For transfer to the state general fund, \$1,000,000 for fiscal year 2010 and \$1,500,000 for fiscal year 2011 (~~(\$1,500,000)~~)  
 \$2,500,000

State Emergency Water Projects Account: For transfer to the state general fund, \$390,000 for fiscal year 2011 \$390,000

The Charitable, Educational, Penal, and Reformatory Institutions Account: For transfer to the state general fund, \$5,550,000 for fiscal year 2010 and (~~(\$5,550,000)~~) \$4,082,000 for fiscal year 2011 ((~~\$11,100,000~~))  
 \$9,632,000

Energy Freedom Account: For transfer to the state general fund, (~~(\$2,978,000)~~) \$4,038,000 for fiscal year 2010 and \$2,978,000 for fiscal year 2011 (~~(\$5,956,000)~~)  
 \$7,016,000

Thurston County Capital Facilities Account: For transfer to the state general fund, (~~(\$4,194,000)~~) \$6,882,000 for fiscal year 2010 and \$4,194,000 for fiscal year 2011 (~~(\$8,388,000)~~)  
 \$11,076,000

Public Works Assistance Account: For transfer to the state general fund, (~~(\$184,000,000)~~) \$196,000,000 for fiscal year 2010 and (~~(\$184,000,000)~~) \$196,000,000 for fiscal year 2011 (~~(\$368,000,000)~~)  
 \$392,000,000

Budget Stabilization Account: For transfer to the state general fund for fiscal year 2010 \$45,130,000

Liquor Revolving Account: For transfer to the state general fund, \$31,000,000 for fiscal year 2010 and \$31,000,000 for fiscal year 2011 \$62,000,000

Public Works Assistance Account: For transfer to the city-county assistance account, \$5,000,000 on July 1, 2009, and \$5,000,000 on July 1, 2010 \$10,000,000

Public Works Assistance Account: For transfer to the drinking water assistance account, (~~(\$4,000,000)~~) \$5,465,000 for fiscal year 2010 and (~~(\$4,000,000)~~) \$5,465,000 for fiscal year 2011 (~~(\$8,000,000)~~)  
 \$10,930,000

Performance Audits of Government Account: For transfer to the state general fund, \$10,000,000 for fiscal year 2010 and \$5,000,000 for fiscal year 2011 \$15,000,000

Water Quality Capital Account: For transfer to the state general fund, \$278,000 for fiscal year 2011 \$278,000

Savings Incentive Account: For transfer to the state general fund, \$10,117,000 for fiscal year 2010 \$10,117,000

University of Washington Building Account: For transfer to the state general fund, \$18,339,000 for fiscal year 2011 (for university purposes) \$18,339,000

Eastern Washington University Capital Projects Account: For transfer to the state general fund, \$3,408,000 for fiscal year 2011 (for university purposes) \$3,408,000

Central Washington University Capital Projects Account: For transfer to the state general fund, \$4,931,000 for fiscal year 2011 (for university purposes) \$4,931,000

The Evergreen State College Capital Projects Account: For transfer to the state general fund, \$5,839,000 for fiscal year 2011 (for college purposes) \$5,839,000

Western Washington University Capital Projects Account: For transfer to the state general fund, \$2,307,000 for fiscal year 2011 (for university purposes) \$2,307,000

Community and Technical College Capital Construction Account, 1975: For transfer to the state general fund, \$3,135,000 for fiscal year 2011 (for college purposes) \$3,135,000

GET Ready for Math and Science Account: For transfer to the state general fund, \$1,650,000 for fiscal year 2010 \$1,650,000

Future Teachers Conditional Scholarship Account: For transfer to the state general fund, \$2,100,000 for fiscal year 2010 \$2,100,000

Education Savings Account: For transfer to the state general fund, \$100,767,000 for fiscal year 2010 \$100,767,000

Financial Services Regulation Account: For transfer to the state general fund, \$2,000,000 for fiscal year 2010 and \$2,000,000 for fiscal year 2011 \$4,000,000

Public Service Revolving Account: For transfer to the state general fund, \$6,000,000 for fiscal year 2010 and \$5,000,000 for fiscal year 2011 \$11,000,000

Shared Game Lottery Account: For transfer to the education legacy trust account, \$3,600,000 for fiscal year 2010 and \$2,400,000 for fiscal year 2011 \$6,000,000

State Lottery Account: For transfer to the education legacy trust account, \$8,400,000 for fiscal year 2010 and \$5,600,000 for fiscal year 2011 \$14,000,000

Streamlined Sales and Use Tax Mitigation Account: For transfer to the state general fund, \$5,000,000 for fiscal year 2010 and \$5,000,000 for fiscal year 2011 \$10,000,000

(End of part)

**PART IX  
 MISCELLANEOUS**

**Sec. 901.** 2010 c 3 s 601 (uncodified) is amended to read as follows:

NEW HIRES. (1) From the effective date of this section until July 1, 2011, state agencies of the legislative, executive, and judicial branches shall not establish new staff positions or fill vacant existing staff positions except as specifically authorized by this section.

(2) The following activities of state agencies are exempt from subsection (1) of this section:

- (a) Direct custody, supervision, and patient care in corrections, juvenile rehabilitation, institutional care of veterans, the mentally ill, developmentally disabled, state hospitals, the special commitment center, and the schools for the blind and the deaf;
- (b) Direct protective services to children and other vulnerable populations in the department of social and health services;
- (c) Washington state patrol investigative services and field enforcement;
- (d) Hazardous materials response and emergency cleanup;
- (e) Emergency public health and patient safety response and the public health laboratory;
- (f) Military operations and emergency management within the military department;

- (g) Firefighting;
  - (h) Enforcement officers in the department of fish and wildlife, the liquor control board, the gambling commission, and the department of natural resources;
  - (i) Park rangers at the parks and recreation commission;
  - (j) Seasonal employment by natural resources agencies to the extent that employment levels do not exceed the prior fiscal year;
  - (k) Seasonal employment in the department of transportation maintenance programs to the extent that employment levels do not exceed the prior fiscal year;
  - (l) Employees hired on a seasonal basis by the department of agriculture for inspection and certification of agricultural products and for insect detection;
  - (m) Activities directly related to tax and fee collection, revenue generation, auditing, and recovery;
  - (n) In institutions of higher education, any positions directly related to academic programs, as well as positions not funded from state funds or tuition, positions that are filled by enrolled students at their own institution as student workers, positions in campus police and security, positions related to emergency management and response, and positions related to student health care and counseling;
  - (o) Operations of the state lottery and liquor control board business enterprises;
  - (p) The unemployment insurance program of the employment security department; and
  - (q) Activities that are necessary to receive or maintain federal funds by the state.
- (3) The exemptions specified in subsection (2) of this section do not require the establishment of new staff positions or the filling of vacant staff positions in the activities specified.
- (4) Exceptions to this section may be granted under section 605 of this act.
- (5) Also exempted from this section are positions related to facility realignments in the department of corrections, positions related to the transfer of programs between state agencies assumed in this act, disability determination staff funded solely by federal funds, and positions necessary to implement legislation passed in the 2010 legislative session.

**NEW SECTION. Sec. 902.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**AGENCY STAFFING.** (1) By July 1, 2010, all state agencies must prepare and submit to the office of financial management staffing plans for fiscal year 2011. The first plan must list, by month and by job class, the number of budgeted FTEs, salaries, and benefits for the state general fund. The second plan must list, by month and by job class, the number of budgeted FTEs, salaries, and benefits for the total of all other allotted funds. The plans must be submitted at the same organizational level of detail as funds are appropriated to the agency. Agency allotments and staffing plans submitted to the office of financial management must be consistent.

(2) Agencies may only allot FTEs to the extent that the funding allotment contains sufficient funding to fully support those positions. To the extent that allotted FTEs would exceed available funding to support those positions, agencies shall request that the office of financial management revise their full-time equivalent staff allotment to the funded level; legislative and judicial agencies shall report the revised level to the office of financial management. The office of financial management shall summarize, by agency, the changes made under this subsection and provide that information to the appropriate fiscal committees of the legislature by October 1, 2010.

(3) Each agency shall report to the office of financial management the number of FTEs filled, by job class, as of July 1, 2010. The information must be provided at the same level of detail as is contained in the staffing plan. For any positions that are vacant on that date, the agency shall list the date that position was last filled. The office of financial management shall summarize information provided under this subsection and report to the appropriate fiscal committees of the legislature by October 1, 2010.

**NEW SECTION. Sec. 903.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**SMALL AGENCY CLIENT SERVICES.** All small agencies with less than 176 FTE shall utilize the office of financial management small agency client services for budget, accounting and payroll services. The director of the office of financial management shall define the transition process and specific agency requirements.

**NEW SECTION. Sec. 904.** A new section is added to 2009 c 564 (uncodified) to read as follows:

For purposes of RCW 43.88.110(7), any cash deficit in existence at the close of fiscal year 2010 shall be liquidated over the remainder of the 2009-2011 fiscal biennium.

**NEW SECTION. Sec. 905.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**CORE FUNCTIONS OF GOVERNMENT REVIEW.** (1) The legislature intends to evaluate whether the state agencies and activities are performing in the most efficient manner.

(2) By August 1, 2010, the joint legislative audit and review committee must select one of the priorities of government results and determine the relative priority of each activity based on the activity's contribution to the overall objectives of the priorities of government results area.

(3) The state auditor must select at least one but not more than four of the highest priority activities identified under subsection (2) of this section to be the subject of performance audits. The activities must be selected for performance audits under this subsection based on the evidence that the program or activity would likely benefit from the evaluation or review. The performance audit shall be conducted using generally accepted government auditing standards and may include an evaluation of: (a) Ways to improve performance, streamline operations, and provide cost-effective service to citizens; (b) programs and services that can be eliminated, reduced, consolidated, or enhanced; and (c) gaps and overlaps in the programs and services and recommendations for improving, eliminating, blending, or separating functions to correct gaps or overlaps.

(4) The state auditor must select at least one of the lowest priority activities identified in subsection (2) of this section to be the subject of an activity assessment. The assessment must address the following questions:

- (a) Does the activity continue to serve the purpose for which it was created?
- (b) In comparison to other programs and priorities, does this purpose continue to merit the use of the state's limited resources?
- (c) Does this activity continue to contribute to the priorities of government identified?
- (d) Are there better alternatives for the use of these resources or to accomplish the objective of the activity?

(5) The performance audits conducted under subsection (3) of this section and the assessments under subsection (4) of this section must be completed by June 30, 2011.

(6) The state auditor must reimburse the joint legislative audit and review committee for reasonable costs incurred in completing the requirements under this section.

**Sec. 906.** RCW 15.76.115 and 2001 2nd sp.s. c 16 s 1 are each amended to read as follows:

The fair fund is created in the custody of the state treasury. All moneys received by the department of agriculture for the purposes of this fund and from RCW 67.16.105(4) shall be deposited into the fund. ~~((At the beginning of fiscal year 2002 and))~~ Except for fiscal year 2011, each fiscal year ~~((hereafter,))~~ the state treasurer shall transfer into the fair fund from the general fund the sum of two million dollars. Expenditures from the fund may be used only for assisting fairs in the manner provided in this chapter. Only the director of agriculture or the director's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

**Sec. 907.** RCW 28B.35.370 and 2009 c 499 s 5 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 2009-2011 biennium, sums in the respective capital accounts shall also be used for routine facility maintenance and utility costs. In addition, the legislature may transfer from the respective capital projects accounts to the state general fund such amounts as reflect the excess fund balance of the account for university purposes.

(3) Funds available in the respective capital projects accounts may also be used for certificates of participation under chapter 39.94 RCW.

**Sec. 908.** RCW 28B.57.050 and 1991 sp.s. c 13 s 51 are each amended to read as follows:

The proceeds from the sale of the bonds authorized herein, together with all grants, donations, transferred funds, and all other moneys which the state finance committee or the college board may direct the state treasurer to deposit therein, shall be deposited in the 1975 community college capital construction account, hereby created in the state treasury. In the 2009-2011 fiscal biennium, the legislature may transfer from the community college capital construction account to the state general fund such amounts as reflect the excess fund balance of the account for college purposes.

**Sec. 909.** RCW 28B.102.080 and 2007 c 396 s 9 are each amended to read as follows:

(1) The future teachers conditional scholarship account is created in the custody of the state treasurer. An appropriation is not required for expenditures of funds from the account. The account is not subject to allotment procedures under chapter 43.88 RCW except for moneys used for program administration.

(2) The board shall deposit in the account all moneys received for the future teachers conditional scholarship and loan repayment program and for conditional loan programs under chapter 28A.660 RCW. The account shall be self-sustaining and consist of funds appropriated by the legislature for the future teachers conditional scholarship and loan repayment program, private contributions to the program, receipts from participant repayments from the future teachers conditional scholarship and loan repayment program, and conditional loan programs established under chapter 28A.660 RCW. Beginning July 1, 2004, the board shall also deposit into the account: (a) All funds from the institution of higher education loan account that are traceable to any conditional scholarship program for teachers or prospective teachers established by the legislature before June 10, 2004; and (b) all amounts repaid by individuals under any such program.

(3) Expenditures from the account may be used solely for conditional loans and loan repayments to participants in the future teachers conditional scholarship and loan repayment program established by this chapter, conditional scholarships for participants in programs established in chapter 28A.660 RCW, and costs associated with program administration by the board.

(4) Disbursements from the account may be made only on the authorization of the board.

(5) In the 2009-2011 fiscal biennium, the legislature may transfer from the future teachers conditional scholarship account to the state general fund such amounts as reflect the excess fund balance of the account.

**Sec. 910.** RCW 28B.105.110 and 2009 c 564 s 1807 and 2009 c 564 s 920 are each reenacted and 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 board 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 board. 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 board.

(7) During the 2007-2009 fiscal biennium, the legislature may transfer state appropriations to the GET ready for math and science scholarship account that have not been matched by private contributions to the state general fund.

(8) During the 2009-2011 fiscal biennium, the legislature may transfer from the GET ready for math and science scholarship account to the state general fund such amounts as reflect the excess fund balance of the account.

**Sec. 911.** RCW 43.09.475 and 2009 c 564 s 929 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. Additionally during the 2009-2011 fiscal biennium, the account may be used to conduct performance audits and assessments and to reimburse the joint legislative audit and review committee for reasonable costs as described in section 905 of this act.

**Sec. 912.** RCW 43.20A.725 and 2004 c 254 s 1 are each amended to read as follows:

(1) The department, through the sole authority of the office or its successor organization, shall 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 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 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 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 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 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 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 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 purposes authorized by this chapter.

(5) The program shall 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 fiscal biennium, 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.

(6) The telecommunications relay service program and equipment vendors shall 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 responsible for ensuring compliance with federal requirements and shall provide timely notice to the legislature of any legislation that may be required to accomplish compliance.

(7) The department shall 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.

**Sec. 913.** RCW 43.43.944 and 2007 c 520 s 6034 are each amended to read as follows:

(1) The fire service training account is hereby established in the state treasury. The fund shall consist of:

- (a) All fees received by the Washington state patrol for fire service training;
- (b) All grants and bequests accepted by the Washington state patrol under RCW 43.43.940;
- (c) Twenty percent of all moneys received by the state on fire insurance premiums; and
- (d) General fund--state moneys appropriated into the account by the legislature.

(2) Moneys in the account may be appropriated only for fire service training. The state patrol may use amounts appropriated from the fire service training account under this section to contract with the Washington state firefighters apprenticeship trust for the operation of the firefighter joint apprenticeship training program. The contract may call for payments on a monthly basis. During the ~~((2007-2009))~~ 2009-2011 fiscal biennium, the legislature may appropriate funds from this account for school fire prevention activities within the Washington state patrol ~~((and additional sanitary wastewater treatment capacity at the state fire service training center)).~~

(3) Any general fund--state moneys appropriated into the account shall be allocated solely to the firefighter joint apprenticeship training program. The Washington state patrol may contract with outside entities for the administration and delivery of the firefighter joint apprenticeship training program.

**Sec. 914.** RCW 43.60A.185 and 2006 c 343 s 8 are each amended to read as follows:

The veterans innovations program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for purposes of the veterans innovations program. During the 2009-2011 fiscal biennium, the funds may be used for contracting for veterans claims assistance services.

**Sec. 915.** RCW 43.79.080 and 1985 c 57 s 36 are each amended to read as follows:

There shall be in the state treasury a fund known and designated as the "University of Washington building account". In the 2009-2011 fiscal biennium, the legislature may transfer from the University of Washington building account to the state general fund such amounts as reflect the excess fund balance of the account for university purposes.

**Sec. 916.** RCW 43.79.460 and 2009 c 518 s 21 are each amended to read as follows:

(1) The savings incentive account is created in the custody of the state treasurer. The account shall consist of all moneys appropriated to the account by the legislature. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account.

(2) Within the savings incentive account, the state treasurer may create subaccounts to be credited with incentive savings attributable to individual state agencies, as determined by the office of financial management in consultation with the legislative fiscal committees. Moneys deposited in the subaccounts may be expended only on the authorization of the agency's executive head or designee and only for the purpose of one-time expenditures to improve the quality, efficiency, and effectiveness of services to customers of the state, such as one-time expenditures for employee training, employee incentives, technology improvements, new work processes, or performance measurement. Funds may not be expended from the account to establish new programs or services, expand existing programs or services, or incur ongoing costs that would require future expenditures.

(3) For purposes of this section, "incentive savings" means state general fund appropriations that are unspent as of June 30th of a fiscal year, excluding any amounts included in across-the-board reductions under RCW 43.88.110 and excluding unspent appropriations for:

- (a) Caseload and enrollment in entitlement programs, except to the extent that an agency has clearly demonstrated that efficiencies have been achieved in the administration of the entitlement program. "Entitlement program," as used in this section, includes programs for which specific sums of money are appropriated for pass-through to third parties or other entities;
- (b) Enrollments in state institutions of higher education;
- (c) A specific amount contained in a condition or limitation to an appropriation in the biennial appropriations act, if the agency did not achieve the specific purpose or objective of the condition or limitation;
- (d) Debt service on state obligations; and
- (e) State retirement system obligations.

(4) The office of financial management, after consulting with the legislative fiscal committees, shall report the amount of savings incentives achieved.

(5) For fiscal year 2009, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2008.

(6) For fiscal year 2010, the legislature may transfer from the savings incentive account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2009.

**Sec. 917.** RCW 43.79.465 and 2009 c 4 s 903 are each amended to read as follows:

The education savings account is created in the state treasury. The account shall consist of all moneys appropriated to the account by the legislature.

(1) Ten percent of legislative appropriations to the education savings account shall be distributed as follows: (a) Fifty percent to the distinguished professorship trust fund under RCW 28B.76.565; (b) seventeen percent to the graduate fellowship trust fund under RCW 28B.76.610; and (c) thirty-three percent to the college faculty awards trust fund under RCW 28B.50.837.

(2) The remaining moneys in the education savings account may be appropriated solely for (a) common school construction projects that are eligible for funding from the common school construction account, (b) technology improvements in the common schools, (c) during the 2001- 03 fiscal biennium, technology improvements in public higher education institutions, ~~((and))~~ (d) during the 2007-2009 fiscal biennium, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the excess fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2008, and (e) during the 2009-2011 fiscal biennium, the

legislature may transfer from the education savings account to the state general fund such amounts as reflect the excess fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2009.

**NEW SECTION. Sec. 918.** A new section is added to chapter 43.215 RCW to read as follows:

- (1)(a) The home visiting services account is created in the custody of the state treasurer. Revenues to the account shall consist of appropriations by the legislature and all other sources deposited in the account.
- (b) Expenditures from the account shall be used for state matching funds for the purposes of the program established in this section including administrative expenses. Only the director, or the director's designee, may authorize expenditures from the account. Authorizations for expenditures may be given only after private funds are committed and available.
- (c) Expenditures from the account are exempt from the appropriations and allotment provisions of chapter 43.88 RCW. However, amounts used for program administration by the department are subject to the allotment and budgetary controls of chapter 43.88 RCW, and an appropriation is required for these expenditures.
- (2) The department must expend moneys from the account to provide state matching funds for partnership activities to implement home visiting services and administer the infrastructure necessary to develop, support, and evaluate evidence-based, research-based, and promising home visiting programs.
- (3) Activities eligible for funding through the account include, but are not limited to:
- (a) Home visiting services that achieve one or more of the following: (i) Enhancing child development and well-being by alleviating the effects on child development of poverty and other known risk factors; (ii) reducing the incidence of child abuse and neglect; or (iii) promoting school readiness for young children and their families; and
- (b) Development and maintenance of the infrastructure for home visiting programs, including training, quality improvement, and evaluation.
- (4) Beginning July 1, 2010, the department shall contract with the nongovernmental private-public partnership designated in RCW 43.215.070 to administer programs funded through the home visiting services account. The department shall monitor performance and provide periodic reports on the use outcomes of the home visiting services account.
- (5) The nongovernmental private-public partnership shall, in the administration of the programs:
- (a) Fund programs through a competitive bid process; and
- (b) Convene an advisory committee of early learning and home visiting experts, including one representative from the department, to advise the partnership regarding research and the distribution of funds from the account to eligible programs.
- (6) To promote continuity for families receiving home visiting services through programs funded on the effective date of this section, those programs funded under chapter 43.121 RCW shall be funded through June 30, 2012, based on availability of funds and the achievement of stated performance goals. This section does not require any program to receive continuous funding beyond June 30, 2012. Organizations that may receive program funding include local health departments; nonprofit, neighborhood-based, community, regional, or statewide organizations; and federally recognized Indian tribes located in the state.

**Sec. 919.** RCW 43.320.110 and 2005 c 518 s 932 are each amended to read as follows:

There is created a local fund known as the "financial services regulation fund" which shall consist of all moneys received by the divisions of the department of financial institutions, except for the division of securities which shall deposit thirteen percent of all moneys received, except as provided in RCW 43.320.115, and which shall be used for the purchase of supplies and necessary equipment; the payment of salaries, wages, and utilities; the establishment of reserves; and other incidental costs required for the proper regulation of individuals and entities subject to regulation by the department. The state treasurer shall be the custodian of the fund. Disbursements from the fund shall be on authorization of the director of financial institutions or the director's designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

During the ~~((2005-2007))~~ 2009-2011 fiscal biennium, the legislature may transfer from the financial services regulation fund to the state general fund such amounts as reflect the excess fund balance of the fund.

**Sec. 920.** RCW 46.09.170 and 2009 c 564 s 944 and 2009 c 187 s 2 are each reenacted and amended to read as follows:

- (1) From time to time, but at least once each year, the state treasurer shall refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.36 RCW, based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; (c) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; and (e) twenty- three cents per gallon of motor vehicle fuel beginning July 1, 2011, and thereafter, less proper deductions for refunds and costs of collection as provided in RCW 46.68.090.
- (2) The treasurer shall place these funds in the general fund as follows:
- (a) Thirty-six percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;
- (b) Three and one-half percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;
- (c) Two percent shall be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and
- (d) Fifty-eight and one-half percent shall be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection shall be expended in accordance with the following limitations:
- (i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;
- (ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:

(A) Not less than thirty percent, together with the funds the board receives under RCW 46.09.110, may be expended for ORV recreation facilities;

(B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation facilities funds; and

(C) Not less than thirty percent may be expended for nonhighway road recreation facilities;

(iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.

(3) On a yearly basis an agency may not, except as provided in RCW 46.09.110, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.

(4) During the 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the NOVA account to the department of natural resources to install consistent off-road vehicle signage at department-managed recreation sites, and to implement the recreation opportunities on department-managed lands in the Reiter block and Ahtanum state forest, and to the state parks and recreation commission. The legislature finds that the appropriation of funds from the NOVA account during the 2009-2011 fiscal biennium for maintenance and operation of state parks (~~and~~) or to improve accessibility for boaters and off-road vehicle users(~~-This~~) at state parks will benefit boaters and off-road vehicle users and others who use nonhighway and nonmotorized recreational facilities. The appropriations (~~is~~) under this subsection are not required to follow the specific distribution specified in subsection (2) of this section.

**Sec. 921.** RCW 66.08.170 and 2009 c 564 s 947 are each amended to read as follows:

There shall be a fund, known as the "liquor revolving fund", which shall consist of all license fees, permit fees, penalties, forfeitures, and all other moneys, income, or revenue received by the board. The state treasurer shall be custodian of the fund. All moneys received by the board or any employee thereof, except for change funds and an amount of petty cash as fixed by the board within the authority of law shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the liquor revolving fund. During the 2009-2011 fiscal biennium, the legislature may transfer funds from the liquor revolving (~~account (fund)) fund~~ to the state general fund and may direct an additional amount of liquor profits to be distributed to local governments. Neither the transfer of funds nor the additional distribution of liquor profits to local governments during the 2009-2011 fiscal biennium may reduce the excess fund distributions that otherwise would occur under RCW 66.08.190. Licensee sales are exempt from any increases to the price of liquor made by the board during the 2009-2011 fiscal biennium for the purpose of implementing any transfers to the state general fund or additional distribution of liquor profits. This exemption includes price increases implemented for such purposes during the 2009-2011 fiscal biennium prior to the effective date of this section but applies only to sales made on or after July 1, 2010. Disbursements from the revolving fund shall be on authorization of the board or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the liquor revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund.

**Sec. 922.** RCW 67.70.044 and 2009 c 576 s 1 are each amended to read as follows:

(1) Pursuant to RCW 67.70.040(1)(a), the commission may enter into the multistate agreement establishing a shared game lottery known as "The Big Game," that was entered into by party state lotteries in August 1996 and subsequently amended and a shared game lottery known as "Powerball."

(2) The shared game lottery account is created as a separate account outside the state treasury. The account is managed, maintained, and controlled by the commission and consists of all revenues received from the sale of shared game lottery tickets or shares, and all other moneys credited or transferred to it from any other fund or source under law. The account is allotted according to chapter 43.88 RCW. During the 2009-2011 fiscal biennium, the legislature may transfer from the shared game lottery account to the education legacy trust account such amounts as reflect the excess fund balance of the account.

**Sec. 923.** RCW 67.70.230 and 1985 c 375 s 4 are each amended to read as follows:

There is hereby created and established a separate account, to be known as the state lottery account. Such account shall be managed, maintained, and controlled by the commission and shall consist of all revenues received from the sale of lottery tickets or shares, and all other moneys credited or transferred thereto from any other fund or source pursuant to law. The account shall be a separate account outside the state treasury. No appropriation is required to permit expenditures and payment of obligations from the account. During the 2009-2011 fiscal biennium, the legislature may transfer from the state lottery account to the education legacy trust account such amounts as reflect the excess fund balance of the account.

**Sec. 924.** RCW 70.93.180 and 2009 c 564 s 950 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 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. ~~((For purposes of subsection (1) of this section, this transfer shall be treated as an expenditure for litter collection.))~~ Additionally, during the 2009-2011 fiscal biennium, subsection (1) of this section is suspended.

**Sec. 925.** RCW 70.105D.070 and 2009 c 564 s 951 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) 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)(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 (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; ~~(and)~~

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

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

(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.

(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 2009-2011 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 2007-2009 and 2009-2011 fiscal biennia, the legislature may transfer from the local toxics control account to either the state general fund or the oil spill prevention account, or both such amounts as reflect excess fund balance in the account.

(9) During the 2009-2011 fiscal biennium, the local toxics control account may also be used for a standby rescue tug at Neah Bay, local government shoreline update grants, private and public sector diesel equipment retrofit, and oil spill prevention, preparedness, and response activities.

(10) During the 2009-2011 fiscal biennium, the legislature may transfer from the state toxics control account to the state general fund such amounts as reflect the excess fund balance in the account.

**Sec. 926.** RCW 70.146.100 and 2007 c 233 s 1 are each amended to read as follows:

(1) The water quality capital account is created in the state treasury. Moneys in the water quality capital account may be spent only after appropriation.

(2) Expenditures from the water quality capital account may only be used: (a) To make grants or loans to public bodies, including grants to public bodies as cost-sharing moneys in any case where federal, local, or other moneys are made available on a cost-sharing basis, for the capital component of water pollution control facilities and activities; (b) for purposes of assisting a public body to obtain an ownership interest in water pollution control facilities; or (c) to defray any part of the capital component of the payments made by a public body to a service provider under a service agreement entered into under RCW 70.150.060. During the 2009-2011 fiscal biennium, the legislature may transfer from the water quality capital account to the state general fund such amounts as reflect the excess fund balance of the account.

**Sec. 927.** RCW 74.31.060 and 2007 c 356 s 7 are each amended to read as follows:

The traumatic brain injury account is created in the state treasury. Two dollars of the fee imposed under RCW 46.63.110(7)(c) must be deposited into the account. Moneys in the account may be spent only after appropriation, and may be used only to provide a public awareness campaign and services relating to traumatic brain injury under RCW 74.31.040 and 74.31.050, for information and referral services, and for costs of required department staff who are providing support for the council and information and referral services under RCW 74.31.020 and 74.31.030. During the 2009-2011 fiscal biennium, money in the account may also be spent on the long-term care services. The secretary of the department of social and health services has the authority to administer the funds.

**Sec. 928.** RCW 79.105.150 and 2009 c 564 s 959 are each amended to read as follows:

(1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. During the 2009-2011 fiscal biennium, the aquatic lands enhancement account may also be used for scientific research as part of the adaptive management process. During the 2009-11 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.

(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. 929.** RCW 80.01.080 and 2006 c 3 s 2 are each amended to read as follows:

There is created in the state treasury a public service revolving fund. Regulatory fees payable by all types of public service companies shall be deposited to the credit of the public service revolving fund. Except for expenses payable out of the pipeline safety account, all expense of operation of the Washington utilities and transportation commission shall be payable out of the public service revolving fund.

During the ~~((2003-2005))~~ 2009-2011 fiscal biennium, the legislature may transfer from the public service revolving fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Due to the extraordinarily high winter energy costs, during the 2005-2007 fiscal biennium, no more than seven million six hundred thousand dollars, as appropriated in section 1, chapter 3, Laws of 2006, shall be payable out of the public service revolving fund to provide energy assistance to customers in accordance with the low-income energy assistance program.

**Sec. 930.** RCW 82.14.495 and 2009 c 4 s 907 are each amended to read as follows:

(1) The streamlined sales and use tax mitigation account is created in the state treasury. The state treasurer shall transfer into the account from the general fund amounts as directed in RCW 82.14.500. Expenditures from the account may be used only for the purpose of mitigating the negative fiscal impacts to local taxing jurisdictions as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020. During the ((2007-2009)) 2009-2011 fiscal biennium, the legislature may transfer from the streamlined sales and use tax mitigation account to the state general fund such amounts as reflect the excess fund balance of the account.

(2) Beginning July 1, 2008, the state treasurer, as directed by the department, shall distribute the funds in the streamlined sales and use tax mitigation account to local taxing jurisdictions in accordance with RCW 82.14.500.

(3) The definitions in this subsection apply throughout this section and RCW 82.14.390 and 82.14.500.

(a) "Agreement" means the same as in RCW 82.32.020.

(b) "Local taxing jurisdiction" means counties, cities, transportation authorities under RCW 82.14.045, public facilities districts under chapters 36.100 and 35.57 RCW, public transportation benefit areas under RCW 82.14.440, and regional transit authorities under chapter 81.112 RCW, that impose a sales and use tax.

(c) "Loss" or "losses" means the local sales and use tax revenue reduction to a local taxing jurisdiction resulting from the sourcing provisions in RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020.

(d) "Net loss" or "net losses" means a loss offset by any voluntary compliance revenue.

(e) "Voluntary compliance revenue" means the local sales tax revenue gain to each local taxing jurisdiction reported to the department from persons registering through the central registration system authorized under the agreement.

(f) "Working day" has the same meaning as in RCW 82.45.180.

NEW SECTION. Sec. 931. A new section is added to 2009 c 564 (uncodified) to read as follows:

**COLLECTIVE BARGAINING AGREEMENT--WSRCC ADULT FAMILY HOME PROVIDERS.** Appropriations in this act reflect the collective bargaining agreement reached between the governor and the Washington state residential care council of adult family homes under the provisions of chapter 41.56 RCW.

NEW SECTION. Sec. 932. 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. 933. 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.

Correct the title.

Representative Miloscia moved the adoption of amendment (1314) to amendment (1295).

On page 17, line 32, increase the Legal Services Revolving Account--State appropriation by \$492,000

On page 17, line 36, correct the total

On page 18, after line 28, insert the following:

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

Representatives Miloscia, Darneille and Linville spoke in favor of the adoption of the amendment to the amendment.

Representative Seaquist spoke against the adoption of the amendment to the amendment.

Amendment (1314) to amendment (1295) was adopted.

Representative Pettigrew moved the adoption of amendment (1319) to amendment (1295).

On page 18, line 33, decrease the general fund--state appropriation for fiscal year 2010 by \$250,000

On page 20, line 6, correct the total

On page 20, line 9, after "(1)" strike "\$2,520,000" and insert "~~(\$2,520,000)~~\$2,270,000"

On page 82, line 8, increase the general fund--state appropriation for fiscal year 2010 by \$250,000

On page 82, line 19, correct the total

On page 86, after line 25, insert "(11) \$250,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for increased funding for limited English proficiency pathway programs."

Representative Pettigrew spoke in favor of the adoption of the amendment to the amendment.

Representative Hinkle spoke against the adoption of the amendment to the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Morris presiding) divided the House. The result was 59 - YEAS; 38 - NAYS.

Amendment (1319) to amendment (1295) was adopted.

Representative Anderson moved the adoption of amendment (1308) to amendment (1295).

On page 18, line 35, increase the General Fund--State appropriation for fiscal year 2011 by \$225,000

On page 20, line 6, correct the total

On page 26, after line 11, insert the following:

"(33) \$225,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for a contract between the department of commerce and the King county sexual assault resource center to develop a proprietary client tracking system. This tracking system will respond to two data needs: It will track open cases of sexual assault victims that the agency is working on at any given time in order to provide reports to funding sources; and it will provide an integrated system of case management, ensuring that all therapists and advocates working with a victim and family know the treatment plan, legal status, and mental health needs and issues. "

On page 123, line 9, decrease the general fund--state appropriation for fiscal year 2011 by \$225,000

On page 123, line 11, correct the total

On page 123, line 28, after "and" strike "\$3,166,000" and insert "~~(\$3,166,000)~~ \$2,941,000"

Representatives Anderson, Priest and Maxwell spoke in favor of the adoption of the amendment to the amendment.

Representative Roberts spoke against the adoption of the amendment to the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Morris presiding) divided the House. The result was 44 - YEAS; 54 - NAYS.

Amendment (1308) to amendment (1295) was not adopted.

Representative Uptegrove moved the adoption of amendment (1500) to amendment (1295).

On page 18, line 35, increase the general fund--state appropriation for fiscal year 2011 by \$625,000

On page 20, line 6, correct the total

On page 113, line 24, increase the general fund--state appropriation for fiscal year 2010 by \$200,000

On page 114, line 26, correct the total

On page 129, line 26, increase the general fund--state appropriation for fiscal year 2010 by \$1,230,000

On page 129, line 28, increase the general fund--state appropriation for fiscal year 2011 by \$4,883,000

On page 130, line 25, increase the state toxics control account--state appropriation by \$4,274,000

On page 131, line 26, correct the total

On page 138, line 7, increase the general fund--state appropriation for fiscal year 2011 by \$170,000

On page 138, line 18, correct the total

On page 140, line 5, increase the general fund--state appropriation for fiscal year 2010 by \$214,000

On page 140, line 7, increase the general fund--state appropriation for fiscal year 2011 by \$462,000

On page 141, line 2, correct the total

On page 145, line 10, increase the general fund--state appropriation for fiscal year 2011 by \$75,000

On page 146, line 8, correct the total

Representatives Uptegrove and Simpson spoke in favor of the adoption of the amendment to the amendment.

Representatives Schmick, Hinkle and Taylor spoke against the adoption of the amendment to the amendment.

Amendment (1500) to amendment (1295) was adopted.

Representative Kelley moved the adoption of amendment (1302) to amendment (1295).

0)

On page 28, beginning on line 31, strike all of subsection (4)

Renumber the remaining subsections consecutively and correct any internal references accordingly.

On page 125, line 17, increase the general fund--state appropriation for fiscal year 2011 by \$6,000

On page 126, after line 9, insert the following:

"(3) Within the amounts appropriated in this section, the sentencing guidelines commission shall perform an assessment of the effectiveness of requiring offenders who violate any conditions

of their community custody to serve a mandatory minimum period of 48 hours in total confinement. In conducting the assessment, the sentencing guidelines commission shall perform a review of the research studies to determine if a mandatory minimum confinement policy is an evidence-based practice, investigate the implementation of such a policy in Washington state. The sentencing guidelines commission shall report its findings to the governor and the legislature by December 1, 2010."

Representative Kelley spoke in favor of the adoption of the amendment to the amendment.

Amendment (1302) to amendment (1295) was adopted.

Representative Ericks moved the adoption of amendment (1316) to amendment (1295).

On page 32, line 36, increase the general fund--state appropriation for fiscal year 2010 by \$1,645,000

On page 33, line 1, increase the general fund--state appropriation for fiscal year 2011 by \$2,735,000

On page 33, line 14, correct the total.

On page 34, after line 5, insert the following:

"(6) \$1,645,000 of the general fund--state appropriation for fiscal year 2010 and \$2,735,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department of revenue to implement revenue legislation enacted in the 2010 legislative session."

Representatives Ericks and Hunter spoke in favor of the adoption of the amendment to the amendment.

Representatives Orcutt and Ericksen spoke against the adoption of the amendment to the amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of amendment (1316) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (1316) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444 and the amendment was adopted by the following vote: Yeas, 55; Nays, 43; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jacks, Kagi, Kenney, Kessler, Kirby, Lias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Quall, Rolfes, Santos, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeier, DeBolt, Driscoll, Ericksen, Fagan, Haler, Herrera, Hinkle, Hope, Hurst, Johnson, Kelley, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Priest, Probst, Roach, Roberts, Rodne, Ross, Schmick, Seaquist, Shea, Short, Smith, Taylor, Walsh and Warnick.

Amendment (1316) to (1295) was adopted.

Representative Green moved the adoption of amendment (1502) to amendment (1295).

On page 64, line 28, increase the general fund--state appropriation for fiscal year 2010 by \$871,000

On page 64, line 30, increase the general fund--state appropriation for fiscal year 2011 by \$1,563,000

On page 64, line 36, correct the total

Representative Green spoke in favor of the adoption of the amendment to the amendment.

Amendment (1502) to amendment (1295) was adopted.

Representative Simpson moved the adoption of amendment (1322) to amendment (1295).

On page 67, line 3, increase the general fund--state appropriation for fiscal year 2011 by \$725,000

On page 67, line 5, increase the general fund--federal appropriation by \$1,900,000

On page 67, line 8, correct the total

On page 67, line 15, after "(b)" insert "(i)"

On page 67, after line 22 insert the following:

"(ii) \$725,000 of the general fund--state appropriation for fiscal year 2011, and \$1,900,000 of the general fund--federal appropriation are provided solely to partially restore the hours reductions to in-home care that are taken in (b)(i) of this subsection."

On page 75, line 6, increase the general fund--state appropriation for fiscal year 2011 by \$4,386,000

On page 75, line 8, increase the general fund--federal appropriation by \$11,500,000

On page 75, line 14, correct the total

On page 76, line 23, after "(5)" insert "(i)"

On page 76, after line 30 insert the following:

"(ii) \$4,775,000 of the general fund--state appropriation for fiscal year 2011, and \$11,500,000 of the general fund federal appropriation are provided solely to partially restore the hours reductions to in-home care that are taken in (i) of this subsection."

Representative Simpson spoke in favor of the adoption of the amendment to the amendment.

Representatives Walsh, Cody and Linville spoke against the adoption of the amendment to the amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of amendment (1322) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444.

### ROLL CALL

The Clerk called the roll on the adoption of the amendment to Engrossed Substitute Senate Bill No. 6444 and the amendment was not adopted by the following vote: Yeas, 10; Nays, 88; Absent, 0; Excused, 0.

Voting yea: Representatives Chase, Conway, Goodman, Hasegawa, Hudgins, Kirby, Priest, Probst, Simpson and Williams.

Voting nay: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Clibborn, Cody, Condotta, Crouse, Dammeier, Darneille, DeBolt,

Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Green, Haigh, Haler, Herrera, Hinkle, Hope, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kelley, Kenney, Kessler, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Morris, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Quall, Roach, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Wood and Mr. Speaker.

Amendment (1322) to amendment (1295) was not adopted.

#### STATEMENT FOR THE JOURNAL

I intended to vote YEA on amendment (1322) to Engrossed Substitute Senate Bill No. 6444.

Marko Liias, 21st District

#### SECOND READING

Representative Appleton moved the adoption of amendment (1303) to amendment (1295).

0)

On page 75, line 4, increase the general fund--state appropriation for fiscal year 2010 by \$115,000

On page 75, line 6, increase the general fund--state appropriation for fiscal year 2011 by \$1,600,000

On page 75, line 8, increase the general fund--federal appropriation by \$2,590,000

On page 75, line 14, correct the total

On page 82, after line 2, insert the following:

"(23) \$115,000 of the general fund--state appropriation for fiscal year 2010, \$1,600,000 of the general fund--state appropriation for fiscal year 2011, and \$2,590,000 of the general fund--federal appropriation are provided solely for the department to maintain the total enrollment of the adult day health services program at the January 2010 level of 1,678 clients."

Representatives Appleton and Linville spoke in favor of the adoption of the amendment to the amendment.

Representative Morrell spoke against the adoption of the amendment to the amendment.

Amendment (1303) to amendment (1295) was adopted.

Representative Simpson moved the adoption of amendment (1321) to amendment (1295).

On page 75, line 4, decrease the general fund--state appropriation for fiscal year 2010 by \$18,769,000

On page 75, line 6, decrease the general fund--state appropriation for fiscal year 2011 by \$19,682,000

On page 75, after line 12, insert the following:

"Nursing Facility Quality Assurance Trust Fund--State Appropriation..... \$38,451,000"

On page 82, after line 2, insert the following:

"(23) \$38,451,000 of the nursing facility quality assurance trust fund appropriation is provided solely for House Bill No. 3021 (nursing facility quality assurance). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 207 FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT SERVICES PROGRAM

General Fund--State Appropriation (FY2010).....\$18,769,000

General Fund--State Appropriation (FY2011).....\$19,682,000

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

Funding is appropriated solely in the event that House Bill No. 3021 (nursing facility quality assurance) does not pass. If House Bill No. 3021 (nursing facility quality assurance) is enacted by May 30, 2010, the amounts provided in this subsection shall lapse."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representatives Simpson, Simpson (again) and Armstrong spoke in favor of the adoption of the amendment to the amendment.

Representatives Linville, Cody and Orcutt spoke against the adoption of the amendment to the amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of amendment (1321) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444.

#### ROLL CALL

The Clerk called the roll on the adoption of amendment (1321) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444 and the amendment was not adopted by the following vote: Yeas, 41; Nays, 57; Absent, 0; Excused, 0.

Voting yea: Representatives Angel, Armstrong, Campbell, Chandler, Chase, Condotta, Conway, Crouse, Dammeier, DeBolt, Fagan, Finn, Goodman, Green, Haler, Hasegawa, Hinkle, Hudgins, Johnson, Kirby, Kretz, McCoy, McCune, Nealey, O'Brien, Parker, Priest, Roberts, Rodne, Rolfes, Ross, Schmick, Shea, Short, Simpson, Takko, Taylor, Van De Wege, Walsh, Warnick and Williams.

Voting nay: Representatives Alexander, Anderson, Appleton, Bailey, Blake, Carlyle, Clibborn, Cody, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Flannigan, Haigh, Herrera, Hope, Hunt, Hunter, Hurst, Jacks, Kagi, Kelley, Kenney, Kessler, Klippert, Kristiansen, Liias, Linville, Maxwell, Miloscia, Moeller, Morrell, Morris, Nelson, Orcutt, Ormsby, Orwall, Pearson, Pedersen, Pettigrew, Probst, Quall, Roach, Santos, Seaquist, Sells, Smith, Springer, Sullivan, Upthegrove, Wallace, White, Wood and Mr. Speaker.

Amendment (1321) to amendment (1295) was not adopted.

#### STATEMENT FOR THE JOURNAL

I intended to vote YEA on amendment (1321) to Engrossed Substitute Senate Bill No. 6444.

Marko Liias, 21st District

#### SECOND READING

Representative Flannigan moved the adoption of amendment (1315) to amendment (1295).

0)

On page 75, line 6, increase the general fund--state appropriation for fiscal year 2011 by \$2,000,000

On page 75, line 14, correct the total

On page 81, line 28, after "(21)" strike "\$1,816,000" and insert "\$3,816,000"

On page 276, line 5, after "on the" strike "long-term care services" and insert "services authorized in RCW 74.31.030(4)(c)"

On page 276, after line 7, insert the following:

"**Sec. 928.** RCW 74.31.030 and 2007 c 356 s 4 are each

amended to read as follows:

(1) By July 30, 2007, the department shall designate a staff person who shall be responsible for the following:

(a) Coordinating policies, programs, and services for individuals with traumatic brain injuries; and

(b) Providing staff support to the council created in RCW 74.31.020.

(2) The department shall provide data and information to the council established under RCW 74.31.020 that is requested by the council and is in the possession or control of the department.

(3) By December 1, 2007, the department shall provide a preliminary report to the legislature and the governor, and shall provide a final report by December 1, 2008, containing recommendations for a comprehensive statewide plan to address the needs of individuals with traumatic brain injuries, including the use of public-private partnerships and a public awareness campaign. The comprehensive plan should be created in collaboration with the council and should consider the following:

(a) Building provider capacity and provider training;

(b) Improving the coordination of services;

(c) The feasibility of establishing agreements with private sector agencies to develop services for individuals with traumatic brain injuries; and

(d) Other areas the council deems appropriate.

(4) By December 1, 2007, the department shall:

(a) Provide information and referral services to individuals with traumatic brain injuries until the statewide referral and information network is developed. The referral services may be funded from the traumatic brain injury account established under RCW 74.31.060; ~~(and)~~

(b) Encourage and facilitate the following:

(i) Collaboration among state agencies that provide services to individuals with traumatic brain injuries;

(ii) Collaboration among organizations and entities that provide services to individuals with traumatic brain injuries; and

(iii) Community participation in program implementation; and

(c) During the 2009-2011 fiscal biennium:

(i) Secure funding to develop housing specifically for traumatic brain injured individuals by leveraging federal and private fund sources;

(ii) Expand support group services with an emphasis on persons returning from active military duty with traumatic brain injury and their families;

(iii) Establish training and outreach to first responders and emergency medical staff for care related to traumatic brain injury; and

(iv) Improve awareness of health insurance coverage options and promote best practices in private health insurance coverage.

(5) By December 1, 2007, and by December 1st each year thereafter, the department shall issue a report to the governor and the legislature containing the following:

(a) A summary of action taken by the department to meet the needs of individuals with traumatic brain injuries; and

(b) Recommendations for improvements in services to address the needs of individuals with traumatic brain injuries."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representatives Flannigan and Linville spoke in favor of the adoption of the amendment to the amendment.

Amendment (1315) to amendment (1295) was adopted.

Representative Short moved the adoption of amendment (1318) to amendment (1295).  
0)

On page 98, after line 37, insert the following:

"(39) The department shall propose a new medicaid prescription drug pricing benchmark to replace the average wholesale price (AWP), and report on the transition plan, the potential impact on stakeholders, and impact on state expenditures for the 2011-13 biennium to the governor and the fiscal committees of the legislature by November 1, 2010. This effort will include collaboration with stakeholders and be consistent with the recommendations of the American medicaid pharmacy administrators association and the national association of medicaid directors working group on post-AWP pricing and reimbursement."

Renumber subsections consecutively and correct internal references accordingly.

Representatives Short and Cody spoke in favor of the adoption of the amendment to the amendment.

Amendment (1318) to amendment (1295) was adopted.

Representative Seaquist moved the adoption of amendment (1287) to amendment (1295).  
0)

On page 104, after line 31, insert the following:

"(10) In the event that the authority markets a non-subsidized version of the basic health plan, the authority must also provide information on other health care coverage options to potential clients."

Representatives Seaquist and Linville spoke in favor of the adoption of the amendment to the amendment.

Amendment (1287) to amendment (1295) was adopted.

Representative Cody moved the adoption of amendment (1307) to amendment (1295).  
0)

On page 113, line 26, increase the general fund--state appropriation for fiscal year 2011 by \$2,649,000

On page 114, line 26, correct the total

Representative Cody spoke in favor of the adoption of the amendment to the amendment.

Representative Bailey spoke against the adoption of the amendment to the amendment.

Amendment (1307) to amendment (1295) was adopted.

Representative Finn moved the adoption of amendment (1306) to amendment (1295).  
0)

On page 145, after line 3, insert the following:

"(21) The department must work with appropriate stakeholders to facilitate the disposition of salmon to best utilize the resource, increase revenues to regional fisheries enhancement groups, and enhance the provision of nutrients to food banks. By November 1, 2010, the department must provide a report to the appropriate committees of the legislature summarizing these discussions, outcomes, and recommendations. After November 1, 2010, the department shall not solicit or award a surplus salmon disposal

contract without first giving due consideration to implementing the recommendations developed during the stakeholder process."

Representatives Finn and Ericks spoke in favor of the adoption of the amendment to the amendment.

Amendment (1306) to amendment (1295) was adopted.

Representative Anderson moved the adoption of amendment (1309) to amendment (1295).

0)

On page 208, after line 16, insert the following:

"(9)(a) Within existing resources, a legislative task force on four-year public university access and affordability is established with the following membership:

(i) The president of the senate shall appoint one member from each of the two largest caucuses of the senate. At least one member shall be a member of the senate higher education and workforce development committee and at least one member shall be a member of the senate ways and means committee;

(ii) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives. At least one member shall be a member of the house higher education committee and at least one member shall be a member of the house education appropriations committee; and

(iii) The governor shall appoint the chair of the committee, who is a non-voting member. The appointee shall not be a current or former trustee, employee, vendor, or contractor to a Washington public four-year institution of higher education.

(b) Staff support for the task force shall be provided by the house office of program research and senate committee services.

(c) The duties of the task force shall include:

(i) Recommending a ten-year integrated and comprehensive state policy to align state investments in institutional support and financial aid, tuition, and cost management;

(ii) Reviewing all aspects of the business operations of the public four-year institutions;

(iii) Issuing recommendations on changes to optimize the use of resources and yield savings that can be redirected so as to maintain academic and research quality, accommodate increasing enrollment demands, and moderate tuition increases; and

(iv) Conducting an analysis of four-year graduate job placement and retention.

(d) The workgroup shall report to the appropriate committees of the legislature by December 1, 2010, with findings and recommendations regarding long-term, sustainable, integrated, and comprehensive policies regarding tuition, state funding level financial aid, and institutional cost management."

Representatives Anderson and Wallace spoke in favor of the adoption of the amendment to the amendment.

Amendment (1309) to amendment (1295) was adopted.

Representative Kenney moved the adoption of amendment (1362) to amendment (1295).

On page 210, line 7, increase the general fund--state appropriation for fiscal year 2011 by \$14,000

On page 210, line 11, correct the total

On page 212, line 31 after "least" strike "\$150,000" and insert "\$164,000"

On page 218, line 11, decrease the general fund--state appropriation for fiscal year 2011 by \$14,000

On page 218, line 17, correct the total

Representatives Kenney and Linville spoke in favor of the adoption of the amendment to the amendment.

Amendment (1362) to amendment (1295) was adopted.

Representative Probst moved the adoption of amendment (1381) to amendment (1295).

0)

On page 210, line 7, decrease the general fund--state appropriation for fiscal year 2011 by \$3,039,000

On page 210, after line 9, insert the following:  
"Opportunity Express Account--State Appropriation. . . .  
\$.2,039,000"

On page 210, line 11, correct the total.

On page 210, line 15, after "2010" strike "and" and insert "~~(and)~~,"

On page 210, line 16, after "2011" insert ", and \$1,039,000 of the opportunity express account--state appropriation"

On page 210, line 19, after "at least" strike "6,200" and insert "~~(6,200)~~ 6,425"

On page 212, after line 34, insert the following:

"(13) \$1,000,000 of the opportunity express account--state appropriation is provided solely for the opportunity grant program as specified in RCW 28B.50.271."

On page 227, after line 11, insert the following:

"Opportunity Express Account--State Appropriation. . . .  
\$.1,000,000"

On page 227, line 13, correct the total.

On page 227, on line 15, after "~~((2))~~" insert the following:  
"(1)"

On page 227, after line 20, insert the following:

"(2) \$1,000,000 of the opportunity express account--state appropriation is provided solely for distribution to local workforce development councils for the development of local business internships for the opportunity internships program as specified in RCW 28B.92.084 and the identification of high demand industries and skills in their local economies."

On page 243, after line 30, insert the following:

"**NEW SECTION. Sec. 715.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--  
OPPORTUNITY EXPRESS ACCOUNT**

General Fund--State Appropriation (FY 2011). . . . .  
\$.3,039,000

The appropriation in this section is provided solely for expenditure into the opportunity express account--state."

Representatives Probst, Linville, Conway and Wallace spoke in favor of the adoption of the amendment to the amendment.

Representatives Orcutt, Priest and Priest (again), and Angel spoke against the adoption of the amendment to the amendment.

Amendment (1381) to amendment (1295) was adopted.

Representative Sells moved the adoption of amendment (1415) to amendment (1295).

0)

On page 210, line 7, increase the general fund--state appropriation for fiscal year 2011 by \$2,000,000

On page 210, line 11, correct the total

On page 212, after line 34, insert the following:

"\$2,000,000 of the general fund--state appropriation in fiscal year 2011 is provided solely for the state board for community and technical colleges to contract with the aerospace training and research

center on paine field in Everett, Washington to support industry-identified training in the aerospace sector."

Representatives Sells and Ericks spoke in favor of the adoption of the amendment to the amendment.

Amendment (1415) to amendment (1295) was adopted.

Representative Driscoll moved the adoption of amendment (1304) to amendment (1295).

On page 215, line 15 of the amendment, after "networks." insert "The results of the joint planning efforts, including the status of the application preparation and business plan, must be reported to the house of representatives committee on higher education and the senate committee on higher education and workforce development by December 1, 2010."

Representatives Driscoll and Linville spoke in favor of the adoption of the amendment to the amendment.

Amendment (1304) to amendment (1295) was adopted.

Representative McCoy moved the adoption of amendment (1384) to amendment (1295).

On page 221, after line 27, insert the following:

"(16) At least \$119,207 of the general fund--state appropriation for fiscal year 2011 shall be expended on the longhouse center.

(17) At least \$103,146 of the general fund--state appropriation for fiscal year 2011 shall be expended on the Northwest Indian applied research institute"

Representatives McCoy and Linville spoke in favor of the adoption of the amendment to the amendment.

Representative Anderson spoke against the adoption of the amendment to the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Morris presiding) divided the House. The result was 61 - YEAS; 37 - NAYS.

Amendment (1384) to amendment (1295) was adopted.

Representative Kagi moved the adoption of amendment (1313) to amendment (1295).

On page 228, after line 9, insert the following:

"Home Visiting Services Account--State . . . . . \$100,000"

On page 228, line 11, correct the total

On page 231, beginning on line 14, after "(15)" strike all material through "account" on line 20 and insert "(a) \$1,245,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for expenditure into the home visiting services account created in section 918 of this act; and (b) \$100,000 of the home visiting services account is provided solely for administering services funded from the home visiting services account"

Representatives Kagi and Linville spoke in favor of the adoption of the amendment to the amendment.

Amendment (1313) to amendment (1295) was adopted.

Representative Seaquist moved the adoption of amendment (1305) to amendment (1295).

0)

On page 230, beginning on line 15 of the amendment, strike all of subsection (10) and insert the following:

"(10) The legislature notes that the department of early learning is developing a plan for improving child care licensing and is consulting, as practicable, with parents, licensed child care providers, and stakeholders from the child care community. The plan shall outline the processes and specify the resources necessary for improvements such as continuing licenses, child care licensing technology, and weighted child care regulations, including development of risk-based decision making models and inclusive, evidence-based rule making. The department shall submit to the appropriate committees of the legislature a plan by January 15, 2011."

Representatives Seaquist and Linville spoke in favor of the adoption of the amendment to the amendment.

Amendment (1305) to amendment (1295) was adopted.

Representative Armstrong moved the adoption of amendment (1320) to amendment (1295).

On page 239, beginning on line 22, strike all of section 707 and insert the following:

"NEW SECTION. Sec. 707. A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--ONE AND THREE QUARTERS PERCENT ACROSS THE BOARD SALARY REDUCTION.

General Fund--State Appropriation (FY 2010) (\$3,742,000)

General Fund--State Appropriation (FY 2011) (\$44,906,000)

Special Account Salary/Insurance Increase Account--State Revolving Account Appropriation(\$51,975,000)

TOTAL APPROPRIATION (\$100,623,000)

(1) Beginning June 1, 2010, and until the June 30, 2011, the salaries or wages paid to all employees of all state agencies and institutions of higher education are reduced by one and three quarters percent. In conjunction with this one and three quarters percent reduction in pay, no state employee shall be required to take mandatory days of leave without pay between June 1, 2010 and June 30, 2011.

(2) It is the intent of the Legislature that state elected officials whose salaries are set by the salary commission offer a similar reduction to his or her salaries as called for in subsection (1) of this section, and are thereby strongly encouraged to make a similar one and three quarters percent of salary donation to a worthy charitable cause.

(3) The appropriations for 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 savings resulting from reducing salaries and wages, and to facilitate the transfer of moneys from dedicated funds and accounts the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the special account retirement contribution increase revolving account in accordance with schedules provided by the office of financial management.

(4) It is the intent of the legislature that the reduction of employee salaries and wages made pursuant to this section be considered as integral to agency spending reduction efforts. Consistent with chapter 430, laws of 2009 (Senate Bill 6157 - calculating compensation for pension purposes), and sections 5 through 8 of Substitute Senate Bill 6503, as amended by the house committee on ways and means, the calculation of final salaries for employee pensions shall not be adversely affected by the across-the-board salary reduction required by this section."



Representatives Armstrong, Ross and Klippert spoke in favor of the adoption of the amendment to the amendment.

Representatives Hunt and Linville spoke against the adoption of the amendment to the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Morris presiding) divided the House. The result was 42 - YEAS; 57 - NAYS.

Amendment (1320) to amendment (1295) was not adopted.

Representative Orwall moved the adoption of amendment (1507) to amendment (1295).

On page 239, beginning on line 22, strike all of section 707 and insert the following:

**"NEW SECTION. Sec. 707.** A new section is added to 2009 c 564 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--  
STATE AGENCY AND HIGHER EDUCATION EMPLOYEE  
COMPENSATION REDUCTIONS.**

General Fund--State Appropriation (FY 2010) (\$3,742,000)

General Fund--State Appropriation (FY 2011) (\$44,906,000)

Special Account Salary/Insurance Increase Account--State Revolving  
Account Appropriation (\$51,975,000)

**TOTAL APPROPRIATION (\$100,623,000)**

(1) State agencies, including institutions of higher education, shall reduce compensation expenditures by the amounts specified in this section. These reductions shall be made proportionately based on each state agency and institution's share of the total compensation of all state employees.

(2) The appropriations for 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 savings resulting from reducing compensation. To facilitate the transfer of moneys from dedicated funds and accounts the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the special account retirement contribution increase revolving account in accordance with schedules provided by the office of financial management."

Representatives Orwall and Linville spoke in favor of the adoption of the amendment to the amendment.

Amendment (1507) to amendment (1295) was adopted.

Representative Hinkle moved the adoption of amendment (1340) to amendment (1295).

On page 243, after line 30, insert the following:

**"NEW SECTION. Sec. 715.** A new section is added to 2009 c 564 (uncodified) to read as follows:

The legislature finds that the governor's 2010 supplemental operating budget request contains requests for funds to implement the compensation and fringe benefits provisions of the bargaining agreements negotiated with state employees following the conclusion of the 2009 legislative session. As provided for in RCW 41.80.010(3)(b), those requests for funds are hereby rejected as a whole.

**NEW SECTION. Sec. 716.** A new section is added to 2009 c 564 (uncodified) to read as follows:

The appropriations for state agencies, including institutions of higher education, are subject to the following conditions and limitations: Appropriations are reduced to reflect changes to agency

appropriations to reflect savings resulting from changes to employee compensation made by this section. The office of financial management shall update agency appropriations schedules to reflect the changes to funding levels in this section:

General Fund--State Appropriation (FY 2011) (\$6,596,000)

Special Account Salary/Insurance Increase Account--State

Revolving Account Appropriation (\$9,526,000)

**TOTAL APPROPRIATION (\$16,122,000)**

(1) From July 1, 2010 through June 30, 2011, a salary or wage increase shall not be granted to any position classified under this chapter, or to employees covered by collective bargaining agreements negotiated under chapters 28B.52, 41.56, 47.64, 41.76 RCW, or collective bargaining agreements negotiated by the nonprofit corporation formed under chapter 67.40 RCW, except that a salary increase may be granted for a position for which the employer has demonstrated difficulty in retaining qualified employees if the following conditions are met:

(a) The salary increase can be paid within existing resources; and

(b) The salary increase will not adversely impact the delivery of client services.

(2) From the effective date of this act through June 30, 2011, a salary or wage increase shall not be granted to any position exempt from classification under this chapter, except that a salary increase may be granted for a position for which the employer has demonstrated difficulty in retaining qualified employees if the following conditions are met:

(a) The salary increase can be paid within existing resources; and

(b) The salary increase will not adversely impact the delivery of client services.

(3) Any agency granting a salary increase from the effective date of this act through June 30, 2011, to a position classified or exempt from classification under this chapter, shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

(4) This section expires July 1, 2011."

ReNUMBER remaining sections consecutively, correct internal references accordingly, and correct the title.

Representatives Hinkle, Ericksen and Alexander spoke in favor of the adoption of the amendment to the amendment.

Representatives Hunt and Linville spoke against the adoption of the amendment to the amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of amendment (1340) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444.

## ROLL CALL

The Clerk called the roll on the adoption of amendment (1340) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444 and the amendment was not adopted by the following vote: Yeas, 41; Nays, 57; Absent, 0; Excused, 0.

Voting yea: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeier, DeBolt, Eddy, Ericksen, Fagan, Haler, Herrera, Hinkle, Hope, Hurst, Johnson, Kelley, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Priest, Probst, Roach, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh and Warnick.

Voting nay: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jacks, Kagi, Kenney, Kessler, Kirby, Liias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Amendment (1340) to amendment (1295) was not adopted.

Representative Ericks moved the adoption of amendment (1501) to amendment (1295).

On page 243, after line 30, insert the following:

"Sec. 715. 2009 c 564 s 915 (uncodified) is amended to read as follows:  
General Fund--State Appropriation (FY 2011) \$22,340,000  
Special Account Salary/Insurance Increase Account--State Revolving Account Appropriation \$111,554,000  
TOTAL APPROPRIATION \$133,894,000

Appropriations for state agencies in this act, and as appropriated above, are sufficient for nonrepresented and represented state employee health benefits for state agencies, including institutions of higher education. The office of financial management shall update agency appropriations schedules to reflect the changes to funding levels in this section by agency and fund. To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys, in an amount not to exceed \$68,554,000 from each dedicated fund or account to the special salary/insurance increase account in accordance with schedules provided by the office of financial management. ~~((and))~~ The appropriations for health insurance funding rates in state agency appropriations, and those in this section are subject to the following conditions and limitations:

(1) The legislature finds that the monthly employer funding rates in the 2009-2011 operating budget, in combination with the level of state employee premium share collectively bargained following the conclusion of the 2009 legislative session, have produced an inadequate stream of revenue to maintain the state employee health benefits system in a sustainable and stable financial position. The increase to the monthly employer funding rate made in this section is made with the intent that the governor immediately request that the coalition of all the exclusive bargaining representatives with which health care benefit funding is bargained commence bargaining over a corresponding increase in the employee share of health premiums.

(2)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$745 per eligible employee for fiscal year 2010. For fiscal year 2011 the monthly employer funding rate shall not exceed ~~((768))~~ \$863 per eligible employee, nor shall a plan for expenditures on benefits and administration by the public employees' benefits board be adopted that results in projected total reserve funds being less than \$90,000,000 by June 30, 2011.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065. During the 2009-11 fiscal biennium, the board may only authorize benefit plans and premium contributions for an employee and the employee's dependents that are the same, regardless of an employee's status as represented or nonrepresented under the personnel system reform act of 2002.

(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.

(d) The conditions in this section apply to benefits for nonrepresented employees, employees represented by the super coalition, and represented employees outside of the super coalition, including employees represented under chapter 47.64 RCW.

~~((2))~~(3) 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. From January 1, 2010, through the remainder of the 2009-11 fiscal biennium, the subsidy shall be \$182.89.

~~((3))~~(4) 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, \$59.59 per month beginning September 1, 2009, and \$64.90 beginning September 1, 2010;

(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, \$59.59 each month beginning September 1, 2009, and \$64.90 beginning September 1, 2010, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority."

Correct the title.

On page 249, after line 19, insert the following:

"Data Processing Revolving Account: For transfer to the Salary/Insurance Increase Revolving Account--State for fiscal year 2011. . . . . \$30,000,000  
Public Works Assistance Account: For transfer to the Salary/Insurance Increase Revolving Account--State for fiscal year 2011. . . . . \$13,000,000"

On page 264, after line 20, insert the following:

"Sec. 918. RCW 43.105.080 and 1999 c 80 s 8 are each amended to read as follows:

There is created a revolving fund to be known as the data processing revolving fund in the custody of the state treasurer. The revolving fund shall be used for the acquisition of equipment, software, supplies, and services and the payment of salaries, wages, and other costs incidental to the acquisition, development, operation, and administration of information services, telecommunications, systems, software, supplies and equipment, including the payment of principal and interest on bonds issued for capital projects, by the department, Washington State University's computer services center, the department of personnel's personnel information systems division, the office of financial management's financial systems management group, and other users as jointly determined by the department and the office of financial management, and during the 2009-11 fiscal biennium, the legislature may transfer from the data processing revolving fund to the salary/insurance increase revolving fund such amounts as reflect the excess fund balance of the account. The revolving fund is subject to the allotment procedure provided under chapter 43.88 RCW. Disbursements from the revolving fund for the services component of the department are not subject to appropriation. Disbursements for the strategic planning and policy component of the department are subject to appropriation. All

disbursements from the fund are subject to the allotment procedures provided under chapter 43.88 RCW. The department shall establish and implement a billing structure to assure all agencies pay an equitable share of the costs.

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. 919.** RCW 43.155.050 and 2009 c 564 s 940 are each amended to read as follows:

(1) 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 2009-2011 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund, ~~((and))~~ the city-county assistance account, and the salary/insurance increase revolving fund such amounts as reflect the excess fund balance of the account.

(2) The job development fund is hereby established in the state treasury. Moneys in the job development fund may be spent only after appropriation."

Renumber the remaining sections consecutively, correct any references accordingly, and correct the title.

Representatives Ericks, Linville and Sullivan spoke in favor of the adoption of the amendment to the amendment.

Representatives Ericksen, Hinkle, Alexander and Rodne spoke against the adoption of the amendment to the amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of amendment (1501) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (1501) to amendment (1295) to Engrossed Substitute Senate Bill No. 6444 and the amendment was adopted by the following vote: Yeas, 56; Nays, 42; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jacks, Kagi, Kenney, Kessler, Kirby, Liias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Quall, Roberts, Rolfes, Santos, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Finn, Haler, Herrera, Hinkle, Hope, Hurst, Johnson, Kelley, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Priest, Probst, Roach, Rodne, Ross, Schmick, Seaquist, Shea, Short, Smith, Taylor, Walsh and Warnick.

Amendment (1501) to amendment (1295) was adopted.

Representative Pettigrew moved the adoption of amendment (1391) to amendment (1295).

On page 277, after line 32, insert the following:

**"Sec. 932.** RCW 80.36.430 and 2009 c 564 s 960 are each amended to read as follows:

(1) The Washington telephone assistance program shall be funded by a telephone assistance excise tax on all switched access lines 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 bill the fund for their expenses incurred in offering the telephone assistance program, including administrative and program expenses. The department shall 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 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 enter into an agreement with the \*department of community, trade, and economic development 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 biennium, the department shall enter into an agreement with the ~~((military department))~~ WIN 211 organization for ~~((one million dollars to))~~ operational support ~~((the WIN 211 program))."~~

Renumber the sections consecutively and correct any internal references accordingly. Correct the title.

Representative Pettigrew spoke in favor of the adoption of the amendment to the amendment.

Amendment (1391) to amendment (1295) was adopted.

Amendment (1295) was adopted as amended.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Linville, Sullivan, Wallace, Pettigrew and Linville spoke in favor of the passage of the bill.

Representatives Hinkle, Alexander, Armstrong, Bailey, Dammeier and Ericksen spoke against the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6444, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6444, as amended by the House, and the bill passed the House by the following vote: Yeas, 55; Nays, 43; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kenney, Kessler, Kirby, Liias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Quall, Roberts, Rolfes, Santos, Sells, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeier, DeBolt, Driscoll, Ericksen, Fagan, Haler, Herrera, Hinkle, Hope, Johnson, Kelley, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Priest, Probst, Roach, Rodne, Ross, Schmick, Seaquist, Shea, Short, Simpson, Smith, Taylor, Walsh, Warnick and Williams.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6444, as amended by the House, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the following bills listed on the second reading calendar were referred to the Committee on Rules.

HOUSE BILL NO. 2351  
 HOUSE BILL NO. 2569  
 HOUSE BILL NO. 2897  
 HOUSE BILL NO. 2914  
 HOUSE BILL NO. 3156  
 SUBSTITUTE SENATE BILL NO. 6374  
 SUBSTITUTE SENATE BILL NO. 6380  
 SUBSTITUTE SENATE BILL NO. 6393  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 6402  
 ENGROSSED SUBSTITUTE SENATE BILL NO. 6424  
 ENGROSSED SENATE BILL NO. 6430  
 SUBSTITUTE SENATE BILL NO. 6706  
 SUBSTITUTE SENATE BILL NO. 6747  
 SECOND SUBSTITUTE SENATE BILL NO. 6760  
 SECOND SUBSTITUTE SENATE BILL NO. 6790  
 SENATE JOINT RESOLUTION NO. 8225

There being no objection, the House adjourned until 9:30 a.m., March 6, 2010, the 55th Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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	President Signed.....	23
1541	President Signed.....	23
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	President Signed.....	23
1560-S2	President Signed.....	23
1576	Speaker Signed.....	1
	President Signed.....	23
1591-S2	President Signed.....	23
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1913-S	President Signed.....	23
2226-S	President Signed.....	23
2351	Other Action.....	106
2396-S2	President Signed.....	23
2399-S	President Signed.....	23
2403-S	Speaker Signed.....	1
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	President Signed.....	23
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2428	Speaker Signed.....	1
	President Signed.....	23
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