

ESHB 2127 - H AMD 1403
By Representative Hunter

ADOPTED AS AMENDED 04/05/2012

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I
4 GENERAL GOVERNMENT

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

7 **FOR THE HOUSE OF REPRESENTATIVES**

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

16 The appropriations in this section are subject to the following
17 conditions and limitations: \$50,000 of the general fund--state
18 appropriation for fiscal year 2013 is provided solely for a joint
19 select committee on junior taxing districts, municipal corporations,
20 and local government finance. The joint select committee will be
21 composed of two members from each caucus from the house and from the
22 senate. The joint select committee shall review junior taxing
23 districts and municipal corporations for the purpose of evaluating
24 their provided services and making recommendations on the
25 appropriateness of consolidating services into a general purpose local
26 government. The joint select committee shall also examine new revenue
27 options for local governments. In completing its review and
28 recommendations, the joint select committee shall seek pertinent
29 information and advice from: (a) Organizations representing counties,

1 cities, and junior taxing districts; (b) counties, cities, and junior
2 taxing districts; (c) the department of revenue; and (d) the state
3 auditor.

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

6 **FOR THE SENATE**

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

15 The appropriations in this section are subject to the following
16 conditions and limitations: \$50,000 of the general fund--state
17 appropriation for fiscal year 2013 is provided solely for a joint
18 select committee on junior taxing districts, municipal corporations,
19 and local government finance. The joint select committee will be
20 composed of two members from each caucus from the house and from the
21 senate. The joint select committee shall review junior taxing
22 districts and municipal corporations for the purpose of evaluating
23 their provided services and making recommendations on the
24 appropriateness of consolidating services into a general purpose local
25 government. The joint select committee shall also examine new revenue
26 options for local governments. In completing its review and
27 recommendations, the joint select committee shall seek pertinent
28 information and advice from: (a) Organizations representing counties,
29 cities, and junior taxing districts; (b) counties, cities, and junior
30 taxing districts; (c) the department of revenue; and (d) the state
31 auditor.

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

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

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

1 (4) \$85,000 of the medical aid account--state appropriation and
2 \$85,000 of the accident account--state appropriation are provided
3 solely for the purposes of House Bill No. 2123 (workers' compensation).
4 If the bill is not enacted by June 30, 2011, the amounts provided in
5 this subsection shall lapse.

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

14 (6) \$250,000 of the forest fire protection assessment account--
15 state appropriation is provided solely for the joint legislative audit
16 and review committee to review the efficiency and effectiveness of the
17 state's mechanisms for funding fire prevention and suppression
18 activities. The analysis shall include options such as the use of
19 private or state insurance, the increased use of revolving accounts,
20 and any examples of where those mechanisms have been used. In
21 conducting the study, the committee shall seek input from the office of
22 financial management, the department of natural resources, and
23 appropriate stakeholders. A report including any recommendations shall
24 be provided to the appropriate committees of the legislature by June
25 30, 2013.

26 (7) The joint legislative audit and review committee will assess
27 the costs of the department of fish and wildlife to produce trout to
28 achieve the department's desired freshwater stocking objectives and
29 compare these costs to the costs of the alternatives for producing
30 trout such as contracting for services. As part of its assessment, the
31 committee will consider the following:

32 (a) The total costs to the department for producing trout at
33 department trout production facilities, by category of trout
34 production, to achieve the department's desired freshwater stocking
35 objectives;

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

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

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

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

7 **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

8	General Fund--State Appropriation (FY 2012)	(((\$2,027,000))
9		<u>\$2,025,000</u>
10	General Fund--State Appropriation (FY 2013)	(((\$2,193,000))
11		<u>\$1,720,000</u>
12	TOTAL APPROPRIATION	(((\$4,220,000))
13		<u>\$3,745,000</u>

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

16 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

17	General Fund--State Appropriation (FY 2012)	(((\$8,016,000))
18		<u>\$8,013,000</u>
19	General Fund--State Appropriation (FY 2013)	(((\$7,911,000))
20		<u>\$7,666,000</u>
21	TOTAL APPROPRIATION	(((\$15,927,000))
22		<u>\$15,679,000</u>

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

25 **FOR THE OFFICE OF THE STATE ACTUARY**

26	((General Fund--State Appropriation (FY 2012)	\$24,000
27	General Fund--State Appropriation (FY 2013)	\$24,000))
28	Department of Retirement Systems Expense	
29	Account--State Appropriation	(((\$3,344,000))
30		<u>\$3,323,000</u>
31	((TOTAL APPROPRIATION	\$3,392,000))

32 The appropriations in this section are subject to the following
33 conditions and limitations: \$75,000 of the department of retirement
34 services account--state appropriation is for the state actuary to study
35 the issue of merging the law enforcement officers' and fire fighters'

1 retirement system plans 1 and 2 into a single retirement plan. The
2 department of retirement systems shall assist the state actuary by
3 providing such information and advice as the state actuary requests,
4 and the state actuary may contract for services as needed to conduct
5 the study. The results of the study shall be reported to the ways and
6 means committees of the house of representatives and the senate by
7 December 15, 2011.

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

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

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

21 (2) The state actuary shall solicit the input of the law
22 enforcement officers' and fire fighters' retirement system plan 2
23 retirement board and organizations representing members and retirees of
24 the law enforcement officers' and fire fighters' retirement system plan
25 1 on the issue of the merger of the two plans, and include
26 representative submissions of the input of the organizations along with
27 the report.

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

30 **FOR THE STATUTE LAW COMMITTEE**

31	General Fund--State Appropriation (FY 2012)	(\$4,248,000))
32		<u>\$4,245,000</u>
33	General Fund--State Appropriation (FY 2013)	(\$4,689,000))
34		<u>\$4,523,000</u>
35	TOTAL APPROPRIATION	(\$8,937,000))
36		<u>\$8,768,000</u>

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

3 **FOR THE SUPREME COURT**

4	General Fund--State Appropriation (FY 2012)	((\$6,724,000))
5		<u>\$6,757,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$6,738,000))
7		<u>\$6,561,000</u>
8	TOTAL APPROPRIATION	((\$13,462,000))
9		<u>\$13,318,000</u>

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

12 **FOR THE LAW LIBRARY**

13	General Fund--State Appropriation (FY 2012)	((\$1,506,000))
14		<u>\$1,504,000</u>
15	((General Fund--State Appropriation (FY 2013)	(\$1,466,000))
16	<u>Judicial Information System Account--State</u>	
17	<u>Appropriation</u>	<u>\$1,500,000</u>
18	TOTAL APPROPRIATION	((\$2,972,000))
19		<u>\$3,004,000</u>

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

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

27 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

28	General Fund--State Appropriation (FY 2012)	((\$1,057,000))
29		<u>\$1,053,000</u>
30	General Fund--State Appropriation (FY 2013)	((\$991,000))
31		<u>\$975,000</u>
32	TOTAL APPROPRIATION	((\$2,048,000))
33		<u>\$2,028,000</u>

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

1 **FOR THE COURT OF APPEALS**

2	General Fund--State Appropriation (FY 2012)	((\$15,285,000))
3		<u>\$15,275,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$15,290,000))
5		<u>\$15,168,000</u>
6	TOTAL APPROPRIATION	((\$30,575,000))
7		<u>\$30,443,000</u>

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

10 **FOR THE ADMINISTRATOR FOR THE COURTS**

11	General Fund--State Appropriation (FY 2012)	((\$50,692,000))
12		<u>\$50,725,000</u>
13	General Fund--State Appropriation (FY 2013)	((\$50,235,000))
14		<u>\$48,429,000</u>
15	General Fund--Federal Appropriation	\$2,532,000
16	General Fund--Private/Local Appropriation	\$390,000
17	Judicial Information Systems Account--State	
18	Appropriation	((\$42,414,000))
19		<u>\$42,362,000</u>
20	Judicial Stabilization Trust Account--State	
21	Appropriation	((\$5,414,000))
22		<u>\$5,954,000</u>
23	TOTAL APPROPRIATION	((\$151,677,000))
24		<u>\$150,392,000</u>

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

27 (1) \$1,800,000 of the general fund--state appropriation for fiscal
28 year 2012 and ((~~\$1,800,000~~)) \$1,399,000 of the general fund--state
29 appropriation for fiscal year 2013 are provided solely for school
30 districts for petitions to juvenile court for truant students as
31 provided in RCW 28A.225.030 and 28A.225.035. The office of the
32 administrator for the courts shall develop an interagency agreement
33 with the superintendent of public instruction to allocate the funding
34 provided in this subsection. Allocation of this money to school
35 districts shall be based on the number of petitions filed. This
36 funding includes amounts school districts may expend on the cost of

1 serving petitions filed under RCW 28A.225.030 by certified mail or by
2 personal service or for the performance of service of process for any
3 hearing associated with RCW 28A.225.030.

4 (2)(a) \$8,252,000 of the general fund--state appropriation for
5 fiscal year 2012 and (~~(\$8,253,000)~~) \$7,313,000 of the general fund--
6 state appropriation for fiscal year 2013 are provided solely for
7 distribution to county juvenile court administrators to fund the costs
8 of processing truancy, children in need of services, and at-risk youth
9 petitions. The administrator for the courts, in conjunction with the
10 juvenile court administrators, shall develop an equitable funding
11 distribution formula. The formula shall neither reward counties with
12 higher than average per-petition processing costs nor shall it penalize
13 counties with lower than average per-petition processing costs.

14 (b) Each fiscal year during the 2011-2013 fiscal biennium, each
15 county shall report the number of petitions processed and the total
16 actual costs of processing truancy, children in need of services, and
17 at-risk youth petitions. Counties shall submit the reports to the
18 administrator for the courts no later than 45 days after the end of the
19 fiscal year. The administrator for the courts shall electronically
20 transmit this information to the chairs and ranking minority members of
21 the house of representatives and senate ways and means committees no
22 later than 60 days after a fiscal year ends. These reports are deemed
23 informational in nature and are not for the purpose of distributing
24 funds.

25 (3) The distributions made under this subsection and distributions
26 from the county criminal justice assistance account made pursuant to
27 section 801 of this act constitute appropriate reimbursement for costs
28 for any new programs or increased level of service for purposes of RCW
29 43.135.060.

30 (4) \$265,000 of the general fund--state appropriation for fiscal
31 year 2012 is provided solely for the office of public guardianship to
32 provide guardianship services for low-income incapacitated persons.

33 (5) \$1,178,000 of the judicial information systems account--state
34 appropriation is provided solely for replacing computer equipment at
35 state courts and state judicial agencies.

36 (6) No later than September 30, 2011, the judicial information
37 systems committee shall provide a report to the legislature on the
38 recommendations of the case management feasibility study, including

1 plans for a replacement of the superior court management information
2 system (SCOMIS) and plans for completing the data exchange core system
3 component consistent with a complete data exchange standard. No later
4 than December 31, 2011, the judicial information systems committee
5 shall provide a report to the legislature on the status of the data
6 exchange, the procurement process for a SCOMIS replacement, and a case
7 management system that is designed to meet the requirements approved by
8 the superior courts and county clerks of all thirty-nine counties. The
9 legislature shall solicit input on both reports from judicial,
10 legislative, and executive stakeholders.

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

21 (8) \$540,000 of the judicial stabilization trust account--state
22 appropriation is provided solely for the office of public guardianship
23 to continue guardianship services for those low-income incapacitated
24 persons who were receiving services on June 30, 2012.

25 (9) The Washington association of juvenile court administrators and
26 the juvenile rehabilitation administration, in consultation with the
27 community juvenile accountability act advisory committee and the
28 Washington state institute for public policy, shall analyze and review
29 data elements available from the administrative office of the courts
30 for possible integration into the evidence-based program quality
31 assurance plans and processes. The administrative office of the
32 courts, the Washington association of juvenile court administrators,
33 and the juvenile rehabilitation administration shall provide
34 information necessary to complete the review and analysis. The
35 Washington association of juvenile court administrators and the
36 juvenile rehabilitation administration shall report the findings of
37 their review and analysis, as well as any recommendations, to the
38 legislature by December 1, 2012.

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

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

5 (3) \$6,065,000 of the general fund--state appropriation for fiscal
6 year 2013 is provided solely to implement Substitute Senate Bill No.
7 6493 (sexual predator commitment). If the bill is not enacted by June
8 30, 2012, the amount provided in this subsection shall lapse.

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

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

12	General Fund--State Appropriation (FY 2012)	((\$11,038,000))
13		<u>\$11,037,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$11,048,000))
15		<u>\$10,555,000</u>
16	Judicial Stabilization Trust Account--State	
17	Appropriation	((\$1,093,000))
18		<u>\$2,073,000</u>
19	TOTAL APPROPRIATION	((\$23,179,000))
20		<u>\$23,665,000</u>

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

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

31 **FOR THE OFFICE OF THE GOVERNOR**

32	General Fund--State Appropriation (FY 2012)	((\$5,311,000))
33		<u>\$5,102,000</u>
34	General Fund--State Appropriation (FY 2013)	((\$5,292,000))
35		<u>\$5,247,000</u>
36	Economic Development Strategic Reserve Account--State	

1	Appropriation	\$1,500,000
2	TOTAL APPROPRIATION	((\$12,103,000))
3		<u>\$11,849,000</u>

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

6 (1) \$1,500,000 of the economic development strategic reserve
7 account appropriation is provided solely for efforts to assist with
8 currently active industrial recruitment efforts that will bring new
9 jobs to the state or will retain headquarter locations of major
10 companies currently housed in the state.

11 (2) ((~~\$547,000~~)) \$540,000 of the general fund--state appropriation
12 for fiscal year 2012 and ((~~\$547,000~~)) \$526,000 of the general fund--
13 state appropriation for fiscal year 2013 are provided solely for the
14 office of the education ombudsman.

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

17 **FOR THE LIEUTENANT GOVERNOR**

18	General Fund--State Appropriation (FY 2012)	((\$687,000))
19		<u>\$650,000</u>
20	General Fund--State Appropriation (FY 2013)	((\$698,000))
21		<u>\$651,000</u>
22	General Fund--Private/Local Appropriation	\$90,000
23	TOTAL APPROPRIATION	((\$1,475,000))
24		<u>\$1,391,000</u>

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

27 **FOR THE PUBLIC DISCLOSURE COMMISSION**

28	General Fund--State Appropriation (FY 2012)	((\$2,106,000))
29		<u>\$2,019,000</u>
30	General Fund--State Appropriation (FY 2013)	((\$2,129,000))
31		<u>\$1,938,000</u>
32	TOTAL APPROPRIATION	((\$4,235,000))
33		<u>\$3,957,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations: \$43,000 of the general fund--state
36 appropriation for fiscal year 2012 and \$82,000 of the general fund--

1 state appropriation for fiscal year 2013 are provided solely for the
2 implementation of Engrossed Substitute Senate Bill No. 5021 (election
3 campaign disclosure).

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

6 **FOR THE SECRETARY OF STATE**

7	General Fund--State Appropriation (FY 2012)	((\$16,014,000))
8		<u>\$16,047,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$12,862,000))
10		<u>\$8,612,000</u>
11	General Fund--Federal Appropriation	((\$7,338,000))
12		<u>\$7,326,000</u>
13	Public Records Efficiency, Preservation, and Access	
14	Account--State Appropriation	((\$7,950,000))
15		<u>\$7,074,000</u>
16	Charitable Organization Education Account--State	
17	Appropriation	((\$452,000))
18		<u>\$362,000</u>
19	Local Government Archives Account--State	
20	Appropriation	((\$10,557,000))
21		<u>\$8,516,000</u>
22	Election Account--Federal Appropriation	((\$17,288,000))
23		<u>\$17,284,000</u>
24	Washington State Heritage Center Account--State	
25	Appropriation	((\$1,028,000))
26		<u>\$5,028,000</u>
27	TOTAL APPROPRIATION	((\$73,489,000))
28		<u>\$70,249,000</u>

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

31 (1) \$3,898,000 of the general fund--state appropriation for fiscal
32 year 2012 is provided solely to reimburse counties for the state's
33 share of primary and general election costs and the costs of conducting
34 mandatory recounts on state measures. Counties shall be reimbursed
35 only for those odd-year election costs that the secretary of state
36 validates as eligible for reimbursement.

1 (2)(a) \$1,847,000 of the general fund--state appropriation for
2 fiscal year 2012 and \$1,926,000 of the general fund--state
3 appropriation for fiscal year 2013 are provided solely for contracting
4 with a nonprofit organization to produce gavel-to-gavel television
5 coverage of state government deliberations and other events of
6 statewide significance during the 2011-2013 biennium. The funding
7 level for each year of the contract shall be based on the amount
8 provided in this subsection. The nonprofit organization shall be
9 required to raise contributions or commitments to make contributions,
10 in cash or in kind, in an amount equal to forty percent of the state
11 contribution. The office of the secretary of state may make full or
12 partial payment once all criteria in this subsection have been
13 satisfactorily documented.

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

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

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

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

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

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

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

1 the agency's expenditures for its agency-wide overhead and a breakdown
2 by division of division administration expenses.

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

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

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

20 (5) \$62,000 of the legal services revolving fund--state
21 appropriation is provided solely to implement House Bill No. 1770
22 (state purchasing). If the bill is not enacted by June 30, 2011, the
23 amount provided in this subsection shall lapse.

24 (6) \$5,924,000 of the legal services revolving account--state
25 appropriation is provided solely to implement House Bill No. 2123
26 (workers' compensation). If the bill is not enacted by June 30, 2011,
27 the amount provided in this subsection shall lapse.

28 (7) The office of the attorney general is authorized to expend
29 \$2,100,000 from the *Zyprexa* and other *cy pres* awards towards consumer
30 protection costs in accordance with uses authorized in the court
31 orders.

32 (8) \$96,000 of the legal services revolving fund--state
33 appropriation is provided solely to implement Senate Bill No. 5076
34 (financial institutions). If the bill is not enacted by June 30, 2011,
35 the amount provided in this subsection shall lapse.

36 (9) \$99,000 of the legal services revolving fund--state
37 appropriation is provided solely to implement Engrossed Second

1 Substitute Senate Bill No. 5769 (coal-fired generation). If the bill
2 is not enacted by June 30, 2011, the amount provided in this subsection
3 shall lapse.

4 (10) \$416,000 of the legal services revolving fund--state
5 appropriation is provided solely to implement Substitute Senate Bill
6 No. 5801 (industrial insurance system). If the bill is not enacted by
7 June 30, 2011, the amount provided in this subsection shall lapse.

8 (11) \$31,000 of the legal services revolving fund--state
9 appropriation is provided solely to implement Engrossed Substitute
10 Senate Bill No. 5021 (election campaign disclosure). If the bill is
11 not enacted by June 30, 2011, the amount provided in this subsection
12 shall lapse.

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

25 (13) \$11,000 of the legal services revolving fund--state
26 appropriation is provided solely to implement House Bill No. 2301
27 (boxing, martial arts, wrestling). If the bill is not enacted by June
28 30, 2012, the amount provided in this subsection shall lapse.

29 (14) \$56,000 of the legal services revolving fund--state
30 appropriation is provided solely to implement House Bill No. 2319
31 (affordable care act). If the bill is not enacted by June 30, 2012,
32 the amount provided in this subsection shall lapse.

33 (15) \$5,743,000 of the general fund--state appropriation for fiscal
34 year 2013 is provided solely for the legal costs associated with the
35 evaluation, filing, prosecution, response to petitions for release, and
36 appeal of sexually violent predator civil commitment cases, as provided
37 in chapter 71.09 RCW. Within the amount provided in this subsection,

1 the attorney general may enter into an interagency agreement with a
2 county prosecutor to perform prosecution services pursuant to chapter
3 71.09 RCW.

4 (16) \$94,000 of the legal services revolving fund--state
5 appropriation is provided solely to implement Senate Bill No. 6103
6 (reflexology and massage therapy). If the bill is not enacted by June
7 30, 2012, the amount provided in this subsection shall lapse.

8 (17) \$57,000 of the legal services revolving fund--state
9 appropriation is provided solely for implementation of Engrossed
10 Substitute Senate Bill No. 6237 (medical assistants). If the bill is
11 not enacted by June 30, 2012, the amount provided in this subsection
12 shall lapse.

13 (18) If Engrossed Substitute Senate Bill No. 5978 (medicaid fraud)
14 is not enacted by June 30, 2012, the amounts appropriated in this
15 section from the medicaid fraud penalty account--state appropriation
16 shall lapse and an additional \$730,000 shall be appropriated from the
17 general fund--state for fiscal year 2013 for fraud detection and
18 prevention activities, recovery of improper payments, and for other
19 medicaid fraud enforcement activities.

20 (19) \$56,000 of the legal services revolving fund--state
21 appropriation is provided solely to implement House Bill No. 2592
22 (extended foster care). If the bill is not enacted by June 30, 2012,
23 the amount provided in this subsection shall lapse.

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

26 **FOR THE CASELOAD FORECAST COUNCIL**

27	General Fund--State Appropriation (FY 2012)	((\$1,310,000))
28		<u>\$1,277,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$1,309,000))
30		<u>\$1,180,000</u>
31	TOTAL APPROPRIATION	((\$2,619,000))
32		<u>\$2,457,000</u>

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

35 (1) The appropriations in this section include funding for
36 activities transferred from the sentencing guidelines commission to the
37 caseload forecast council pursuant to Engrossed Substitute Senate Bill

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

7 (2) \$57,000 of the general fund--state appropriation for fiscal
8 year 2012 and \$57,000 of the general fund--state appropriation for
9 fiscal year 2013 are provided solely for the implementation of Senate
10 Bill No. 5304 (college bound scholarship).

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

13 **FOR THE DEPARTMENT OF COMMERCE**

14	General Fund--State Appropriation (FY 2012)	((\$57,261,000))
15		<u>\$51,799,000</u>
16	General Fund--State Appropriation (FY 2013)	((\$72,459,000))
17		<u>\$72,839,000</u>
18	General Fund--Federal Appropriation	((\$282,185,000))
19		<u>\$340,184,000</u>
20	General Fund--Private/Local Appropriation	((\$4,989,000))
21		<u>\$5,036,000</u>
22	Public Works Assistance Account--State	
23	Appropriation	((\$2,764,000))
24		<u>\$2,733,000</u>
25	Drinking Water Assistance Administrative	
26	Account--State Appropriation	\$437,000
27	Lead Paint Account--State Appropriation	\$65,000
28	Building Code Council Account--State Appropriation	\$13,000
29	Home Security Fund Account--State Appropriation	((\$16,652,000))
30		<u>\$21,007,000</u>
31	Affordable Housing for All Account--State	
32	Appropriation	((\$11,902,000))
33		<u>\$11,899,000</u>
34	County Research Services Account--State	
35	Appropriation	((\$1,081,000))
36		<u>\$540,000</u>
37	Financial Fraud and Identity Theft Crimes Investigation	

1 resolution centers and dispute resolution programs that guarantee that
2 citizens have access to low-cost resolution as an alternative to
3 litigation.

4 (3) \$306,000 of the general fund--state appropriation for fiscal
5 year 2012 and \$306,000 of the general fund--state appropriation for
6 fiscal year 2013 are provided solely for a grant to the retired senior
7 volunteer program.

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

11 (5) \$1,800,000 of the home security fund--state appropriation is
12 provided for transitional housing assistance or partial payments for
13 rental assistance under the independent youth housing program.

14 (6) \$5,000,000 of the home security fund--state appropriation is
15 for the operation, repair, and staffing of shelters in the homeless
16 family shelter program.

17 (7) \$198,000 of the general fund--state appropriation for fiscal
18 year 2012 and \$198,000 of the general fund--state appropriation for
19 fiscal year 2013 are provided solely for the Washington new Americans
20 program.

21 (8) \$2,949,000 of the general fund--state appropriation for fiscal
22 year 2012 and \$2,949,000 of the general fund--state appropriation for
23 fiscal year 2013 are provided solely for associate development
24 organizations.

25 (9) \$127,000 of the general fund--federal appropriation is provided
26 solely for implementation of Substitute House Bill No. 1886
27 (Ruckelshaus center process). If the bill is not enacted by June 30,
28 2011, the amount provided in this subsection shall lapse.

29 (10) Up to \$200,000 of the general fund--private/local
30 appropriation is for a grant to the Washington tourism alliance for the
31 maintenance of the Washington state tourism web site
32 www.experiencewa.com and its related sub-sites. The department may
33 transfer ownership of the web site and other tourism promotion assets
34 and assign obligations to the Washington tourism alliance for purposes
35 of tourism promotion throughout the state. The alliance may use the
36 assets only in a manner consistent with the purposes for which they
37 were created. Any revenue generated from these assets must be used by
38 the alliance for the sole purposes of statewide Washington tourism

1 promotion. The legislature finds that the Washington tourism alliance,
2 a not-for-profit, 501.c.6 organization established, funded, and
3 governed by Washington tourism industry stakeholders to sustain
4 destination tourism marketing across Washington, is an appropriate body
5 to receive funding and assets from and assume obligations of the
6 department for the purposes described in this section.

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

10 (12) \$2,000,000 of the community and economic development fee
11 account appropriation is provided solely for the department of commerce
12 for services to homeless families through the Washington families fund.

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

17 (14) \$1,859,000 of the general fund--state appropriation for fiscal
18 year 2012 and \$1,859,000 of the general fund--state appropriation for
19 fiscal year 2013 are provided solely for innovative research teams,
20 also known as entrepreneurial STARS, at higher education research
21 institutions, and for entrepreneurs-in-residence programs at higher
22 education research institutions and entrepreneurial assistance
23 organizations. Of these amounts no more than \$50,000 in fiscal year
24 2012 and no more than \$50,000 in fiscal year 2013 may be provided for
25 the operation of entrepreneurs-in-residence programs at entrepreneurial
26 assistance organizations external to higher education research
27 institutions.

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

33 (16) \$16,000 of the general fund--state appropriation for fiscal
34 year 2012 is provided solely to implement section 503 of Substitute
35 House Bill No. 1277 (licensed settings for vulnerable adults). The
36 long-term care ombudsman shall convene an adult family home quality
37 assurance panel to review problems concerning the quality of care for

1 residents in adult family homes. If Substitute House Bill No. 1277
2 (licensed settings for vulnerable adults) is not enacted by June 30,
3 2011, the amount provided in this subsection shall lapse.

4 (17) (~~(\$24,605,000)~~) \$19,605,000 of the general fund--state
5 appropriation for fiscal year 2012 and \$39,527,000 of the general
6 fund--state appropriation for fiscal year 2013 are provided solely for
7 establishment of the essential needs and housing support program
8 created in Engrossed Substitute House Bill No. 2082 (essential needs
9 and assistance program). The department of commerce shall contract for
10 these services with counties or community-based organizations involved
11 in providing essential needs and housing supports to low-income persons
12 who meet eligibility pursuant to Engrossed Substitute House Bill No.
13 2082. The department shall limit the funding used for administration
14 of the program to no more than five percent. Counties and community
15 providers shall limit the funding used for administration of the
16 program to no more than seven percent.

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

25 (b) Of the amounts provided in this subsection, (~~(\$30,000,000)~~)
26 \$55,000,000 is provided solely for housing support services to
27 individuals who are homeless or who may become homeless, and are
28 eligible for services under this program pursuant to Engrossed
29 Substitute House Bill No. 2082.

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

35 (18) \$4,380,000 of the home security fund--state appropriation is
36 provided solely for the department to provide homeless housing services
37 in accordance with Engrossed Substitute House Bill No. 2048 (housing

1 assistance surcharges). If Engrossed Substitute House Bill No. 2048
2 (housing assistance surcharges) is not enacted by June 30, 2012, the
3 amounts provided in this subsection shall lapse.

4 (19) \$85,000 of the general fund--state appropriation for fiscal
5 year 2013 is provided solely for the developmental disabilities council
6 to contract for a family-to-family mentor program to provide
7 information and support to families and guardians of persons who are
8 transitioning out of residential habilitation centers. To the maximum
9 extent allowable under federal law, these funds shall be matched under
10 medicaid through the department of social and health services and
11 federal funds shall be transferred to the department for the purposes
12 stated in this subsection.

13 (20) \$2,802,000 of the liquor revolving account--state
14 appropriation is provided solely for the department to contract with
15 the municipal research and services center of Washington.

16 (21) \$1,000,000 of the general fund--state appropriation for fiscal
17 year 2013 is provided solely for deposit in the shelter to housing
18 project account, hereby created in the custody of the state treasurer
19 as a nonappropriated account. The department may expend funds from the
20 account solely for a two-year pilot project to enable young adults to
21 move from temporary emergency shelter housing to transitional and
22 permanent housing throughout King county. The pilot project will be
23 administered under contract with the YMCA of greater Seattle in
24 collaboration with the rising out of the shadows young adult shelter.
25 Funding may be used for case management, housing subsidy,
26 transportation, shelter services, training and evaluation. The pilot
27 project and the shelter to housing project account expire December 31,
28 2014.

29 (22) \$12,000 of the general fund--state appropriation for fiscal
30 year 2013 is provided solely to implement Engrossed Second Substitute
31 Senate Bill No. 5292 (irrigation and port districts). If the bill is
32 not enacted by June 30, 2012, the amount provided in this subsection
33 shall lapse.

34 (23) \$100,000 of the general fund--private/local appropriation is
35 provided solely for the department to provide analysis and an advisory
36 opinion on whether a proposed electric generation project or
37 conservation resource qualifies to meet mandatory conservation targets
38 in accordance with Substitute Senate Bill No. 6414 (review

1 process/utilities). The department is authorized to require an
2 applicant to pay an application fee to cover the cost of reviewing the
3 project and preparing an advisory opinion. If Substitute Senate Bill
4 No. 6414 (review process/utilities) is not enacted by June 30, 2012,
5 the amount provided in this subsection shall lapse.

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

8 **FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

9	General Fund--State Appropriation (FY 2012)	(((\$674,000))
10		<u>\$648,000</u>
11	General Fund--State Appropriation (FY 2013)	(((\$728,000))
12		<u>\$789,000</u>
13	Lottery Administrative Account--State Appropriation	\$50,000
14	TOTAL APPROPRIATION	(((\$1,452,000))
15		<u>\$1,487,000</u>

16 The appropriations in this section are subject to the following
17 conditions and limitations: \$90,000 of the general fund--state
18 appropriation for fiscal year 2013 is provided solely to implement
19 House Bill No. 2827 (balanced budget). If the bill is not enacted by
20 June 30, 2012, the amount provided in this subsection shall lapse.

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

23 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

24	General Fund--State Appropriation (FY 2012)	(((\$18,627,000))
25		<u>\$18,369,000</u>
26	General Fund--State Appropriation (FY 2013)	(((\$18,851,000))
27		<u>\$18,584,000</u>
28	General Fund--Federal Appropriation	(((\$31,534,000))
29		<u>\$31,530,000</u>
30	General Fund--Private/Local Appropriation	(((\$1,270,000))
31		<u>\$1,370,000</u>
32	Performance Audits of Government Account--State	
33	Appropriation	(((\$25,000))
34		<u>\$198,000</u>
35	Economic Development Strategic Reserve Account--State	
36	Appropriation	\$280,000

1 (a) The report on the initiation of the process must document:
2 (i) Ownership issues, including consultation with the federal
3 government about its current legal requirements associated with the
4 island;
5 (ii) Federal and state decision-making processes to change use or
6 ownership;
7 (iii) Tribal treaty interests;
8 (iv) Fish and wildlife species and their habitats;
9 (v) Land use and public safety needs;
10 (vi) Recreational opportunities for the general public;
11 (vii) Historic and archaeological resources; and
12 (viii) Revenue from and necessary to support potential future uses
13 of the island.
14 (b) The report shall develop and recommend a comprehensive, long-
15 range planning process for the future of the island and associated
16 aquatic resources, addressing the items in (a) of this subsection.
17 (c) The office of financial management may use its own staff and
18 other public agency and tribal staff or contract for services, and may
19 create a work group of knowledgeable agencies, organizations, and
20 individuals to assist in preparing the report.
21 (d) The office of financial management shall engage in broad
22 consultation with interested parties, including, but not limited to:
23 (i) Federal agencies with relevant responsibilities;
24 (ii) Tribal governments;
25 (iii) State agencies;
26 (iv) Local governments and communities in the area, including the
27 Anderson Island community, Steilacoom, and Pierce county; and
28 (v) Interested private organizations and individuals.
29 (e) The report must be submitted to the governor and appropriate
30 committees of the legislature by October 1, 2012.
31 (4) The appropriations in this section include funding for
32 activities transferred from the sentencing guidelines commission to the
33 office of financial management pursuant to Engrossed Substitute Senate
34 Bill No. 5891 (criminal justice cost savings). Prior to the effective
35 date of Engrossed Substitute Senate Bill No. 5891, the appropriations
36 in this section may be expended for the continued operations and
37 expenses of the sentencing guidelines commission pursuant to the

1 expenditure authority schedule produced by the office of financial
2 management in accordance with chapter 43.88 RCW.

3 (5) \$23,000 of the general fund--state appropriation for fiscal
4 year 2013 is provided solely for the office of regulatory assistance to
5 implement the following:

6 (a) Coordination of an agency small business liaison team to assist
7 small businesses with permitting and regulatory issues. The small
8 business liaison team, as part of the biennial report submitted by the
9 office of regulatory assistance, must provide recommendations for
10 improvements to inspection and compliance practices and ways to improve
11 customer service for regulatory agencies. The office must work with
12 regulatory agencies to: (i) Assure that additional violations or
13 corrective actions that could have been discovered and noted in the
14 original violation or correction notice are not subsequently added and
15 to provide a single list of any violations discovered during the
16 regulatory visit or inspection; (ii) provide notice about when the
17 business may expect the results of a technical assistance or regulatory
18 visit; (iii) provide information about how the business may provide
19 anonymous feedback regarding a technical assistance or other regulatory
20 visit; and (iv) provide information regarding the role of the agency's
21 small business liaison as a neutral party within the agency, as well as
22 contact information for the liaison.

23 (b) In coordination with regulatory agencies, development of an
24 anonymous customer service survey that regulated entities may complete
25 after an inspection or a technical assistance visit under chapter 43.05
26 RCW, or a consultative visit under RCW 49.17.250. The survey must
27 include questions addressing the points in this subsection (b) but may
28 be designed in a way that best serves the needs of the multiple
29 agencies and customers that will be using the survey. The survey must
30 provide a way of identifying the agency that performed the inspection,
31 and if possible within the resources allowed, provide a means of
32 identifying the inspector who provided services. Questions should
33 address the following topics:

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

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

1 (iii) Whether the inspector informed the customer why the customer
2 received a site visit or inspection, described the site visit or
3 inspection process, answered questions about the process, and explained
4 regulatory requirements; and

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

7 The survey must be available on the office web site. The results
8 of the surveys must be summarized, by agency, in a report and forwarded
9 to the agency director, the governor, and the appropriate committees of
10 the legislature. Each agency shall receive a copy of all relevant
11 survey information. No identifying information may be included that
12 would reveal the identity of the respondent.

13 (6) \$115,000 of the general fund--state appropriation for fiscal
14 year 2013 is provided solely for implementation of Engrossed Substitute
15 House Bill No. 2483 (higher education coordination). If the bill is
16 not enacted by June 30, 2012, the amount provided in this subsection
17 shall lapse.

18 (7)(a) The office of financial management shall determine if cost
19 savings can be achieved by the state through contracting for
20 interpreter services more effectively. The office of financial
21 management must work with all state agencies that use interpreter
22 services to determine:

23 (i) How agencies currently procure interpreter services;

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

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

27 (b) The office of financial management, in consultation with the
28 department of enterprise services, must also examine approaches to
29 procuring interpreter services, including using the department of
30 enterprise services' master contract, limiting overhead costs
31 associated with interpreter contracts, and direct scheduling of
32 interpreters. The report must include recommendations for the state to
33 procure services in a more consistent and cost-effective manner.

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

38 (d) The report must include:

1 General Fund--State Appropriation (FY 2013) ((\$250,000))
 2 \$244,000
 3 TOTAL APPROPRIATION ((\$496,000))
 4 \$488,000

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

7 **FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**

8 General Fund--State Appropriation (FY 2012) ((\$239,000))
 9 \$237,000
 10 General Fund--State Appropriation (FY 2013) ((\$238,000))
 11 \$232,000
 12 TOTAL APPROPRIATION ((\$477,000))
 13 \$469,000

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

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

17 Department of Retirement Systems Expense
 18 Account--State Appropriation ((\$47,049,000))
 19 \$46,511,000

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

22 (1) \$146,000 of the department of retirement systems--state
 23 appropriation is provided solely for the administrative costs
 24 associated with implementation of House Bill No. 2070 (state and local
 25 government employees). If the bill is not enacted by June 30, 2011,
 26 the amount provided in this subsection shall lapse.

27 (2) \$65,000 of the department of retirement systems--state
 28 appropriation is provided solely for the administrative costs
 29 associated with implementation of House Bill No. 1625 (plan 3 default
 30 investment option). If the bill is not enacted by June 30, 2011, the
 31 amount provided in this subsection shall lapse.

32 (3) \$133,000 of the department of retirement systems--state
 33 appropriation is provided solely for the administrative costs
 34 associated with implementation of Engrossed House Bill No. 1981 as
 35 amended (post-retirement employment). If the bill is not enacted by
 36 June 30, 2011, the amount provided in this subsection shall lapse.

1 (4) \$15,000 of the department of retirement systems expense
2 account--state appropriation is provided solely for the administrative
3 costs associated with implementation of Substitute House Bill No. 2021
4 (plan 1 annual increase amounts). If the bill is not enacted by June
5 30, 2011, the amount provided in this section shall lapse.

6 (5) \$32,000 of the department of retirement systems--state
7 appropriation is provided solely for the administrative costs
8 associated with implementation of Engrossed Senate Bill No. 5159 (state
9 patrol retirement system service credit). If the bill is not enacted
10 by June 30, 2012, the amount provided in this subsection shall lapse.

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

13 **FOR THE DEPARTMENT OF REVENUE**

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

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

34 **FOR THE BOARD OF TAX APPEALS**

35	General Fund--State Appropriation (FY 2012)	((\$1,241,000))
36		<u>\$1,189,000</u>

1 General Fund--State Appropriation (FY 2013) ((\$1,219,000))
 2 \$1,150,000
 3 TOTAL APPROPRIATION ((\$2,460,000))
 4 \$2,339,000

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

7 **FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**
 8 OMWBE Enterprises Account--State Appropriation ((\$3,264,000))
 9 \$3,654,000

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

12 **FOR THE INSURANCE COMMISSIONER**
 13 General Fund--State Appropriation (FY 2013) \$650,000
 14 General Fund--Federal Appropriation ((\$4,452,000))
 15 \$4,450,000
 16 Insurance Commissioners Regulatory Account--State
 17 Appropriation ((\$47,514,000))
 18 \$47,987,000
 19 TOTAL APPROPRIATION ((\$51,966,000))
 20 \$53,087,000

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

23 (1) \$75,000 of the insurance commissioner's regulatory
 24 account--state appropriation is provided solely for the implementation
 25 of Substitute Senate Bill No. 5445 (health benefit exchange).

26 (2) \$42,000 of the insurance commissioner's regulatory
 27 account--state appropriation is provided solely for the implementation
 28 of Senate Bill No. 5213 (insurance statutes).

29 (3) \$758,000 of the insurance commissioners regulatory account--
 30 state appropriation is provided solely to implement Engrossed Second
 31 Substitute House Bill No. 2319 (affordable care act). If the bill is
 32 not enacted by June 30, 2012, the amount provided in this subsection
 33 shall lapse.

34 (4) \$650,000 of the general fund--state appropriation for fiscal
 35 year 2013 is provided solely to implement House Bill No. 2829 (public

1 school employees' insurance benefits). If the bill is not enacted by
2 June 30, 2012, the amount provided in this subsection shall lapse.

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

5 **FOR THE STATE INVESTMENT BOARD**

6 State Investment Board Expense Account--State	
7 Appropriation	(((\$29,256,000))
8	<u>\$29,075,000</u>

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

11 **FOR THE LIQUOR CONTROL BOARD**

12 Liquor Control Board Construction and Maintenance	
13 Account--State Appropriation	(((\$10,081,000))
14	<u>\$3,063,000</u>
15 Liquor Revolving Account--State Appropriation	(((\$176,238,000))
16	<u>\$171,838,000</u>
17 General Fund--Federal Appropriation	(((\$120,000))
18	<u>\$945,000</u>
19 <u>General Fund--Private/Local Appropriation</u>	<u>\$25,000</u>
20 TOTAL APPROPRIATION	(((\$186,439,000))
21	<u>\$175,871,000</u>

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

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

30 (2) Within the amounts appropriated in this section from the liquor
31 revolving account--state appropriation, liquor control board employees
32 who: (a) Occupy positions in the job classifications provided in
33 subsection (3)(c) of this section that will be eliminated after the
34 liquor control board ceases to distribute liquor; and (b) remain as
35 liquor control board employees through June 15, 2012, and who separate
36 from service due to lay off by October 1, 2012, may elect to receive

1 remuneration for their entire sick leave balance at a rate equal to one
2 day's current monetary compensation of the employee for each four full
3 days of accrued sick leave.

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

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

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

11 (c) The following job classifications are eligible:

- 12 (i) Liquor store clerk;
- 13 (ii) Retail assistant store manager 1;
- 14 (iii) Retail assistant store manager 2;
- 15 (iv) Retail store manager 3;
- 16 (v) Retail store manager 4;
- 17 (vi) Retail district manager;
- 18 (vii) Retail operations manager;
- 19 (viii) Director of retail services;
- 20 (ix) Director of distribution center;
- 21 (x) Director of purchasing;
- 22 (xi) Director of business enterprise;
- 23 (xii) Warehouse operator 1;
- 24 (xiii) Warehouse operator 2;
- 25 (xiv) Warehouse operator 3; and
- 26 (xv) Warehouse operator 4; and

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

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

32 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

33	General Fund--Federal Appropriation	\$502,000
34	General Fund--Private/Local Appropriation	((\$11,175,000))
35		<u>\$11,166,000</u>
36	Public Service Revolving Account--State	
37	Appropriation	((\$30,992,000))

1		<u>\$30,872,000</u>
2	Pipeline Safety Account--State Appropriation	((\$3,201,000))
3		<u>\$3,183,000</u>
4	Pipeline Safety Account--Federal Appropriation	((\$2,848,000))
5		<u>\$2,844,000</u>
6	TOTAL APPROPRIATION	((\$48,718,000))
7		<u>\$48,567,000</u>

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

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

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

18 (3) \$182,000 of the public service revolving account--state
19 appropriation is provided solely for the implementation of Engrossed
20 Second Substitute Senate Bill No. 5769 (coal-fired generation).

21 (4) \$169,000 of the public service revolving account--state
22 appropriation is provided solely for the implementation of Second
23 Substitute Senate Bill No. 5034 (private infrastructure).

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

26 **FOR THE MILITARY DEPARTMENT**

27	General Fund--State Appropriation (FY 2012)	((\$7,175,000))
28		<u>\$7,116,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$7,175,000))
30		<u>\$6,872,000</u>
31	General Fund--Federal Appropriation	((\$159,181,000))
32		<u>\$159,075,000</u>
33	Enhanced 911 Account--State Appropriation	((\$46,556,000))
34		<u>\$48,620,000</u>
35	Disaster Response Account--State Appropriation	((\$17,933,000))
36		<u>\$23,119,000</u>
37	Disaster Response Account--Federal Appropriation	((\$66,266,000))

1 (2) (~~(\$3,090,000)~~) \$3,028,000 of the general fund--state
2 appropriation for fiscal year 2012 and (~~(\$3,090,000)~~) \$2,967,000 of the
3 general fund--state appropriation for fiscal year 2013 are provided
4 solely for the payment of facilities and services charges, utilities
5 and contracts charges, public and historic facilities charges, and
6 capital projects surcharges allocable to the senate, house of
7 representatives, statute law committee, and joint legislative systems
8 committee. The department shall allocate charges attributable to these
9 agencies among the affected revolving funds. The department shall
10 maintain an interagency agreement with these agencies to establish
11 performance standards, prioritization of preservation and capital
12 improvement projects, and quality assurance provisions for the delivery
13 of services under this subsection. The legislative agencies named in
14 this subsection shall continue to enjoy all of the same rights of
15 occupancy and space use on the capitol campus as historically
16 established.

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

20 (4) The building code council account appropriation is provided
21 solely for the operation of the state building code council as required
22 by statute and modified by the standards established by executive order
23 10-06. The council shall not consider any proposed code amendment or
24 take any other action not authorized by statute or in compliance with
25 the standards established in executive order 10-06. No member of the
26 council may receive compensation, per diem, or reimbursement for
27 activities other than physical attendance at those meetings of the
28 state building code council or the council's designated committees, at
29 which the opportunity for public comment is provided generally and on
30 all agenda items upon which the council proposes to take action.

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

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

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

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

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

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

9 **FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

10 Volunteer Firefighters' and Reserve Officers'

11 Administrative Account--State Appropriation ((\$1,064,000))
12 \$1,039,000

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

15 **FOR INNOVATE WASHINGTON**

16 General Fund--State Appropriation (FY 2012) ((\$2,999,000))
17 \$2,879,000

18 General Fund--State Appropriation (FY 2013) ((\$3,011,000))
19 \$2,755,000

20 TOTAL APPROPRIATION ((\$6,010,000))
21 \$5,634,000

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

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

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

31 Washington State Heritage Center Account--State

32 Appropriation ((\$2,517,000))
33 \$2,487,000

34 General Fund--Federal Appropriation ((\$1,908,000))
35 \$1,904,000

1	General Fund--Private/Local Appropriation	\$14,000
2	TOTAL APPROPRIATION	((\$4,439,000))
3		<u>\$4,405,000</u>

(End of part)

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

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

1 agreed to by the health care authority, the department, and the county
2 legislative authority.

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

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

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

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

1 transfer funds, and the director of financial management shall not
 2 approve the transfer, unless the transfer is consistent with the
 3 objective of conserving, to the maximum extent possible, the
 4 expenditure of state funds. The director of financial management shall
 5 notify the appropriate fiscal committees of the senate and house of
 6 representatives in writing seven days prior to approving any allotment
 7 modifications or transfers under this subsection. The written
 8 notification shall include a narrative explanation and justification of
 9 the changes, along with expenditures and allotments by budget unit and
 10 appropriation, both before and after any allotment modifications or
 11 transfers.

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

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

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

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

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

1 (2) \$668,000 of the general fund--state appropriation for fiscal
2 year 2012 and \$668,000 of the general fund--state appropriation for
3 fiscal year 2013 are provided solely to contract for the operation of
4 one pediatric interim care center. The center shall provide
5 residential care for up to thirteen children through two years of age.
6 Seventy-five percent of the children served by the center must be in
7 need of special care as a result of substance abuse by their mothers.
8 The center shall also provide on-site training to biological, adoptive,
9 or foster parents. The center shall provide at least three months of
10 consultation and support to the parents accepting placement of children
11 from the center. The center may recruit new and current foster and
12 adoptive parents for infants served by the center. The department
13 shall not require case management as a condition of the contract. The
14 department shall collaborate with the pediatric interim care center to
15 determine if and how the center could be appropriately incorporated
16 into the performance-based contract model and report its findings to
17 the legislature by December 1, 2012.

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

30 (b) The department shall use (~~(performance-based contracts to~~
31 ~~provide))~~ these services to safely reduce the number of children in
32 out-of-home care, safely reduce the time spent in out-of-home care
33 prior to achieving permanency, and safely reduce the number of children
34 returning to out-of-home care following permanency. The department
35 shall provide an initial report to the legislature and the governor by
36 January 15, 2012, regarding the start-up costs associated with
37 performance-based contracts under RCW 74.13.360 (~~(and House Bill No.~~
38 ~~2122 (child welfare))~~)).

1 (4) \$176,000 of the general fund--state appropriation for fiscal
2 year 2012, \$177,000 of the general fund--state appropriation for fiscal
3 year 2013, \$656,000 of the general fund--private/local appropriation,
4 \$253,000 of the general fund--federal appropriation, and \$725,000 of
5 the education legacy trust account--state appropriation are provided
6 solely for children's administration to contract with an educational
7 advocacy provider with expertise in foster care educational outreach.
8 The amounts in this subsection are provided solely for contracted
9 education coordinators to assist foster children in succeeding in K-12
10 and higher education systems and to assure a focus on education during
11 the transition to performance based contracts. Funding shall be
12 prioritized to regions with high numbers of foster care youth and/or
13 regions where backlogs of youth that have formerly requested
14 educational outreach services exist. The department shall utilize
15 private matching funds to maintain educational advocacy services.

16 (5) \$670,000 of the general fund--state appropriation for fiscal
17 year 2012 and \$670,000 of the general fund--state appropriation for
18 fiscal year 2013 are provided solely for services provided through
19 children's advocacy centers.

20 (6) To ensure expenditures remain within available funds
21 appropriated in this section as required by RCW 74.13A.005 and
22 74.13A.020, the secretary shall not set the amount of any adoption
23 assistance payment or payments, made pursuant to RCW 26.33.320 and
24 74.13A.005 through 74.13A.080, to more than ninety percent of the
25 foster care maintenance payment for that child had he or she remained
26 in a foster family home during the same period. This subsection does
27 not apply to adoption assistance agreements in existence on the
28 effective date of this section.

29 (7) \$10,741,000 of the home security fund--state appropriation is
30 provided solely for the department to contract for services pursuant to
31 RCW 13.32A.030 and 74.15.220. The department shall contract and
32 collaborate with service providers in a manner that maintains the
33 availability and geographic representation of secure and semi-secure
34 crisis residential centers and HOPE centers. To achieve efficiencies
35 and increase utilization, the department shall allow the co-location of
36 these centers, except that a youth may not be placed in a secure
37 facility or the secure portion of a co-located facility except as
38 specifically authorized by chapter 13.32A RCW. The reductions to

1 appropriations in this subsection related to semi-secure crisis
2 residential centers reflect a reduction to the number of beds for semi-
3 secure crisis residential centers and not a reduction in rates. Any
4 secure crisis residential center or semi-secure crisis residential
5 center bed reduction shall not be based solely upon bed utilization.
6 The department is to exercise its discretion in reducing the number of
7 beds but to do so in a manner that maintains availability and
8 geographic representation of semi-secure and secure crisis residential
9 centers.

10 (8) \$47,000 of the general fund--state appropriation for fiscal
11 year 2012, \$14,000 of the general fund--state appropriation for fiscal
12 year 2013, and \$40,000 of the general fund--federal appropriation are
13 provided solely to implement Substitute House Bill No. 1697 (dependency
14 system). If the bill is not enacted by June 30, 2011, the amounts
15 provided in this subsection shall lapse.

16 (9) \$564,000 of the general fund--federal appropriation is provided
17 solely to implement Second Substitute House Bill No. 1128 (extended
18 foster care). If the bill is not enacted by June 30, 2011, the amount
19 provided in this subsection shall lapse.

20 (10) \$799,000 of the general fund--state appropriation for fiscal
21 year 2013 and \$799,000 of the general fund--federal appropriation are
22 provided solely for the implementation of Engrossed Second Substitute
23 House Bill No. 2264 (child welfare/contracting). If the bill is not
24 enacted by June 30, 2012, the amounts provided in this subsection shall
25 lapse.

26 (11) \$178,000 of the general fund--federal appropriation is
27 provided solely for the implementation of Engrossed Second Substitute
28 House Bill No. 2592 (extended foster care). If the bill is not enacted
29 by June 30, 2012, the amount provided in this subsection shall lapse.

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

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

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

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

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

18 (1) \$331,000 of the general fund--state appropriation for fiscal
19 year 2012 and \$331,000 of the general fund--state appropriation for
20 fiscal year 2013 are provided solely for deposit in the county criminal
21 justice assistance account for costs to the criminal justice system
22 associated with the implementation of chapter 338, Laws of 1997
23 (juvenile code revisions). The amounts provided in this subsection are
24 intended to provide funding for county adult court costs associated
25 with the implementation of chapter 338, Laws of 1997 and shall be
26 distributed in accordance with RCW 82.14.310.

27 (2) \$2,716,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$2,716,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely for the implementation of chapter
30 338, Laws of 1997 (juvenile code revisions). The amounts provided in
31 this subsection are intended to provide funding for county impacts
32 associated with the implementation of chapter 338, Laws of 1997 and
33 shall be distributed to counties as prescribed in the current
34 consolidated juvenile services (CJS) formula.

35 (3) \$3,482,000 of the general fund--state appropriation for fiscal
36 year 2012 and \$3,482,000 of the general fund--state appropriation for
37 fiscal year 2013 are provided solely to implement community juvenile
38 accountability grants pursuant to chapter 338, Laws of 1997 (juvenile

1 code revisions). Funds provided in this subsection may be used solely
2 for community juvenile accountability grants, administration of the
3 grants, and evaluations of programs funded by the grants.

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

14 (5) \$3,123,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$3,123,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely for grants to county juvenile
17 courts for the following programs identified by the Washington state
18 institute for public policy (institute) in its October 2006 report:
19 "Evidence-Based Public Policy Options to Reduce Future Prison
20 Construction, Criminal Justice Costs and Crime Rates": Functional
21 family therapy, multi-systemic therapy, aggression replacement training
22 and interagency coordination programs, or other programs with a
23 positive benefit-cost finding in the institute's report. County
24 juvenile courts shall apply to the juvenile rehabilitation
25 administration for funding for program-specific participation and the
26 administration shall provide grants to the courts consistent with the
27 per-participant treatment costs identified by the institute.

28 (6) \$1,537,000 of the general fund--state appropriation for fiscal
29 year 2012 and \$1,537,000 of the general fund--state appropriation for
30 fiscal year 2013 are provided solely for expansion of the following
31 treatments and therapies in juvenile rehabilitation administration
32 programs identified by the Washington state institute for public policy
33 in its October 2006 report: "Evidence-Based Public Policy Options to
34 Reduce Future Prison Construction, Criminal Justice Costs and Crime
35 Rates": Multidimensional treatment foster care, family integrated
36 transitions, and aggression replacement training, or other programs
37 with a positive benefit-cost finding in the institute's report. The

1 administration may concentrate delivery of these treatments and
2 therapies at a limited number of programs to deliver the treatments in
3 a cost-effective manner.

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

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

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

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

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

1 the state in the implementation of evidence-based practices and
2 disposition alternatives.

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

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

1 their review and analysis, as well as any recommendations, to the
2 legislature by December 1, 2012.

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

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

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

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

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

36 (b) \$6,590,000 of the general fund--state appropriation for fiscal
37 year 2012, \$6,590,000 of the general fund--state appropriation for

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

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

25 (d) The number of nonforensic beds allocated for use by regional
26 support networks at eastern state hospital shall be 192 per day. The
27 number of nonforensic beds allocated for use by regional support
28 networks at western state hospital shall be 557 per day through June
29 2012, 527 per day from July 2012 through September 2012, and 497 per
30 day from October 2012 through the remainder of fiscal year 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (2) INSTITUTIONAL SERVICES

12	General Fund--State Appropriation (FY 2012)	((\$115,317,000))
13		<u>\$115,017,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$114,111,000))
15		<u>\$106,679,000</u>
16	General Fund--Federal Appropriation	((\$153,324,000))
17		<u>\$153,618,000</u>
18	General Fund--Private/Local Appropriation	\$67,325,000
19	TOTAL APPROPRIATION	((\$450,077,000))
20		<u>\$442,639,000</u>

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

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

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

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

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

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

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

15 (3) SPECIAL PROJECTS

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

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

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

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

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

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

18 (4) PROGRAM SUPPORT

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

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

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

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

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

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

22 (1) COMMUNITY SERVICES

23 General Fund--State Appropriation (FY 2012)	((\$418,815,000))
	<u>\$405,412,000</u>
25 General Fund--State Appropriation (FY 2013)	((\$422,854,000))
	<u>\$418,591,000</u>
27 General Fund--Federal Appropriation	((\$743,532,000))
	<u>\$753,573,000</u>
29 General Fund--Private/Local Appropriation	((\$184,000))
	<u>\$226,000</u>
31 TOTAL APPROPRIATION	((\$1,585,385,000))
	<u>\$1,577,802,000</u>

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

35 (a) Individuals receiving services as supplemental security income
36 (SSI) state supplemental payments shall not become eligible for medical

1 assistance under RCW 74.09.510 due solely to the receipt of SSI state
2 supplemental payments.

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

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

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

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

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

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

37 (f) \$104,669,000 of the general fund--state appropriation for
38 fiscal year 2013 and \$104,669,000 of the general fund--federal

1 appropriation are provided solely for the department to provide
2 personal care services to waiver and nonwaiver in-home clients. The
3 department shall provide the legislature with a report by December 5,
4 2012, on the feasibility of converting the medicaid personal care
5 program for in-home adults to a medicaid program as found in section
6 1915(i) of the federal social security act that utilizes the option for
7 self-direction of individualized budgets. The department shall operate
8 the personal care program within the amounts specifically provided.

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

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

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

36 (h) \$75,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$75,000 of the general fund--state appropriation for
38 fiscal year 2013 are provided solely for the restoration of direct

1 support to local organizations that utilize parent-to-parent networks
2 and communication to promote access and quality of care for individuals
3 with developmental disabilities and their families.

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

8 (i) The current annual renewal license fee for adult family homes
9 shall be increased to \$100 per bed beginning in fiscal year 2012 and
10 (~~(\$175)~~) \$250 per bed beginning in fiscal year 2013. Adult family
11 homes shall receive a corresponding vendor rate increase per medicaid
12 patient day of \$0.22 in fiscal year 2012 and (~~(\$0.43)~~) \$0.59 in fiscal
13 year 2013 (~~(to cover the cost of the license fee increase for publicly~~
14 ~~funded beds)~~), or the amount necessary to fully fund the license fee
15 increase for publicly funded beds, pursuant to the most recent bed
16 estimates maintained by the department.

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

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

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

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

4 (2) INSTITUTIONAL SERVICES

5	General Fund--State Appropriation (FY 2012)	(((\$80,815,000))
6		\$75,436,000
7	General Fund--State Appropriation (FY 2013)	(((\$79,939,000))
8		\$80,356,000
9	General Fund--Federal Appropriation	(((\$154,388,000))
10		\$153,570,000
11	General Fund--Private/Local Appropriation	\$22,043,000
12	TOTAL APPROPRIATION	(((\$337,185,000))
13		\$331,405,000

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

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

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

27 (c) \$250,000 of the general fund--state appropriation for fiscal
28 year 2013 is provided solely for allocation under contract to a school
29 district in which a residential habilitation center (RHC) is located.
30 The department must provide the school district with an allocation of
31 \$25,000 for each person under the age of 21 who between July 1, 2011,
32 and June 30, 2013, is newly admitted to the RHC and newly enrolled in
33 the district in which the RHC is located. The purpose of the
34 allocation is to provide supplemental funding for robust supports and
35 extraordinary costs for students who are newly admitted to the RHC and
36 may be experiencing distress while transitioning to a new school
37 environment.

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

5 (i) The committee shall consist of:

6 (A) Three members of the legislature representing the thirty-first
7 legislative district;

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

9 (C) Two persons representing the chambers of commerce of the cities
10 of Enumclaw and Buckley;

11 (D) Two persons representing the friends of Rainier school
12 organization; and

13 (E) One person representing the Pierce county developmental
14 disabilities board.

15 (ii) The committee shall create and submit to the legislature a
16 long-range community vision and development plan for the efficient use
17 of the Rainier school facility to best serve the needs of persons with
18 developmental disabilities, including the establishment of a respite
19 care center for families and other caregivers of persons with
20 developmental disabilities.

21 (3) PROGRAM SUPPORT

22	General Fund--State Appropriation (FY 2012)	(((\$1,380,000))
23		<u>\$1,382,000</u>
24	General Fund--State Appropriation (FY 2013)	(((\$1,371,000))
25		<u>\$1,366,000</u>
26	General Fund--Federal Appropriation	(((\$1,323,000))
27		<u>\$1,319,000</u>
28	TOTAL APPROPRIATION	(((\$4,074,000))
29		<u>\$4,067,000</u>

30 (4) SPECIAL PROJECTS

31	General Fund--State Appropriation (FY 2012)	(((\$4,648,000))
32		<u>\$4,634,000</u>
33	General Fund--State Appropriation (FY 2013)	(((\$4,637,000))
34		<u>\$4,553,000</u>
35	General Fund--Federal Appropriation	(((\$9,575,000))
36		<u>\$9,588,000</u>
37	General Fund--Private/Local Appropriation	\$998,000
38	TOTAL APPROPRIATION	(((\$19,858,000))

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

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

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

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

General Fund--State Appropriation (FY 2012)	((\$781,995,000))
	<u>\$791,728,000</u>
General Fund--State Appropriation (FY 2013)	((\$804,465,000))
	<u>\$796,134,000</u>
General Fund--Federal Appropriation	((\$1,680,450,000))
	<u>\$1,699,980,000</u>
General Fund--Private/Local Appropriation	((\$27,517,000))
	<u>\$28,871,000</u>
Traumatic Brain Injury Account--State Appropriation	\$3,388,000
Nursing Facility Quality Assurance Account--State	
Appropriation	((\$88,071,000))

1 \$108,511,000
 2 TOTAL APPROPRIATION ((\$3,385,886,000))
 3 \$3,428,612,000

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

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

28 ~~(a) ((Within the funds provided, the department shall continue to~~
 29 ~~provide an add on per medicaid resident day per facility not to exceed~~
 30 ~~\$1.57. The add on shall be used to increase wages, benefits, and/or~~
 31 ~~staffing levels for certified nurse aides; or to increase wages and/or~~
 32 ~~benefits for dietary aides, housekeepers, laundry aides, or any other~~
 33 ~~category of worker whose statewide average dollars per hour wage was~~
 34 ~~less than \$15 in calendar year 2008, according to cost report data.~~
 35 ~~The add on may also be used to address resulting wage compression for~~
 36 ~~related job classes immediately affected by wage increases to low wage~~
 37 ~~workers. The department shall continue reporting requirements and a~~

1 ~~settlement process to ensure that the funds are spent according to this~~
2 ~~subsection.~~

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

14 ~~((c) During the comparative analysis performed in subsection (b)~~
15 ~~of this section, if it is found that the direct care rate for any~~
16 ~~facility calculated using the payment methodology defined in Engrossed~~
17 ~~Substitute Senate Bill No. 5581 (nursing home payments) is greater than~~
18 ~~the direct care rate in effect on June 30, 2010, then the facility~~
19 ~~shall receive a ten percent direct care rate add-on to compensate that~~
20 ~~facility for taking on more acute clients than they have in the past.))~~
21 (b) The direct care rate add-on defined in RCW 74.46.431 to compensate
22 facilities for taking on more acute clients than they have in the past
23 is frozen at the March 1, 2012, payment levels.

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

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

34 (2) After examining actual nursing facility cost information, the
35 legislature finds that the medicaid nursing facility rates calculated
36 pursuant to Engrossed Substitute Senate Bill No. 5581 (nursing home
37 payments) provide sufficient reimbursement to efficiently and

1 economically operating nursing facilities and bear a reasonable
2 relationship to costs.

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

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

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

21 (6) \$1,883,000 of the general fund--state appropriation for fiscal
22 year 2012, \$1,883,000 of the general fund--state appropriation for
23 fiscal year 2013, and \$3,766,000 of the general fund--federal
24 appropriation are provided solely for state contributions for
25 individual provider health care benefits. Pursuant to the collective
26 bargaining agreement negotiated with the exclusive bargaining
27 representative of individual providers established under RCW
28 74.39A.270, the state shall contribute to the multiemployer health
29 benefits trust fund ((~~\$1.96~~) \$2.21) per paid hour worked by individual
30 providers.

31 (~~(7) ((\$16,835,000 of the general fund--state appropriation for~~
32 ~~fiscal year 2012, \$17,952,000 of the general fund--state appropriation~~
33 ~~for fiscal year 2013, and \$34,786,000 of the general fund--federal~~
34 ~~appropriation are provided solely for home care agencies to purchase~~
35 ~~health coverage for home care providers. The department shall~~
36 ~~calculate and distribute payments for health care benefits to home care~~
37 ~~agencies at \$558 per month for each worker who cares for publicly~~
38 ~~funded clients at 86 hours or more per month. In order to negotiate~~

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

19 ~~(8) \$2,063,000))~~ \$2,449,000 of the general fund--state
20 appropriation for fiscal year 2012, ~~(((\$2,195,000))~~ \$3,012,000 of the
21 general fund--state appropriation for fiscal year 2013, and
22 ~~(((\$4,260,000))~~ \$5,463,000 of the general fund--federal appropriation
23 are provided solely for the state's contribution to the training
24 partnership, as provided in RCW 74.39A.360, for instructional costs
25 associated with the training of individual providers. ~~((House Bill No.
26 1548 and Senate Bill No. 5473 (long term care worker requirements) make
27 statutory changes to the increased training requirements and therefore
28 the state shall contribute to the partnership \$0.17 per paid hour
29 worked by all home care workers. This amount is pursuant to the
30 collective bargaining agreement negotiated with the exclusive
31 bargaining representative of individual providers established under RCW
32 74.39A.270.))~~ Contributions are funded at \$0.22 per benefit-eligible
33 paid hour worked by all home care workers. Expenditures for the
34 purposes specified in this subsection shall not exceed the amounts
35 provided in this subsection, unless the governor and the service
36 employees international union healthcare 775nw can reach agreement on
37 repurposing funding that is currently provided in the individual

1 provider collective bargaining agreement for new individual provider
2 wages paid during training or other training related items.

3 (8) \$338,550,000 of the general fund--state appropriation for
4 fiscal year 2013 and \$338,550,000 of the general fund--federal
5 appropriation are provided solely for the department to provide
6 personal care services to waiver and nonwaiver in-home clients. The
7 department shall provide the legislature with a report by December 5,
8 2012, on the feasibility of converting the medicaid personal care
9 program for in-home adults to a medicaid program as found in section
10 1915(i) of the federal social security act that utilizes the option for
11 self-direction of individualized budgets. The department shall operate
12 the personal care program within the amounts specifically provided.

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

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

20 (11) (~~(\$4,588,000)~~) \$4,823,000 of the general fund--state
21 appropriation for fiscal year 2012, (~~(\$4,559,000)~~) \$6,474,000 of the
22 general fund--state appropriation for fiscal year 2013, and
23 (~~(\$9,237,000)~~) \$11,387,000 of the general fund--federal appropriation
24 are provided solely for the continued operation of community
25 residential and support services for persons who are older adults or
26 who have co-occurring medical and behavioral disorders and who have
27 been discharged or diverted from a state psychiatric hospital. These
28 funds shall be used to serve individuals whose treatment needs
29 constitute substantial barriers to community placement, who no longer
30 require active psychiatric treatment at an inpatient hospital level of
31 care, and who no longer meet the criteria for inpatient involuntary
32 commitment. The department shall prioritize services in order to
33 reduce utilization and maintain a reduction of 60 beds at western state
34 hospital that were previously used for long term placements for clients
35 with dementia, traumatic brain injuries, or other organic brain
36 disorders. The department shall ensure that a sufficient number of
37 individuals have been transitioned and diverted from western state
38 hospital to enable closure of a 30 bed ward on July 1, 2012, and of

1 another 30 bed ward on October 1, 2012. Coordination of these services
2 must be done in partnership between the mental health program and the
3 aging and disability services administration.

4 (12) \$1,840,000 of the general fund--state appropriation for fiscal
5 year 2012 and \$1,877,000 of the general fund--state appropriation for
6 fiscal year 2013 are provided solely for operation of the volunteer
7 services program. Funding shall be prioritized towards serving
8 populations traditionally served by long-term care services to include
9 senior citizens and persons with disabilities.

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

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

21 (b) The current annual renewal license fee for adult family homes
22 shall be increased to \$100 per bed beginning in fiscal year 2012 and
23 assumes \$1,449,000 of the general fund--private/local appropriation;
24 and (~~(\$175)~~) \$250 per bed beginning in fiscal year 2013 and assumes
25 (~~(\$2,463,000)~~) \$3,485,000 of the general fund--private/local
26 appropriation. Adult family homes shall receive a corresponding vendor
27 rate increase per medicaid patient day of \$0.22 in fiscal year 2012 and
28 (~~(\$0.43)~~) \$0.59 in fiscal year 2013 (~~(to cover the license fee increase~~
29 ~~for publicly funded beds)~~), or the amount necessary to fully fund the
30 license fee increase for publicly funded beds, pursuant to the most
31 recent bed estimates maintained by the department.

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

35 (d) \$72,000 of the general fund--state appropriation for fiscal
36 year 2012, \$708,000 of the general fund--private/local appropriation
37 and \$708,000 of the general fund--federal appropriation are provided
38 solely to implement sections 501 through 503 of Engrossed Substitute

1 House Bill No. 1277 (licensed settings for vulnerable adults). The
2 department shall use additional investigative resources to address
3 complaints about provider practices as well as alleged abuse, neglect,
4 abandonment, and exploitation of residents in adult family homes. The
5 department shall develop a statewide internal quality review and
6 accountability program to improve the accountability of staff and the
7 consistent application of investigative activities, and shall convene
8 a quality assurance panel to review problems in the quality of care in
9 adult family homes.

10 (14) \$3,316,000 of the traumatic brain injury account--state
11 appropriation is provided solely to continue services for persons with
12 traumatic brain injury (TBI) as defined in chapter 143, Laws of 2011
13 (traumatic brain injury strategic partnership).

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

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

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

23 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
24 **PROGRAM**

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

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

36 (1) ((~~\$258,880,000~~)) \$195,410,000 of the general fund--state
37 appropriation for fiscal year 2012, ((~~\$297,296,000~~)) \$235,808,000 of

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

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

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

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

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

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

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

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

13 ~~(3) (\$23,494,000))~~ \$23,679,000 of the general fund--state
14 appropriation for fiscal year 2012, in addition to supplemental
15 security income recoveries, is provided solely for financial assistance
16 and other services to recipients in the program established in section
17 4, chapter 8, Laws of 2010 1st sp. sess., until the program terminates
18 on October 31, 2011.

19 ~~((4))~~ (3)(a) ~~(((\$13,086,000))~~ \$12,457,000 of the general fund--
20 state appropriation for fiscal year 2012 and ~~(((\$24,788,000))~~
21 \$21,959,000 of the general fund--state appropriation for fiscal year
22 2013, in addition to supplemental security income recoveries, are
23 provided solely for the programs created in Engrossed Substitute House
24 Bill No. 2082 (essential needs and assistance program) beginning
25 November 1, 2011.

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

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

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

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

14 ((+7)) (6) On December 1, 2011, and annually thereafter, the
15 department must report to the legislature on all sources of funding
16 available for both refugee and immigrant services and naturalization
17 services during the current fiscal year and the amounts expended to
18 date by service type and funding source. The report must also include
19 the number of clients served and outcome data for the clients.

20 ((+8)) (7) To ensure expenditures remain within available funds
21 appropriated in this section, the legislature establishes the benefit
22 under the state food assistance program, pursuant to RCW 74.08A.120, to
23 be fifty percent of the federal supplemental nutrition assistance
24 program benefit amount.

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

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

29	General Fund--State Appropriation (FY 2012)	((\$74,287,000))
30		<u>\$73,742,000</u>
31	General Fund--State Appropriation (FY 2013)	((\$74,422,000))
32		<u>\$71,218,000</u>
33	General Fund--Federal Appropriation	((\$141,514,000))
34		<u>\$184,401,000</u>
35	General Fund--Private/Local Appropriation	((\$2,086,000))
36		<u>\$13,486,000</u>
37	Criminal Justice Treatment Account--State	

1	Appropriation	\$20,748,000
2	Problem Gambling Account--State Appropriation	\$1,448,000
3	TOTAL APPROPRIATION	((\$314,505,000))
4		<u>\$365,043,000</u>

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

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

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

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

31 (4) \$3,500,000 of the general fund--federal appropriation (from the
32 substance abuse prevention and treatment federal block grant) is
33 provided solely for the continued funding of existing county drug and
34 alcohol use prevention programs.

35 (5) Within amounts appropriated in this section, the department is
36 required to increase federal match available for intensive inpatient
37 services. During fiscal year 2013, the department shall shift
38 contracts for a minimum of 32 intensive inpatient beds currently

1 provided in settings that are considered institutions for mental
2 diseases to two or more facilities with fewer than 16 beds that are
3 able to claim federal match for services provided to medicaid clients
4 or individuals covered under the department's section 1115 medicaid
5 waiver. The department is authorized to conduct a request for proposal
6 process to fulfill this requirement. By December 1, 2012, the
7 department shall provide a plan to the office of financial management
8 and to the relevant fiscal and policy committees of the legislature for
9 transitioning all remaining intensive inpatient beds currently provided
10 in settings that are considered institutions for mental diseases into
11 facilities with fewer than 16 beds by June 2017. The plan shall
12 identify the maximum number of additional beds that can be transitioned
13 into facilities with fewer than 16 beds during the 2013-2015 fiscal
14 biennium and the remaining number that will be transitioned during the
15 2015-2017 fiscal biennium, a timeline and process for accomplishing
16 this, and a projection of the related general fund--state savings for
17 each biennium.

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

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

22	General Fund--State Appropriation (FY 2012)	(((\$10,874,000))
23		<u>\$10,629,000</u>
24	General Fund--State Appropriation (FY 2013)	(((\$10,861,000))
25		<u>\$10,401,000</u>
26	General Fund--Federal Appropriation	(((\$105,091,000))
27		<u>\$105,060,000</u>
28	Telecommunications Devices for the Hearing and	
29	Speech Impaired--State Appropriation	\$2,766,000
30	TOTAL APPROPRIATION	(((\$129,592,000))
31		<u>\$128,856,000</u>

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

1 (3) \$178,000 of the general fund--state appropriation for fiscal
2 year 2012 and \$178,000 of the general fund--state appropriation for
3 fiscal year 2013 are provided solely for the juvenile detention
4 alternatives initiative.

5 (4) \$4,812,000 of the performance audits of state government--state
6 appropriation is provided solely for support and expansion of the
7 division of fraud investigation. The division shall conduct
8 investigatory and enforcement activities for all department programs,
9 including the child support and TANF programs.

10 (5) \$1,400,000 of the general fund--state appropriation for fiscal
11 year 2012 is provided solely for the department to distribute as
12 support to community public health and safety networks that have a
13 history of providing training and services related to adverse childhood
14 experiences. Distribution of these funds is contingent upon securing
15 funding from a private entity or entities to provide one dollar in
16 matching funds for each dollar in state funds received by a network so
17 that the funding received by a community public health and safety
18 network will be equal portions of state and private funding.

19 (6) \$250,000 of the general fund--state appropriation for fiscal
20 year 2013 is for the department to assist in the development of a
21 public-private initiative that promotes innovative new approaches to
22 prevention and mitigation of adverse childhood experiences. The
23 department shall, as part of the transition to a public-private
24 initiative that leverages the community networks' community capacity
25 building model and infrastructure: (a) Assist community public health
26 and safety networks in identifying and obtaining funding opportunities
27 to assist local communities in achieving the purposes of networks and
28 further developing community capacity; and (b) maintain centralized
29 administrative services for the community network system in the office
30 of the secretary to facilitate cross-agency and multi-sector
31 partnership with community networks.

32 (7) \$250,000 of the general fund--state appropriation for fiscal
33 year 2013 is provided solely for a grant program focused on criminal
34 street gang prevention and intervention. The Washington state
35 partnership council on juvenile justice may award grants under this
36 subsection. The council shall give priority to applicants who have
37 demonstrated the greatest problems with criminal street gangs.
38 Applicants composed of, at a minimum, one or more local governmental

1 entities and one or more nonprofit, nongovernmental organizations that
2 have a documented history of creating and administering effective
3 criminal street gang prevention and intervention programs may apply for
4 funding under this subsection.

5 (8) \$113,000 of the general fund--state appropriation for fiscal
6 year 2013 and \$105,000 of the general fund--federal appropriation are
7 provided solely for staffing costs associated with implementation of
8 Engrossed Second Substitute House Bill No. 2536 (children
9 services/delivery). The amounts provided in this subsection must be
10 used for coordinated evidence-based practice implementation amongst the
11 department's programs providing mental health, child welfare, and
12 juvenile justice services to children. If Engrossed Second Substitute
13 House Bill No. 2536 (children services/delivery) is not enacted by June
14 30, 2012, the amounts provided in this subsection shall lapse.

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

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

19	General Fund--State Appropriation (FY 2012)	((\$62,778,000))
20		<u>\$62,140,000</u>
21	General Fund--State Appropriation (FY 2013)	((\$61,927,000))
22		<u>\$46,303,000</u>
23	General Fund--Federal Appropriation	((\$58,400,000))
24		<u>\$53,049,000</u>
25	TOTAL APPROPRIATION	((\$183,105,000))
26		<u>\$161,492,000</u>

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

29 \$469,000 of the general fund--state appropriation for fiscal year
30 2011 and \$270,000 of the general fund--state appropriation for fiscal
31 year 2012 are provided solely for implementation of Engrossed
32 Substitute Senate Bill No. 5921 (social services programs). If the
33 bill is not enacted by June 30, 2011, the amounts provided in this
34 subsection shall lapse.

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

1 modifications or transfers under this subsection. The written
2 notification shall include a narrative explanation and justification of
3 the changes, along with expenditures and allotments by budget unit and
4 appropriation, both before and after any allotment modifications or
5 transfers.

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

16 ((+2)) (3) The health care authority shall require organizations
17 and individuals that are paid to deliver basic health plan services and
18 that choose to sponsor enrollment in the subsidized basic health plan
19 to pay 133 percent of the premium amount which would otherwise be due
20 from the sponsored enrollees.

21 ((+3)) (4)(a) \$1,200,000 of the general fund--state appropriation
22 for fiscal year 2012 is provided solely to plan the implementation of
23 a system of consolidated public school employee health benefits
24 purchasing.

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

30 To further this legislative intent, the state health care authority
31 shall develop a plan to implement a consolidated health benefits'
32 system for K-12 employees for the 2013-14 school year. The health care
33 authority shall deliver a report to the legislature by December 15,
34 2011, that sets forth the implementation plan to the ways and means
35 committees of the house of representatives and the senate.

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

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

1 (ii) A new K-12 employee benefits pool; and
2 (iii) Enrolling K-12 employees into the health benefits pool for
3 state employees.

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

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

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

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

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

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

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

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

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

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

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

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

37 (B) The structure of a permanent governing group to provide ongoing

1 oversight to the consolidated pool, in a manner similar to the public
2 employees benefits board functions for employee health benefits,
3 including statutory duties and authorities of the board; and

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

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

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

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

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

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

25 ((+4)) (5) The administrator shall take at least the following
26 actions to assure that persons participating in the basic health plan
27 are eligible for the level of assistance they receive: (a) Require
28 submission of (i) income tax returns, and recent pay history, from all
29 applicants, or (ii) other verifiable evidence of earned and unearned
30 income from those persons not required to file income tax returns; (b)
31 check employment security payroll records at least once every twelve
32 months on all enrollees; (c) require enrollees whose income as
33 indicated by payroll records exceeds that upon which their subsidy is
34 based to document their current income as a condition of continued
35 eligibility; (d) require enrollees for whom employment security payroll
36 records cannot be obtained to document their current income at least
37 once every six months; (e) not reduce gross family income for self-
38 employed persons by noncash-flow expenses such as, but not limited to,

1 depreciation, amortization, and home office deductions, as defined by
2 the United States internal revenue service; and (f) pursue repayment
3 and civil penalties from persons who have received excessive subsidies,
4 as provided in RCW 70.47.060(9).

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

10 ~~((+6))~~ (7) \$23,700,000 of the general fund--federal appropriation
11 is provided solely for planning and implementation of a health benefit
12 exchange under the federal patient protection and affordable care act.
13 Within the amounts provided in this subsection, funds used by the
14 authority for information technology projects are conditioned on the
15 authority satisfying the requirements of Engrossed Second Substitute
16 Senate Bill No. 5931 (central service agencies).

17 ~~((+7))~~ (8) Based on quarterly expenditure reports and caseload
18 forecasts, if the health care authority estimates that expenditures for
19 the medical assistance program will exceed the appropriations, the
20 health care authority shall take steps including but not limited to
21 reduction of rates or elimination of optional services to reduce
22 expenditures so that total program costs do not exceed the annual
23 appropriation authority.

24 ~~((+8))~~ (9) In determining financial eligibility for medicaid-
25 funded services, the health care authority is authorized to disregard
26 recoveries by Holocaust survivors of insurance proceeds or other
27 assets, as defined in RCW 48.104.030.

28 ~~((+9))~~ (10) The legislature affirms that it is in the state's
29 interest for Harborview medical center to remain an economically viable
30 component of the state's health care system.

31 ~~((+10))~~ (11) When a person is ineligible for medicaid solely by
32 reason of residence in an institution for mental diseases, the health
33 care authority shall provide the person with the same benefits as he or
34 she would receive if eligible for medicaid, using state-only funds to
35 the extent necessary.

36 ~~((+11))~~ (12) \$4,261,000 of the general fund--state appropriation
37 for fiscal year 2012, \$4,261,000 of the general fund--state

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

4 ~~((12) \$5,905,000 of the general fund state appropriation for~~
5 ~~fiscal year 2012, \$5,905,000 of the general fund state appropriation~~
6 ~~for fiscal year 2013, and \$11,810,000 of the general fund federal~~
7 ~~appropriation are provided solely for nonrural indigent assistance~~
8 ~~disproportionate share hospital payments in accordance with RCW~~
9 ~~74.09.730(1)).~~

10 ~~(13) \$665,000 of the general fund state appropriation for fiscal~~
11 ~~year 2012, \$665,000 of the general fund state appropriation for fiscal~~
12 ~~year 2013, and \$1,330,000 of the general fund federal appropriation~~
13 ~~are provided solely for small rural indigent assistance~~
14 ~~disproportionate share hospital payments in accordance with RCW~~
15 ~~74.09.730(1)).~~

16 ~~(14))~~ (13) \$6,000,000 of the general fund--federal appropriation
17 is provided solely for supplemental payments to nursing homes operated
18 by public hospital districts. The public hospital district shall be
19 responsible for providing the required nonfederal match for the
20 supplemental payment, and the payments shall not exceed the maximum
21 allowable under federal rules. It is the legislature's intent that the
22 payments shall be supplemental to and shall not in any way offset or
23 reduce the payments calculated and provided in accordance with part E
24 of chapter 74.46 RCW. It is the legislature's further intent that
25 costs otherwise allowable for rate-setting and settlement against
26 payments under chapter 74.46 RCW shall not be disallowed solely because
27 such costs have been paid by revenues retained by the nursing home from
28 these supplemental payments. The supplemental payments are subject to
29 retrospective interim and final cost settlements based on the nursing
30 homes' as-filed and final medicare cost reports. The timing of the
31 interim and final cost settlements shall be at the health care
32 authority's discretion. During either the interim cost settlement or
33 the final cost settlement, the health care authority shall recoup from
34 the public hospital districts the supplemental payments that exceed the
35 medicaid cost limit and/or the medicare upper payment limit. The
36 health care authority shall apply federal rules for identifying the
37 eligible incurred medicaid costs and the medicare upper payment limit.

1 (~~(15)~~) (14) The health care authority shall continue the
2 inpatient hospital certified public expenditures program for the 2011-
3 2013 fiscal biennium. The program shall apply to all public hospitals,
4 including those owned or operated by the state, except those classified
5 as critical access hospitals or state psychiatric institutions. The
6 health care authority shall submit reports to the governor and
7 legislature by November 1, 2011, and by November 1, 2012, that evaluate
8 whether savings continue to exceed costs for this program. If the
9 certified public expenditures (CPE) program in its current form is no
10 longer cost-effective to maintain, the health care authority shall
11 submit a report to the governor and legislature detailing
12 cost-effective alternative uses of local, state, and federal resources
13 as a replacement for this program. During fiscal year 2012 and fiscal
14 year 2013, hospitals in the program shall be paid and shall retain one
15 hundred percent of the federal portion of the allowable hospital cost
16 for each medicaid inpatient fee-for-service claim payable by medical
17 assistance and one hundred percent of the federal portion of the
18 maximum disproportionate share hospital payment allowable under federal
19 regulations. Inpatient medicaid payments shall be established using an
20 allowable methodology that approximates the cost of claims submitted by
21 the hospitals. Payments made to each hospital in the program in each
22 fiscal year of the biennium shall be compared to a baseline amount.
23 The baseline amount will be determined by the total of (a) the
24 inpatient claim payment amounts that would have been paid during the
25 fiscal year had the hospital not been in the CPE program based on the
26 reimbursement rates developed, implemented, and consistent with
27 policies approved in the 2011-13 biennial operating appropriations act
28 and in effect on July 1, 2011, (b) one half of the indigent assistance
29 disproportionate share hospital payment amounts paid to and retained by
30 each hospital during fiscal year 2005, and (c) all of the other
31 disproportionate share hospital payment amounts paid to and retained by
32 each hospital during fiscal year 2005 to the extent the same
33 disproportionate share hospital programs exist in the 2011-13 biennium.
34 If payments during the fiscal year exceed the hospital's baseline
35 amount, no additional payments will be made to the hospital except the
36 federal portion of allowable disproportionate share hospital payments
37 for which the hospital can certify allowable match. If payments during
38 the fiscal year are less than the baseline amount, the hospital will be

1 paid a state grant equal to the difference between payments during the
2 fiscal year and the applicable baseline amount. Payment of the state
3 grant shall be made in the applicable fiscal year and distributed in
4 monthly payments. The grants will be recalculated and redistributed as
5 the baseline is updated during the fiscal year. The grant payments are
6 subject to an interim settlement within eleven months after the end of
7 the fiscal year. A final settlement shall be performed. To the extent
8 that either settlement determines that a hospital has received funds in
9 excess of what it would have received as described in this subsection,
10 the hospital must repay the excess amounts to the state when requested.
11 (~~(\$24,677,000)~~) \$8,102,000 of the general fund--state appropriation for
12 fiscal year 2012, of which \$6,570,000 is appropriated in section 204(1)
13 of this act, and (~~(\$21,531,000)~~) \$3,162,000 of the general fund--state
14 appropriation for fiscal year 2013, of which \$6,570,000 is appropriated
15 in section 204(1) of this act, are provided solely for state grants for
16 the participating hospitals. CPE hospitals will receive the inpatient
17 and outpatient reimbursement rate restorations in RCW 74.60.080 and
18 rate increases in RCW 74.60.090 funded through the hospital safety net
19 assessment fund rather than through the baseline mechanism specified in
20 this subsection.

21 (~~(+16)~~) (15) The health care authority shall seek public-private
22 partnerships and federal funds that are or may become available to
23 provide on-going support for outreach and education efforts under the
24 federal children's health insurance program reauthorization act of
25 2009.

26 (~~(+17)~~) (16) The health care authority shall target funding for
27 maternity support services towards pregnant women with factors that
28 lead to higher rates of poor birth outcomes, including hypertension, a
29 preterm or low birth weight birth in the most recent previous birth, a
30 cognitive deficit or developmental disability, substance abuse, severe
31 mental illness, unhealthy weight or failure to gain weight, tobacco
32 use, or African American or Native American race. The health care
33 authority shall prioritize evidence-based practices for delivery of
34 maternity support services. To the extent practicable, the health care
35 authority shall develop a mechanism to increase federal funding for
36 maternity support services by leveraging local public funding for those
37 services.

1 ~~((+18+))~~ (17) For children with family incomes above 200 percent of
2 the federal poverty level in the state-funded children's health program
3 for children who are not eligible for coverage under the federally
4 funded children's health insurance program, premiums shall be set every
5 two years in an amount equal to the average state-only share of the per
6 capita cost of coverage in the state-funded children's health program
7 for children in families with incomes at or less than two hundred
8 percent of the federal poverty level.

9 ~~((+19) \$704,000 of the general fund--state appropriation for fiscal
10 year 2012, \$726,000 of the general fund--state appropriation for fiscal
11 year 2013, and \$1,431,000 of the general fund--federal appropriation
12 are provided solely for))~~ (18) Within the amounts appropriated in this
13 section, the health care authority shall provide disproportionate share
14 hospital payments to hospitals that provide services to children in the
15 children's health program who are not eligible for services under Title
16 XIX or XXI of the federal social security act due to their citizenship
17 status.

18 ~~((+20) \$998,000))~~ (19) \$859,000 of the general fund--state
19 appropriation for fiscal year 2012, \$979,000 of the general fund--state
20 appropriation for fiscal year 2013, and ~~((+\$1,980,000))~~ \$1,841,000 of
21 the general fund--federal appropriation are provided solely to increase
22 prior authorization activities for advanced imaging procedures.

23 ~~((+21) \$249,000))~~ (20) \$196,000 of the general fund--state
24 appropriation for fiscal year 2012, \$246,000 of the general fund--state
25 appropriation for fiscal year 2013, and ~~((+\$495,000))~~ \$442,000 of the
26 general fund--federal appropriation are provided solely to increase
27 prior authorization activities for surgical procedures, which may
28 include orthopedic procedures, spinal procedures and interventions, and
29 nerve procedures.

30 ~~((+22+))~~ (21) \$300,000 of the general fund--private/local
31 appropriation and \$300,000 of the general fund--federal appropriation
32 are provided solely for a prescriptive practices improvement
33 collaborative focusing upon atypical antipsychotics and other
34 medications commonly used in the treatment of severe and persistent
35 mental illnesses among adults. The project shall promote collaboration
36 among community mental health centers, other major prescribers of
37 atypical antipsychotic medications to adults enrolled in state medical
38 assistance programs, and psychiatrists, pharmacists, and other

1 specialists at the University of Washington department of psychiatry
2 and/or other research universities. The collaboration shall include
3 patient-specific prescriber consultations by psychiatrists and
4 pharmacists specializing in treatment of severe and persistent mental
5 illnesses among adults; production of profiles to assist prescribers
6 and clinics in tracking their prescriptive practices and their
7 patients' medication use and adherence relative to evidence-based
8 practices guidelines, other prescribers, and patients at other clinics;
9 and in-service seminars at which participants can share and increase
10 their knowledge of evidence-based and other effective prescriptive
11 practices. The health care authority shall enter into an interagency
12 agreement with the office of the attorney general for expenditure of
13 \$300,000 of the state's proceeds of the *cy pres* settlement in *State of*
14 *Washington v. AstraZeneca (Seroquel)* for this purpose.

15 ~~((+23))~~ (22) \$570,000 of the general fund--private/local
16 appropriation is provided solely for continued operation of the
17 partnership access line for child mental health consultations. The
18 health care authority shall enter into an interagency agreement with
19 the office of the attorney general for expenditure of \$570,000 of the
20 state's proceeds of the *cy pres* settlement in *State of Washington v.*
21 *AstraZeneca (Seroquel)* for this purpose.

22 ~~((+24))~~ (23) \$80,000 of the general fund--state appropriation for
23 fiscal year 2012, \$80,000 of the general fund--state appropriation for
24 fiscal year 2013, and \$160,000 of the general fund--federal
25 appropriation are provided solely to fund the Tacoma-Pierce county
26 health department for access and outreach activities to reduce infant
27 mortality.

28 ~~((+25))~~ (24) \$75,000 of the general fund--state appropriation for
29 fiscal year 2012, \$75,000 of the general fund--state appropriation for
30 fiscal year 2013, and \$150,000 of the general fund--federal
31 appropriation are provided solely to assist with development and
32 implementation of evidence-based strategies regarding the appropriate,
33 safe, and effective role of C-section surgeries and early induced labor
34 in births and neonatal care. The strategies shall be identified and
35 implemented in consultation with clinical research specialists,
36 physicians, hospitals, advanced registered nurse practitioners, and
37 organizations concerned with maternal and child health.

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

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

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

13 ~~((+29+))~~ (28) In its procurement of contractors for delivery of
14 medical managed care services for nondisabled, nonelderly persons, the
15 medical assistance program shall (a) place substantial emphasis upon
16 price competition in the selection of successful bidders; and (b) not
17 require delivery of any services that would increase the actuarial cost
18 of service beyond the levels included in current healthy options
19 contracts.

20 ~~((+30+))~~ (29) \$1,430,000 of the general fund--state appropriation
21 for fiscal year 2012, \$1,430,000 of the general fund--state
22 appropriation for fiscal year 2013, and \$2,860,000 of the general
23 fund--federal appropriation are provided solely to pay
24 federally-designated rural health clinics their standard encounter rate
25 for prenatal and well-child visits, whether delivered under a managed
26 care contract or fee-for-service. In reconciling managed care
27 enhancement payments for calendar years 2009 and 2010, the department
28 shall treat well-child and prenatal care visits as encounters subject
29 to the clinic's encounter rate.

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

36 ~~((+32+))~~ (31) \$70,000 of the general fund--state appropriation for
37 fiscal year 2012, \$70,000 of the general fund--state appropriation for
38 fiscal year 2013, and \$140,000 of the general fund--federal

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

4 ~~((+33))~~ (32) \$400,000 of the general fund--state appropriation for
5 fiscal year 2012 and \$400,000 of the general fund--state appropriation
6 for fiscal year 2013 is provided solely for the local outreach, case
7 management, and coordination with dental providers needed to execute
8 the access to baby and child dentistry program, which provides dental
9 care to Medicaid eligible children up to age six.

10 ~~((+34) \$1,868,000 of the general fund--state appropriation for
11 fiscal year 2012, \$1,873,000 of the general fund--state appropriation
12 for fiscal year 2013, and \$3,154,000 of the general fund--federal
13 appropriation are provided solely to))~~ (33) Within the amounts
14 appropriated in this section, the health care authority shall continue
15 to provide dental services to pregnant women. Services shall include
16 preventive, routine, and emergent dental care.

17 ~~((+35))~~ (34) \$395,000 of the general fund--state appropriation for
18 fiscal year 2012, \$395,000 of the general fund--state appropriation for
19 fiscal year 2013, and \$790,000 of the general fund--federal
20 appropriation are provided solely for continued operation of the
21 dental education in care of persons with disabilities (DECOD) program
22 at the University of Washington.

23 ~~((+36) \$112,000))~~ (35) \$159,000 of the general fund--state
24 appropriation for fiscal year 2012, ~~((\$112,000 of the general fund--
25 state appropriation for fiscal year 2013,))~~ \$302,000 of the general
26 fund--private/local appropriation, and ~~((\$1,928,000))~~ \$146,072,000 of
27 the general fund--federal appropriation are provided solely for the
28 provider incentive program and other initiatives related to the health
29 information technology Medicaid plan. The general fund--private/local
30 appropriation in this subsection shall be funded with proceeds from
31 settlements in the case of State of Washington vs. GlaxoSmithKline.
32 The authority and the office of the attorney general shall enter an
33 interagency agreement regarding use of these funds.

34 ~~((+37))~~ (36) \$2,926,000 of the general fund--local appropriation
35 and \$2,928,000 of the general fund--federal appropriation are provided
36 solely to support medical airlift services.

37 ~~((+38))~~ (37) The authority shall collect data on enrollment and
38 utilization to study whether the expansion of family planning coverage

1 under Substitute Senate Bill No. 5912 is reducing state medical
2 expenditures by reducing unwanted pregnancies. The authority shall
3 report its findings to the legislature by December 1, 2012.

4 ~~((+39))~~ (38) \$480,000 of the general fund--state appropriation for
5 fiscal year 2012, \$480,000 of the general fund--state appropriation for
6 fiscal year 2013, and \$824,000 of the general fund--federal
7 appropriation are provided solely for customer services staff. The
8 authority will attempt to improve the phone answer rate to 40 percent
9 and reduce the response times to written questions to ten days for
10 clients and 25 days for providers. The authority will report to the
11 legislature on its progress toward achieving these goals by January 1,
12 2012. If the authority has not achieved these goals by July 1, 2012,
13 then the authority shall reduce expenditures on management staff in
14 order to increase expenditures on customer service staff until the
15 goals are achieved.

16 ~~((+40))~~ (39) The department shall purchase a brand name drug when
17 it determines that the cost of the brand name drug after rebates is
18 less than the cost of generic alternatives and that purchase of the
19 brand rather than generic version can save at least \$250,000. The
20 department may purchase generic alternatives when changes in market
21 prices make the price of the brand name drug after rebates more
22 expensive than the generic alternatives.

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

29 (40) The authority, in collaboration with the department of social
30 and health services, the department of health, the Washington state
31 hospital association, the Puget Sound health alliance, the Washington
32 association of community and migrant health centers, and the forum, a
33 collaboration of health carriers, physicians, and hospitals in
34 Washington state, shall design a system of rural health system access
35 and quality incentive payments. The incentive payments must be linked
36 to explicit performance measures that consider not only services
37 provided by health care providers, but also the role that providers
38 might play in the rural health delivery systems in their communities,

1 including the provision of long-term care services. In designing the
2 incentive payment system, the authority shall consider the department
3 of health's necessary provider criteria for critical access hospitals,
4 the quality measures used to determine quality incentive payments under
5 RCW 74.60.130, and any other performance measures that would promote
6 access and quality in rural health systems. The authority, in
7 conjunction with those groups identified in this subsection, shall
8 develop parameters for determining criteria for increased payment,
9 alternative payment methodologies, or other incentives for those
10 providers that improve and achieve sustained improvement with respect
11 to the measures. The design of the system shall be submitted to the
12 relevant policy and fiscal committees of the legislature by December
13 15, 2012.

14 (41) \$150,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$1,964,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely to implement Engrossed Second
17 Substitute House Bill No. 2319 (affordable care act). If the bill is
18 not enacted by June 30, 2012, the amounts provided in this subsection
19 shall lapse.

20 (42) \$1,109,000 of the general fund--state appropriation for fiscal
21 year 2012, \$1,471,000 of the general fund--state appropriation for
22 fiscal year 2013, and \$21,890,000 of the general fund--federal
23 appropriation are provided solely to implement phase two of the project
24 to create a single provider payment system that consolidates medicaid
25 medical and social services payments and replaces the social service
26 payment system.

27 (43) The authority, in consultation with the Washington state
28 hospital association, the Washington state medical association, and the
29 Washington chapter of the American college of emergency physicians
30 shall designate best practices to reduce medical assistance
31 expenditures through the reduction of unnecessary emergency room
32 visits. In consultation with emergency room physicians and hospitals,
33 the goal is to achieve, by July 1, 2012, adoption of the designated
34 best practices by hospitals in Washington state that, in total,
35 provided at least seventy-five percent of emergency room visits to
36 medicaid fee-for-service clients in fiscal year 2010. The best
37 practices shall consist of the following items:

1 (a) Adoption of a system to exchange patient information among
2 emergency departments;

3 (b) Active dissemination of patient educational materials produced
4 by the Washington state hospital association, Washington state medical
5 association, and the Washington chapter of the American college of
6 emergency physicians that instruct patients on the best places to go
7 for health care;

8 (c) Designation of hospital personnel and emergency room physician
9 personnel to receive and appropriately disseminate information on
10 clients participating in the medicaid patient review and coordination
11 program and monthly utilization reports on those clients;

12 (d) A process to assist the authority's patient review and
13 coordination program clients with their care plans. The process must
14 include substantial efforts to make an appointment for a client in the
15 patient review and coordination program to see a primary care provider
16 within seventy-two hours of the client's nonemergent emergency room
17 visit when follow-up by a primary care provider is appropriate under
18 the client's care plan;

19 (e) Implementation of narcotic guidelines that incorporate the
20 Washington chapter of the American college of emergency physician
21 guidelines;

22 (f) Physician enrollment in the state's prescription monitoring
23 program; and

24 (g) Designation of a hospital emergency physician responsible for
25 reviewing the state's medicaid utilization management feedback reports
26 and taking appropriate action in response to the information in the
27 feedback reports.

28 The requirements for best practices for a critical access hospital
29 should not include adoption of a system to exchange patient information
30 if doing so would pose a financial burden, and should not include
31 requirements related to the authority's patient review and coordination
32 program if the volumes of patients seen at the critical access hospital
33 are small.

34 The components of the best practices and list of participating
35 hospitals shall be submitted to the relevant policy and fiscal
36 committees of the legislature by May 1, 2012. By July 1, 2012, the
37 participating hospitals shall submit to the authority an attestation
38 indicating their adoption of and compliance with the best practices.

1 If the hospitals submitting the attestation do not represent at least
2 seventy-five percent of emergency room visits by medicaid fee-for-
3 service clients in fiscal year 2010, the authority may implement a
4 policy of nonpayment for nonemergent care for which hospital emergency
5 department services are not medically necessary, with appropriate
6 processes for exemptions or expedited prior authorization. Criteria
7 for exemption or expedited prior authorization shall include but are
8 not limited to: Patients presenting with abnormal vital signs,
9 traumatic etiology, or high risk conditions; patients with abnormal
10 laboratory findings; and patients with documented referrals to the
11 emergency department by primary care providers. If the percentage is
12 above seventy-five percent, the authority shall not proceed with
13 implementing any plan or policy that does not comport with national
14 prudent layperson standards for either fee-for-service or managed care
15 clients or that utilizes a discharge diagnosis list for determination
16 of coverage.

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

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

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

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

29 (47) The authority shall exclude HIV/AIDS disease, chemotherapy,
30 hemophilia, diabetes, and immunosuppressant drugs from any formulary
31 limitations implemented to operate within the appropriations provided
32 in this section.

33 (48) If Engrossed Substitute Senate Bill No. 5978 (medicaid fraud)
34 is not enacted by June 30, 2012, the amounts appropriated in this
35 section from the medicaid fraud penalty account--state appropriation
36 shall lapse and an additional \$3,608,000 shall be appropriated from the
37 general fund--state for fiscal year 2013 for medicaid services, fraud

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

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

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

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

30 (52) \$66,000 of the general fund--state appropriation for fiscal
31 year 2013 and \$66,000 of the general fund--federal appropriation are
32 provided solely to implement Engrossed Second Substitute House Bill No.
33 2536 (children services/delivery). The department of social and health
34 services' programs responsible for administration of mental health,
35 child welfare, and juvenile justice programs will coordinate with the
36 health care authority on the development of contract terms which
37 facilitate efforts to meet requirements of the bill. If the bill is

1 not enacted by June 30, 2012, the amounts provided in this subsection
2 shall lapse.

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

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

8 **FOR THE HUMAN RIGHTS COMMISSION**

9	General Fund--State Appropriation (FY 2012)	((\$2,240,000))
10		<u>\$1,993,000</u>
11	General Fund--State Appropriation (FY 2013)	((\$2,242,000))
12		<u>\$1,954,000</u>
13	General Fund--Federal Appropriation	((\$1,903,000))
14		<u>\$1,893,000</u>
15	TOTAL APPROPRIATION	((\$6,385,000))
16		<u>\$5,840,000</u>

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

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

20	Worker and Community Right-to-Know Account--State	
21	Appropriation	\$10,000
22	Accident Account--State Appropriation	((\$19,690,000))
23		<u>\$19,598,000</u>
24	Medical Aid Account--State Appropriation	((\$19,689,000))
25		<u>\$19,601,000</u>
26	TOTAL APPROPRIATION	((\$39,389,000))
27		<u>\$39,209,000</u>

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

30 (1) \$36,000 of the accident account--state appropriation and
31 \$36,000 of the medical aid account--state appropriation are solely
32 provided for Engrossed Substitute Senate Bill No. 5068 (industrial
33 safety and health act). If the bill is not enacted by June 30, 2011,
34 the amounts provided in this subsection shall lapse.

35 (2) \$16,000 of the accident account--state appropriation and
36 \$16,000 of the medical aid account--state appropriation are solely

1 provided for Substitute Senate Bill No. 5801 (industrial insurance
2 system). If the bill is not enacted by June 30, 2011, the amounts
3 provided in this subsection shall lapse.

4 (3) \$1,893,000 of the accident account--state appropriation and
5 \$1,893,000 of the medical aid account--state appropriation are provided
6 solely for implementation of House Bill No. 2123 (workers'
7 compensation). If the bill is not enacted by June 30, 2011, the
8 amounts provided in this subsection shall lapse.

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

11 **FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

12	General Fund--State Appropriation (FY 2012)	((\$14,850,000))
13		<u>\$14,589,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$14,711,000))
15		<u>\$14,147,000</u>
16	General Fund--Federal Appropriation	\$456,000
17	General Fund--Private/Local Appropriation	\$4,048,000
18	Death Investigations Account--State Appropriation	\$148,000
19	Municipal Criminal Justice Assistance Account--	
20	State Appropriation	\$460,000
21	Washington Auto Theft Prevention Authority Account--	
22	State Appropriation	\$8,597,000
23	TOTAL APPROPRIATION	((\$43,270,000))
24		<u>\$42,445,000</u>

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

27 (1) \$5,000,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$5,000,000 of the general fund--state appropriation for
29 fiscal year 2013, are provided to the Washington association of
30 sheriffs and police chiefs solely to verify the address and residency
31 of registered sex offenders and kidnapping offenders under RCW
32 9A.44.130.

33 (2) \$321,000 of the general fund--local appropriation is provided
34 solely to purchase ammunition for the basic law enforcement academy.
35 Jurisdictions shall reimburse to the criminal justice training
36 commission the costs of ammunition, based on the average cost of

1 ammunition per cadet, for cadets that they enroll in the basic law
2 enforcement academy.

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

5 (4) \$100,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$100,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for a school safety program. The
8 commission, in collaboration with the school safety center advisory
9 committee, shall provide the school safety training for all school
10 administrators and school safety personnel hired after the effective
11 date of this section.

12 (5) \$96,000 of the general fund--state appropriation for fiscal
13 year 2012 and (~~(\$90,000)~~) \$96,000 of the general fund--state
14 appropriation for fiscal year 2013 are provided solely for the school
15 safety center within the commission. The safety center shall act as an
16 information dissemination and resource center when an incident occurs
17 in a school district in Washington or in another state, coordinate
18 activities relating to school safety, and review and approve manuals
19 and curricula used for school safety models and training. Through an
20 interagency agreement, the commission shall provide funding for the
21 office of the superintendent of public instruction to continue to
22 develop and maintain a school safety information web site. The school
23 safety center advisory committee shall develop and revise the training
24 program, using the best practices in school safety, for all school
25 safety personnel. The commission shall provide research-related
26 programs in school safety and security issues beneficial to both law
27 enforcement and schools.

28 (6) \$1,000,000 of the general fund--state appropriation for fiscal
29 year 2012 and \$1,000,000 of the general fund--state appropriation for
30 fiscal year 2013 are provided solely for grants to counties enforcing
31 illegal drug laws and which have been underserved by federally funded
32 state narcotics task forces. The Washington association of sheriffs
33 and police chiefs, the Washington association of prosecuting attorneys,
34 and the Washington association of county officials shall jointly
35 develop funding allocations for the offices of the county sheriff,
36 county prosecutor, and county clerk in qualifying counties. The
37 commission shall not impose an administrative cost on this program.

1 registration, electricians, plumbers, asbestos removal, boilers,
2 elevators, and manufactured home installers. Plumber fees may be
3 increased each year of the fiscal biennium. These increases are
4 necessary to support expenditures authorized in this section,
5 consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW
6 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

7 (2) \$50,000 of the general fund--state appropriation for fiscal
8 year 2012 and \$50,000 of the general fund--state appropriation for
9 fiscal year 2013 are provided solely for the crime victims compensation
10 program to pay claims for mental health services for crime victim
11 compensation program clients who have an established relationship with
12 a mental health provider and subsequently obtain coverage under the
13 medicaid program or the medical care services program under chapter
14 74.09 RCW. Prior to making such payment, the program must have
15 determined that payment for the specific treatment or provider is not
16 available under the medicaid or medical care services program. In
17 addition, the program shall make efforts to contact any healthy options
18 or medical care services health plan in which the client may be
19 enrolled to help the client obtain authorization to pay the claim on an
20 out-of-network basis.

21 (3) \$1,281,000 of the accident account--state appropriation and
22 \$1,281,000 of the medical aid account--state appropriation are provided
23 solely for implementation of Engrossed Substitute House Bill No. 1725
24 (workers' compensation). If the bill is not enacted by June 30, 2011,
25 the amounts provided in this subsection shall lapse.

26 (4) \$51,000 of the accident account--state appropriation and
27 \$51,000 of the medical aid account--state appropriation are provided
28 solely for implementation of Engrossed Substitute House Bill No. 1367
29 (for hire vehicles, operators). If the bill is not enacted by June 30,
30 2011, the amounts provided in this subsection shall lapse.

31 (5) \$8,727,000 of the medical aid account--state appropriation is
32 provided solely for implementation of Substitute Senate Bill No. 5801
33 (industrial insurance system). If the bill is not enacted by June 30,
34 2011, the amount provided in this subsection shall lapse.

35 (6) \$625,000 of the general fund--state appropriation for fiscal
36 year 2012, \$625,000 of the general fund--state appropriation for fiscal
37 year 2013, \$1,250,000 of the public works administration account--state
38 appropriation, \$708,000 of the accident account--state appropriation,

1 and \$708,000 of the medical aid account--state appropriation are
2 provided solely for the purposes of expanding the detecting
3 unregistered employers targeting system and to support field staff in
4 investigation and enforcement. Within the funds appropriated in this
5 subsection, the department shall aggressively combat the underground
6 economy in construction. Of the amounts provided in this subsection,
7 \$800,000 shall be used for investigation and enforcement.

8 (7) \$8,583,000 of the accident account--state appropriation and
9 \$18,278,000 of the medical aid account--state appropriation are
10 provided solely for implementation of House Bill No. 2123 (workers'
11 compensation). If the bill is not enacted by June 30, 2011, the
12 amounts provided in this subsection shall lapse.

13 (8) \$90,000 of the public works administration account--state
14 appropriation is provided solely to implement Substitute Senate Bill
15 No. 6421 (prevailing wage/public works). If the bill is not enacted by
16 June 30, 2012, the amount provided in this subsection shall lapse.

17 (9) \$34,000 of the electrical license account--state appropriation
18 is provided solely to implement Senate Bill No. 6133 (electrician
19 certifications). If the bill is not enacted by June 30, 2012, the
20 amount provided in this subsection shall lapse.

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

23 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

24 (1) HEADQUARTERS

25 General Fund--State Appropriation (FY 2012)	(((\$1,832,000)))
	<u>\$1,829,000</u>
27 General Fund--State Appropriation (FY 2013)	(((\$1,826,000)))
	<u>\$1,801,000</u>
29 Charitable, Educational, Penal, and Reformatory	
30 Institutions Account--State Appropriation	\$10,000
31 TOTAL APPROPRIATION	(((\$3,668,000)))
	<u>\$3,640,000</u>

33 (2) FIELD SERVICES

34 General Fund--State Appropriation (FY 2012)	(((\$5,006,000)))
	<u>\$5,002,000</u>
36 General Fund--State Appropriation (FY 2013)	(((\$5,001,000)))
	<u>\$4,964,000</u>

1		<u>\$553,078,000</u>
2	General Fund--Private/Local Appropriation	((\$148,362,000))
3		<u>\$148,055,000</u>
4	Hospital Data Collection Account--State Appropriation	\$214,000
5	Health Professions Account--State Appropriation	((\$94,469,000))
6		<u>\$98,953,000</u>
7	Aquatic Lands Enhancement Account--State Appropriation	\$604,000
8	Emergency Medical Services and Trauma Care Systems	
9	Trust Account--State Appropriation	((\$12,302,000))
10		<u>\$12,300,000</u>
11	Safe Drinking Water Account--State Appropriation	((\$4,480,000))
12		<u>\$4,464,000</u>
13	Drinking Water Assistance Account--Federal	
14	Appropriation	((\$22,875,000))
15		<u>\$21,965,000</u>
16	Waterworks Operator Certification--State	
17	Appropriation	((\$1,532,000))
18		<u>\$1,528,000</u>
19	Drinking Water Assistance Administrative Account--	
20	State Appropriation	\$326,000
21	<u>Site Closure Account--State Appropriation</u>	<u>\$79,000</u>
22	Biotoxin Account--State Appropriation	\$1,167,000
23	State Toxics Control Account--State Appropriation	((\$3,649,000))
24		<u>\$3,628,000</u>
25	Medical Test Site Licensure Account--State	
26	Appropriation	((\$2,321,000))
27		<u>\$2,311,000</u>
28	Youth Tobacco Prevention Account--State Appropriation	\$1,512,000
29	Community and Economic Development Fee Account--State	
30	Appropriation	((\$596,000))
31		<u>\$298,000</u>
32	Public Health Supplemental Account--Private/Local	
33	Appropriation	\$3,598,000
34	Accident Account--State Appropriation	((\$297,000))
35		<u>\$295,000</u>
36	Medical Aid Account--State Appropriation	\$50,000
37	Tobacco Prevention and Control Account--State	
38	Appropriation	((\$37,000))

1 \$1,729,000
2 TOTAL APPROPRIATION ((~~\$1,013,560,000~~))
3 \$1,013,437,000

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

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

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

1 technicians, nursing home administrators, health care assistants,
2 hearing and speech, psychology, hypnotherapy, chiropractic, social
3 workers, physicians, and physician assistants.

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

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

10 (5) \$1,969,000 of the health professions account--state
11 appropriation is provided solely to implement online licensing for
12 health care providers. The department must submit a detailed
13 investment plan for this project to the office of financial management.
14 The office of financial management must review and approve this plan
15 before funding may be expended. The department of health must
16 successfully implement online application and renewal for at least one
17 profession as a pilot project before pursuing additional professions.
18 The department must report to the office of financial management on the
19 outcome of the pilot project.

20 ((+4)) (6) \$16,000 of the health professions account--state
21 appropriation is provided solely for the implementation of House Bill
22 No. 1181 (board of naturopathy). If the bill is not enacted by June
23 30, 2011, the amount provided in this subsection shall lapse.

24 ((+5)) (7) \$21,000 of the health professions account--state
25 appropriation is provided solely for the implementation of Substitute
26 House Bill No. 1304 (health care assistants). If the bill is not
27 enacted by June 30, 2011, the amount provided in this subsection shall
28 lapse.

29 ((+6)) (8) \$54,000 of the health professions account--state
30 appropriation is provided solely for the implementation of House Bill
31 No. 1353 (pharmacy technicians). If the bill is not enacted by June
32 30, 2011, the amount provided in this subsection shall lapse.

33 ((+7)) (9) \$142,000 of the health professions account--state
34 appropriation is provided solely for the implementation of Engrossed
35 Substitute Senate Bill No. 5020 (social workers). If the bill is not
36 enacted by June 30, 2011, the amount provided in this subsection shall
37 lapse.

1 ((+8)) (10) \$336,000 of the health professions account--state
2 appropriation is provided solely for the implementation of Senate Bill
3 No. 5480 (physicians and physician assistants). If the bill is not
4 enacted by June 30, 2011, the amount provided in this subsection shall
5 lapse.

6 ((+9)) (11) \$46,000 of the health professions account--state
7 appropriation is provided solely for the implementation of Substitute
8 Senate Bill No. 5071 (online access for midwives and marriage and
9 family therapists). If the bill is not enacted by June 30, 2011, the
10 amount provided in this subsection shall lapse.

11 ((+10)) (12) \$137,000 of the health professions account--state
12 appropriation is provided solely for implementation of Substitute House
13 Bill No. 1133 (massage practitioner license). If the bill is not
14 enacted by June 30, 2011, the amount provided in this subsection shall
15 lapse.

16 ((+11)) (13) \$85,000 of the general fund--state appropriation for
17 fiscal year 2012 (~~(and \$85,000 of the general fund--state appropriation~~
18 ~~for fiscal year 2013 are))~~ is provided solely for the developmental
19 disabilities council to contract for a family-to-family mentor program
20 to provide information and support to families and guardians of persons
21 who are transitioning out of residential habilitation centers. To the
22 maximum extent allowable under federal law, these funds shall be
23 matched under medicaid through the department of social and health
24 services and federal funds shall be transferred to the department for
25 the purposes stated in this subsection. If Second Substitute Senate
26 Bill No. 5459 (people with developmental disabilities) is not enacted
27 by June 30, 2011, the amounts provided in this subsection shall lapse.

28 ((+12)) (14) \$57,000 of the general fund--state appropriation for
29 fiscal year 2012 and \$58,000 of the general fund--state appropriation
30 for fiscal year 2013 are provided solely for the midwifery licensure
31 and regulatory program to offset a reduction in revenue from fees.
32 There shall be no change to the current annual fees for new or renewed
33 licenses for the midwifery program, except from online access to HEAL-
34 WA. The department shall convene the midwifery advisory committee on
35 a quarterly basis to address issues related to licensed midwifery.

36 ((+13)) (15) \$118,000 of the general fund--state appropriation for
37 fiscal year 2012 and \$118,000 of the general fund--state appropriation

1 for fiscal year 2013 are provided solely for prevention of youth
2 suicides.

3 ~~((+14))~~ (16) \$87,000 of the general fund--state appropriation for
4 fiscal year 2012 and \$87,000 of the general fund--state appropriation
5 for fiscal year 2013 are provided solely for the senior falls
6 prevention program.

7 (17) \$19,000 of the health professions account--state appropriation
8 is provided solely for implementation of Senate Bill No. 6290 (military
9 spouses and partners). If the bill is not enacted by June 30, 2012,
10 the amount provided in this subsection shall lapse.

11 (18) \$102,000 of the health professions account--state
12 appropriation is provided solely for implementation of Engrossed
13 Substitute Senate Bill No. 6237 (career pathway/medical assistants).
14 If the bill is not enacted by June 30, 2012, the amount provided in
15 this subsection shall lapse.

16 (19) \$21,000 of the health professions account--state appropriation
17 is provided solely for implementation of Substitute Senate Bill No.
18 6328 (mental health professionals). If the bill is not enacted by June
19 30, 2012, the amount provided in this subsection shall lapse.

20 (20) \$61,000 of the health professions account--state appropriation
21 is provided solely for implementation of Engrossed Substitute Senate
22 Bill No. 6103 (reflexologists). If the bill is not enacted by June 30,
23 2012, the amount provided in this subsection shall lapse.

24 (21) \$28,000 of the health professions account--state appropriation
25 is provided solely for implementation of Engrossed Second Substitute
26 Senate Bill No. 5620 (dental anesthesia assistants). If the bill is
27 not enacted by June 30, 2012, the amount provided in this subsection
28 shall lapse.

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

32 (23) During the remainder of the 2011-2013 fiscal biennium, each
33 person subject to RCW 43.70.110(3)(c) is required to pay only one
34 surcharge of up to twenty-five dollars annually for the purposes of RCW
35 43.70.112, regardless of how many professional licenses the person
36 holds.

37 (24) \$15,000 of the health professions account--state appropriation

1 is provided solely to implement Substitute House Bill No. 2056
2 (assisted living facilities). If the bill is not enacted by June 30,
3 2012, the amount provided in this subsection shall lapse.

4 (25) \$11,000 of the health professions account--state appropriation
5 is provided solely to implement Engrossed House Bill No. 2186 (licensed
6 midwives). If the bill is not enacted by June 30, 2012, the amount
7 provided in this subsection shall lapse.

8 (26) \$11,000 of the general fund--state appropriation for fiscal
9 year 2013 is provided solely to implement Engrossed Substitute House
10 Bill No. 2229 (hospital employees). If the bill is not enacted by June
11 30, 2012, the amount provided in this subsection shall lapse.

12 (27) \$48,000 of the health professions account--state appropriation
13 is provided solely to implement Engrossed Substitute House Bill No.
14 2314 (long-term care workers). If the bill is not enacted by June 30,
15 2012, the amount provided in this subsection shall lapse.

16 (28) \$15,000 of the general fund--state appropriation for fiscal
17 year 2013 and \$178,000 of the health professions account--state
18 appropriation are provided solely to implement Engrossed Substitute
19 House Bill No. 2366 (suicide assessment and training). If the bill is
20 not enacted by June 30, 2012, the amounts provided in this subsection
21 shall lapse.

22 (29) \$11,000 of the general fund--state appropriation for fiscal
23 year 2013 is provided solely to implement Engrossed Substitute House
24 Bill No. 2582 (health care services billing). If the bill is not
25 enacted by June 30, 2012, the amount provided in this subsection shall
26 lapse.

27 (30) \$22,000 of the general fund--state appropriation for fiscal
28 year 2013 is provided solely to implement Substitute Senate Bill No.
29 6105 (prescription monitoring program). If the bill is not enacted by
30 June 30, 2012, the amount provided in this subsection shall lapse.

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

33 **FOR THE DEPARTMENT OF CORRECTIONS**

34 The appropriations to the department of corrections in this act
35 shall be expended for the programs and in the amounts specified in this
36 section. However, after May 1, 2012, after approval by the director of
37 financial management and unless specifically prohibited by this act,

1 the department may transfer general fund--state appropriations for
2 fiscal year 2012 between programs. The department shall not transfer
3 funds, and the director of financial management shall not approve the
4 transfer, unless the transfer is consistent with the objective of
5 conserving, to the maximum extent possible, the expenditure of state
6 funds. The director of financial management shall notify the
7 appropriate fiscal committees of the senate and house of
8 representatives in writing seven days prior to approving any deviations
9 from appropriation levels. The written notification shall include a
10 narrative explanation and justification of the changes, along with
11 expenditures and allotments by budget unit and appropriation, both
12 before and after any allotment modifications or transfers.

13 (1) ADMINISTRATION AND SUPPORT SERVICES

14 General Fund--State Appropriation (FY 2012)	((\$54,529,000))
	<u>\$52,025,000</u>
16 General Fund--State Appropriation (FY 2013)	((\$53,210,000))
	<u>\$52,981,000</u>
18 TOTAL APPROPRIATION	((\$107,739,000))
	<u>\$105,006,000</u>

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

33 (2) CORRECTIONAL OPERATIONS

34 General Fund--State Appropriation (FY 2012)	((\$609,105,000))
	<u>\$598,237,000</u>
36 General Fund--State Appropriation (FY 2013)	((\$602,804,000))
	<u>\$575,457,000</u>

1 General Fund--Federal Appropriation \$3,324,000
 2 Washington Auto Theft Prevention Authority Account--
 3 State Appropriation \$14,079,000
 4 Enhanced 911 Account--State Appropriation \$2,000,000
 5 TOTAL APPROPRIATION (~~(\$1,229,312,000)~~)
 6 \$1,193,097,000

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

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

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

24 (c) \$102,000 of the general fund--state appropriation for fiscal
 25 year 2012 and \$102,000 of the general fund--state appropriation for
 26 fiscal year 2013 are provided solely to implement House Bill No. 1290
 27 (health care employee overtime). If the bill is not enacted by June
 28 30, 2011, the amounts provided in this subsection shall lapse.

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

35 (e) The department of corrections shall contract with local and
 36 tribal governments for the provision of jail capacity to house
 37 offenders. A contract shall not have a cost of incarceration in excess
 38 of \$85 per day per offender. A contract shall not have a year-to-year

1 increase in excess of three percent per year. The contracts may
2 include rates for the medical care of offenders which exceed the daily
3 cost of incarceration and the limitation on year-to-year increase,
4 provided that medical payments conform to the department's offender
5 health plan, pharmacy formulary, and all off-site medical expenses are
6 preapproved by department utilization management staff.

7 (f) \$311,000 of the general fund--state appropriation for fiscal
8 year 2013 is provided solely for implementation of House Bill No. 2346
9 (correctional officer uniforms). If the bill is not enacted by June
10 30, 2012, the amount provided in this subsection shall lapse.

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

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

31 (i) The department shall convene a work group to develop health
32 care cost containment strategies at local jail facilities. The work
33 group shall identify cost containment strategies in place at the
34 department and at local jail facilities, identify the costs and
35 benefits of implementing strategies in jail health-care facilities, and
36 make recommendations on implementing beneficial strategies. The work
37 group shall submit a report on its findings and recommendations to the
38 fiscal committees of the legislature by October 1, 2013. The work

1 group shall include jail administrators, representatives from health
2 care facilities at the local jail level and the state prisons level,
3 and other representatives as deemed necessary.

4 (j) The department of corrections, with participation of the health
5 care authority and the department of social and health services, aging
6 and adult services administration, shall establish a work group to
7 analyze and review release options for elderly and infirm offenders and
8 submit recommendations to the appropriate policy and fiscal committees
9 of the legislature with release options for these populations no later
10 than December 1, 2012. In making its recommendations, the work group
11 shall identify:

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

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

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

20 (iv) Housing options to expedite the release of aging and infirm
21 offenders while maintaining the safety of housing providers, other
22 housing residents, and the general public; and

23 (v) Optimal procedures for reviewing offenders on a case-by-case
24 basis to ensure that the interests of justice and public safety are
25 considered in any early release decision.

26 (3) COMMUNITY SUPERVISION

27	General Fund--State Appropriation (FY 2012)	((\$129,635,000))
28		<u>\$127,121,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$128,049,000))
30		<u>\$128,494,000</u>
31	Federal Narcotics Forfeiture Account--Federal	
32	Appropriation	\$372,000
33	Controlled Substances Account--State	
34	Appropriation	\$32,000
35	TOTAL APPROPRIATION	((\$258,088,000))
36		<u>\$256,019,000</u>

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

1 in this subsection to purchase goods and supplies through hospital or
2 other group purchasing organizations when it is cost effective to do
3 so.

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

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

12 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

13	General Fund--State Appropriation (FY 2012)	((\$2,278,000))
14		<u>\$2,159,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$2,264,000))
16		<u>\$2,131,000</u>
17	General Fund--Federal Appropriation	((\$19,082,000))
18		<u>\$19,239,000</u>
19	General Fund--Private/Local Appropriation	\$30,000
20	TOTAL APPROPRIATION	((\$23,654,000))
21		<u>\$23,559,000</u>

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

24 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

25	General Fund--Federal Appropriation	((\$267,301,000))
26		<u>\$267,069,000</u>
27	General Fund--Private/Local Appropriation	((\$33,931,000))
28		<u>\$33,856,000</u>
29	Unemployment Compensation Administration Account--	
30	Federal Appropriation	((\$350,622,000))
31		<u>\$349,247,000</u>
32	Administrative Contingency Account--State	
33	Appropriation	((\$20,948,000))
34		<u>\$20,940,000</u>
35	Employment Service Administrative Account--State	
36	Appropriation	((\$33,721,000))

1 \$33,609,000
2 TOTAL APPROPRIATION ((~~\$706,523,000~~))
3 \$704,721,000

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

6 (1) \$39,666,000 of the unemployment compensation administration
7 account--federal appropriation is from amounts made available to the
8 state by section 903 (d), (f), and (g) of the social security act (Reed
9 act). This amount is provided solely for continuing current
10 unemployment insurance functions and department services to employers
11 and job seekers.

12 (2) \$35,584,000 of the unemployment compensation administration
13 account--federal appropriation is from amounts made available to the
14 state by section 903 (d), (f), and (g) of the social security act (Reed
15 act). This amount is provided solely for the replacement of the
16 unemployment insurance tax information system for the employment
17 security department. The employment security department shall support
18 the department of revenue and department of labor and industries to
19 develop a common vision to ensure technological compatibility between
20 the three agencies to facilitate a coordinated business tax system for
21 the future that improves services to business customers. The amounts
22 provided in this subsection are conditioned on the department
23 satisfying the requirements of the project management oversight
24 standards and policies established by the office of the chief
25 information officer created in Engrossed Substitute Senate Bill No.
26 5931 (information technology management).

27 (3) \$25,000 of the unemployment compensation administration
28 account--federal appropriation is from amounts made available to the
29 state by section 903 (d), (f), and (g) of the social security act (Reed
30 act). This amount is provided solely for implementation of system
31 changes to the unemployment insurance tax information system required
32 under chapter 4, Laws of 2011 (unemployment insurance program).

33 (4) \$1,459,000 of the unemployment compensation administration
34 account--federal appropriation is from amounts available to the state
35 by section 903 (d), (f), and (g) of the social security act (Reed act).
36 This amount is provided solely for implementation of chapter 4, Laws of
37 2011 (unemployment insurance program).

1 (5) (~~(\$60,000)~~) \$80,000 of the unemployment compensation
2 administration account--federal appropriation is provided solely for
3 costs associated with the initial review and evaluation of the training
4 benefits program as directed in section 15(2), chapter 4, Laws of 2011
5 (unemployment insurance program). The initial review shall be
6 developed by the joint legislative audit and review committee. This
7 appropriation is provided from funds made available to the state by
8 section 903 (d), (f), and (g) of the social security act (Reed act).

(End of part)

PART III
NATURAL RESOURCES

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

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2012)	(\$402,000)
	<u>\$401,000</u>
General Fund--State Appropriation (FY 2013)	(\$410,000)
	<u>\$404,000</u>
General Fund--Federal Appropriation	\$31,000
General Fund--Private/Local Appropriation	(\$782,000)
	<u>\$775,000</u>
TOTAL APPROPRIATION	(\$1,625,000)
	<u>\$1,611,000</u>

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2012)	(\$47,630,000)
	<u>\$37,143,000</u>
General Fund--State Appropriation (FY 2013)	(\$46,226,000)
	<u>\$33,293,000</u>
General Fund--Federal Appropriation	(\$77,452,000)
	<u>\$100,000,000</u>
General Fund--Private/Local Appropriation	(\$16,691,000)
	<u>\$16,714,000</u>
Special Grass Seed Burning Research Account--State Appropriation	\$3,000
Reclamation Revolving Account--State Appropriation	(\$3,642,000)
	<u>\$4,123,000</u>
Flood Control Assistance Account--State Appropriation	(\$1,940,000)
	<u>\$1,929,000</u>
State Emergency Water Projects Revolving Account--State Appropriation	\$270,000

1 Waste Reduction/Recycling/Litter Control--State
2 Appropriation ((~~\$11,478,000~~))
3 \$9,712,000
4 State Drought Preparedness Account--State
5 Appropriation ((~~\$118,000~~))
6 \$204,000
7 State and Local Improvements Revolving Account
8 (Water Supply Facilities)--State Appropriation ((~~\$423,000~~))
9 \$422,000
10 (~~Freshwater~~) Aquatic Algae Control Account--State
11 Appropriation \$509,000
12 Water Rights Tracking System Account--State Appropriation . . . \$46,000
13 Site Closure Account--State Appropriation ((~~\$703,000~~))
14 \$620,000
15 Wood Stove Education and Enforcement Account--State
16 Appropriation ((~~\$612,000~~))
17 \$595,000
18 Worker and Community Right-to-Know Account--State
19 Appropriation ((~~\$1,668,000~~))
20 \$1,655,000
21 Water Rights Processing Account--State Appropriation . . . ((~~\$136,000~~))
22 \$135,000
23 State Toxics Control Account--State Appropriation . . ((~~\$112,575,000~~))
24 \$129,865,000
25 State Toxics Control Account--Private/Local
26 Appropriation ((~~\$968,000~~))
27 \$964,000
28 Local Toxics Control Account--State Appropriation . . . ((~~\$27,390,000~~))
29 \$26,157,000
30 Water Quality Permit Account--State Appropriation . . . ((~~\$37,748,000~~))
31 \$38,814,000
32 Underground Storage Tank Account--State
33 Appropriation ((~~\$3,254,000~~))
34 \$3,212,000
35 Biosolids Permit Account--State Appropriation ((~~\$1,805,000~~))
36 \$1,791,000
37 Hazardous Waste Assistance Account--State
38 Appropriation ((~~\$5,857,000~~))

1		<u>\$5,793,000</u>
2	Air Pollution Control Account--State Appropriation . . .	((\$2,468,000))
3		<u>\$2,541,000</u>
4	Oil Spill Prevention Account--State Appropriation . . .	((\$5,566,000))
5		<u>\$5,489,000</u>
6	Air Operating Permit Account--State Appropriation . . .	((\$2,746,000))
7		<u>\$2,711,000</u>
8	Freshwater Aquatic Weeds Account--State	
9	Appropriation	((\$1,700,000))
10		<u>\$1,698,000</u>
11	Oil Spill Response Account--State Appropriation	\$7,076,000
12	Metals Mining Account--State Appropriation	\$14,000
13	Water Pollution Control Revolving Account--State	
14	Appropriation	((\$611,000))
15		<u>\$608,000</u>
16	Water Pollution Control Revolving Account--Federal	
17	Appropriation	((\$2,517,000))
18		<u>\$2,501,000</u>
19	TOTAL APPROPRIATION	((\$421,842,000))
20		<u>\$436,607,000</u>

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

23 (1) \$170,000 of the oil spill prevention account--state
24 appropriation is provided solely for a contract with the University of
25 Washington's sea grant program to continue an educational program
26 targeted to small spills from commercial fishing vessels, ferries,
27 cruise ships, ports, and marinas.

28 (2) Pursuant to RCW 43.135.055, the department is authorized to
29 increase the following fees as necessary to meet the actual costs of
30 conducting business and the appropriation levels in this section:
31 Wastewater discharge permit, not more than 4.34 percent in fiscal year
32 2012 and 4.62 percent in fiscal year 2013; biosolids permit fee, not
33 more than 10 percent during the biennium; and air contaminate source
34 registration fee, not more than 36 percent during the biennium;
35 agricultural burning acreage and pile burning fees, not more than 25
36 percent and 100 percent respectively, in fiscal year 2013; and dam
37 safety and inspection fees, not more than 35 percent in fiscal year

1 2012 and 4.62 percent in fiscal year 2013. Any fee increase
2 implemented to offset general fund--state reductions in the 2011-2013
3 fiscal biennium may be made effective on or before July 1, 2012.

4 (3) If Substitute House Bill No. 1294 (Puget Sound corps) is not
5 enacted by June 30, 2011, \$322,000 of the general fund--state
6 appropriation for fiscal year 2012 and \$322,000 of the general fund--
7 state appropriation for fiscal year 2013 shall be transferred to the
8 department of natural resources.

9 (4) \$463,000 of the state toxics control account--state
10 appropriation is provided solely for implementation of Engrossed Second
11 Substitute House Bill No. 1186 (state's oil spill program). If the
12 bill is not enacted by June 30, 2011, the amount provided in this
13 subsection shall lapse.

14 (5) Pursuant to RCW 70.93.180(5), the appropriations in this
15 section from the waste reduction, recycling, and litter control account
16 shall only be expended on activities listed under RCW 70.93.180(1) (a)
17 and (b), and the department shall not expend appropriations on RCW
18 70.93.180(1)(c). The department may not spend waste reduction,
19 recycling, and litter control account funds to support the following
20 activities: The beyond waste plan, work on national solid waste
21 recycling issues, work on construction and demolition recycling and
22 green building alternatives, education programs including the green
23 schools initiative, and management of the 1-800-recycle hotline and
24 database on school awards. Waste reduction, recycling, and litter
25 account control funds must be prioritized to support litter pickup
26 using correctional crews, regulatory programs, and technical assistance
27 to local governments.

28 (6) The department shall make every possible effort through its
29 existing statutory authorities to obtain federal funding for public
30 participation grants regarding the Hanford nuclear reservation and
31 associated properties and facilities. Such federal funding shall not
32 limit the total state funding authorized under this section for public
33 participation grants made pursuant to RCW 70.105D.070(5), but the
34 amount of any individual grant from such federal funding shall be
35 offset against any grant award amount to an individual grantee from
36 state funds under RCW 70.105D.070(5).

37 (7) The department shall review its water rights application review
38 procedures to simplify the procedures, eliminate unnecessary steps, and

1 decrease the time required to issue decisions. The department shall
2 implement changes to improve water rights processing for which it has
3 current administrative authority. The department shall report on
4 reforms implemented and efficiencies achieved as demonstrated through
5 enhanced permit processing to the appropriate committees of the
6 legislature on December 1, 2011, and October 1, 2012.

7 (a) The department shall consult with key stakeholders on statutory
8 barriers to efficient water rights processing and effective water
9 management, including identification of obsolete, confusing, or
10 conflicting statutory provisions. The department shall report
11 stakeholder recommendations to appropriate committees of the
12 legislature by December 1, 2011, and October 1, 2012.

13 (b) \$500,000 of the general fund--state appropriation for fiscal
14 year 2013 is provided solely for processing water right permit
15 applications only if the department of ecology issues at least five
16 hundred water right decisions in fiscal year 2012, and if the
17 department of ecology does not issue at least five hundred water right
18 decisions in fiscal year 2012 the amount provided in this subsection
19 shall lapse and remain unexpended. The department of ecology shall
20 submit a report to the office of financial management and the state
21 treasurer by June 30, 2012, that documents whether five hundred water
22 right decisions were issued in fiscal year 2012. For the purposes of
23 this subsection, applications that are voluntarily withdrawn by an
24 applicant do not count towards the five hundred water right decision
25 requirement. For the purposes of water budget-neutral requests under
26 chapter 173-539A WAC, multiple domestic connections authorized within
27 a single water budget-neutral decision are considered one decision for
28 the purposes of this subsection.

29 (c) The department shall maintain an ongoing accounting of water
30 right applications received and acted on and shall post that
31 information to the department's internet site.

32 (8) \$1,075,000 of the general fund--state appropriation for fiscal
33 year 2012 and \$1,075,000 of the general fund--state appropriation for
34 fiscal year 2013 are provided solely for processing the backlog of
35 pending water rights permit applications in the water resources
36 program.

37 (9) In accordance with RCW 43.135.055, the department is approved

1 to adopt fees set forth in and previously authorized by the following
2 statutes:

- 3 (a) RCW 70.275.120, mercury light generation fee; and
- 4 (b) RCW 70.94.151, gasoline vapor registration fee and greenhouse
5 gas emission reporting fee.

6 (10) Pursuant to House Bill No. 2304 (low-level waste), the
7 appropriations in this section for the low-level radioactive waste site
8 use permit program are for fiscal year 2012. Appropriations for fiscal
9 year 2013 are contained in section 219 of this act.

10 (11) Pursuant to RCW 90.16.090(2), the appropriations in this
11 section from the reclamation account--state appropriation shall be
12 expended for the activities listed in RCW 90.16.090(1), and the
13 expenditures need not be proportional to fee revenue sources.

14 (12) \$77,000 of the general fund--state appropriation for fiscal
15 year 2013 is provided solely for the implementation of Engrossed Second
16 Substitute Senate Bill No. 5343 (anaerobic digesters). If the bill is
17 not enacted by June 30, 2012, the amount provided in this subsection
18 shall lapse.

19 (13) \$50,000 of the state toxics control account--state
20 appropriation is provided solely to fulfill technical assistance duties
21 prescribed in Senate Bill No. 6120 (children's safe products) or House
22 Bill No. 2821 (children's safe products). If neither bill is enacted
23 by June 30, 2012, the amount provided in this subsection shall lapse.

24 **Sec. 303.** 2011 2nd sp.s. c 9 s 303 (uncodified) is amended to read
25 as follows:

26 **FOR THE STATE PARKS AND RECREATION COMMISSION**

27	General Fund--State Appropriation (FY 2012)	\$8,955,000
28	General Fund--State Appropriation (FY 2013)	\$8,379,000
29	General Fund--Federal Appropriation	\$5,905,000
30	Winter Recreation Program Account--State	
31	Appropriation	(\$1,761,000)
32		<u>\$1,759,000</u>
33	ORV and Nonhighway Vehicle Account--State Appropriation . . .	\$224,000
34	Snowmobile Account--State Appropriation	(\$4,848,000)
35		<u>\$4,844,000</u>
36	Aquatic Lands Enhancement Account--State	
37	Appropriation	(\$363,000)

1 and appropriate committees of the legislature no later than October 15,
2 2012, to create a lifelong learning center at Fort Worden state park.
3 This plan shall support and be based upon the Fort Worden state park
4 long-range plan adopted by the state parks and recreation commission in
5 September 2008. The report shall include a business and governance
6 plan and supporting materials that provide options and recommendations
7 on the long-term governance of Fort Worden state park. While the
8 commission may transfer full or partial operations to the public
9 development authority the state shall retain title to the property.
10 The state parks and recreation commission and the public development
11 authority must agree on the scope and content of the report including
12 the business and governance plan. In preparing this report the state
13 parks and recreation commission and the public development authority
14 shall provide ample opportunity for the public and stakeholders to
15 participate in the development of the business and governance plan.
16 The state parks and recreation commission shall review the report and
17 if it is consistent with the 2008 Fort Worden state park long-range
18 plan may take action on draft long-term governance and business plans
19 no later than December 15, 2012. The state parks and recreation
20 commission shall not adopt a final long-term governance and business
21 plan until May 1, 2013. The state parks and recreation commission may
22 enter into an interim management agreement with the public development
23 authority from December 15, 2012, to May 1, 2013, if agreed to by the
24 commission and the Fort Worden lifelong learning center public
25 development authority.

26 **Sec. 304.** 2011 2nd sp.s. c 9 s 304 (uncodified) is amended to read
27 as follows:

28 **FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

29 General Fund--State Appropriation (FY 2012)	(\$954,000)
30	\$898,000
31 General Fund--State Appropriation (FY 2013)	(\$973,000)
32	\$823,000
33 General Fund--Federal Appropriation	(\$3,299,000)
34	\$3,295,000
35 General Fund--Private/Local Appropriation	(\$274,000)
36	\$24,000
37 Aquatic Lands Enhancement Account--State Appropriation	\$278,000

1	Vessel Response Account--State Appropriation	\$100,000
2	Firearms Range Account--State Appropriation	\$37,000
3	Recreation Resources Account--State Appropriation	(\$2,874,000)
4		<u>\$2,869,000</u>
5	NOVA Program Account--State Appropriation	\$900,000
6	TOTAL APPROPRIATION	(\$9,689,000)
7		<u>\$9,224,000</u>

8 The appropriations in this section are subject to the following
9 conditions and limitations: \$40,000 of the general fund--federal
10 appropriation, \$24,000 of the general fund--private/local
11 appropriation, \$100,000 of the vessel response account--state
12 appropriation, and \$12,000 of the recreation resources account--state
13 appropriation are provided solely for House Bill No. 1413 (invasive
14 species council). If the bill is not enacted by June 30, 2011, the
15 amounts provided in this subsection shall lapse.

16 **Sec. 305.** 2011 2nd sp.s. c 9 s 305 (uncodified) is amended to read
17 as follows:

18 **FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE**

19	General Fund--State Appropriation (FY 2012)	(\$2,308,000)
20		<u>\$2,153,000</u>
21	General Fund--State Appropriation (FY 2013)	(\$2,275,000)
22		<u>\$2,020,000</u>
23	TOTAL APPROPRIATION	(\$4,583,000)
24		<u>\$4,173,000</u>

25 **Sec. 306.** 2011 2nd sp.s. c 9 s 306 (uncodified) is amended to read
26 as follows:

27 **FOR THE CONSERVATION COMMISSION**

28	General Fund--State Appropriation (FY 2012)	(\$6,789,000)
29		<u>\$6,785,000</u>
30	General Fund--State Appropriation (FY 2013)	(\$6,792,000)
31		<u>\$6,424,000</u>
32	General Fund--Federal Appropriation	\$1,301,000
33	TOTAL APPROPRIATION	(\$14,882,000)
34		<u>\$14,510,000</u>

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

1 (1) The conservation commission, in cooperation with all
2 conservation districts, will seek to minimize conservation district
3 overhead costs. These efforts may include consolidating conservation
4 districts.

5 (2) \$122,000 of the general fund--federal appropriation is provided
6 solely for Engrossed Substitute House Bill No. 1886 (Ruckelshaus center
7 process). If the bill is not enacted by June 30, 2011, the amount
8 provided in this subsection shall lapse.

9 **Sec. 307.** 2011 2nd sp.s. c 9 s 307 (uncodified) is amended to read
10 as follows:

11 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

12	General Fund--State Appropriation (FY 2012)	((\$34,695,000))
13		<u>\$34,098,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$32,388,000))
15		<u>\$23,701,000</u>
16	General Fund--Federal Appropriation	((\$105,717,000))
17		<u>\$105,481,000</u>
18	General Fund--Private/Local Appropriation	((\$57,025,000))
19		<u>\$56,923,000</u>
20	ORV and Nonhighway Vehicle Account--State Appropriation . . .	\$391,000
21	Aquatic Lands Enhancement Account--State	
22	Appropriation	((\$8,230,000))
23		<u>\$11,113,000</u>
24	Recreational Fisheries Enhancement--State	
25	Appropriation	((\$3,550,000))
26		<u>\$2,794,000</u>
27	Warm Water Game Fish Account--State Appropriation . . .	((\$3,051,000))
28		<u>\$2,841,000</u>
29	Eastern Washington Pheasant Enhancement Account--State	
30	Appropriation	\$849,000
31	Aquatic Invasive Species Enforcement Account--State	
32	Appropriation	\$204,000
33	Aquatic Invasive Species Prevention Account--State	
34	Appropriation	((\$719,000))
35		<u>\$848,000</u>
36	State Wildlife Account--State Appropriation	((\$100,424,000))
37		<u>\$100,742,000</u>

1	Special Wildlife Account--State Appropriation	((\$2,384,000))
2		<u>\$2,382,000</u>
3	Special Wildlife Account--Federal Appropriation	\$500,000
4	Special Wildlife Account--Private/Local Appropriation	\$3,415,000
5	Wildlife Rehabilitation Account--State Appropriation	\$259,000
6	Regional Fisheries Enhancement Salmonid Recovery	
7	Account--Federal Appropriation	\$5,001,000
8	Oil Spill Prevention Account--State Appropriation	((\$887,000))
9		<u>\$883,000</u>
10	Oyster Reserve Land Account--State Appropriation	((\$921,000))
11		<u>\$919,000</u>
12	<u>Recreation Resources Account--State Appropriation</u>	<u>\$3,300,000</u>
13	TOTAL APPROPRIATION	((\$360,610,000))
14		<u>\$356,644,000</u>

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

17 (1) \$294,000 of the aquatic lands enhancement account--state
18 appropriation is provided solely for the implementation of hatchery
19 reform recommendations defined by the hatchery scientific review group.

20 (2) \$355,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$355,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for the department to continue a
23 pilot project with the Confederated Tribes of the Colville Reservation
24 to develop expanded recreational fishing opportunities on Lake Rufus
25 Woods and its northern shoreline and to conduct joint enforcement of
26 lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to
27 state and tribal intergovernmental agreements developed under the
28 Columbia River water supply program. For the purposes of the pilot
29 project:

30 (a) A fishing permit issued to a nontribal member by the Colville
31 Tribes shall satisfy the license requirement of RCW 77.32.010 on the
32 waters of Lake Rufus Woods and on the north shore of Lake Rufus Woods;

33 (b) The Colville Tribes have agreed to provide to holders of its
34 nontribal member fishing permits a means to demonstrate that fish in
35 their possession were lawfully taken in Lake Rufus Woods;

36 (c) A Colville tribal member identification card shall satisfy the
37 license requirement of RCW 77.32.010 on all waters of Lake Rufus Woods;

1 (d) The department and the Colville Tribes shall jointly designate
2 fishing areas on the north shore of Lake Rufus Woods for the purposes
3 of enhancing access to the recreational fisheries on the lake; and

4 (e) The Colville Tribes have agreed to recognize a fishing license
5 issued under RCW 77.32.470 or RCW 77.32.490 as satisfying the nontribal
6 member fishing permit requirements of Colville tribal law on the
7 reservation portion of the waters of Lake Rufus Woods and at designated
8 fishing areas on the north shore of Lake Rufus Woods;

9 (3) Prior to submitting its 2013-2015 biennial operating and
10 capital budget request related to state fish hatcheries to the office
11 of financial management, the department shall contract with the
12 hatchery scientific review group (HSRG) to review this request. This
13 review shall: (a) Determine if the proposed requests are consistent
14 with HSRG recommendations; (b) prioritize the components of the
15 requests based on their contributions to protecting wild salmonid
16 stocks and meeting the recommendations of the HSRG; and (c) evaluate
17 whether the proposed requests are being made in the most cost effective
18 manner. The department shall provide a copy of the HSRG review to the
19 office of financial management with their agency budget proposal.

20 (4) \$400,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$400,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for a state match to support the
23 Puget Sound nearshore partnership between the department and the U.S.
24 army corps of engineers.

25 (5) \$50,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$50,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for removal of derelict gear in
28 Washington waters.

29 (6) \$100,000 of the eastern Washington pheasant enhancement
30 account--state appropriation is provided solely for the department to
31 support efforts to enhance permanent and temporary pheasant habitat on
32 public and private lands in Grant, Franklin, and Adams counties. The
33 department may support efforts by entities including conservation
34 districts, nonprofit organizations, and landowners, and must require
35 such entities to provide significant nonstate matching resources, which
36 may be in the form of funds, material, or labor.

37 (7) Within the amounts appropriated in this section, the department
38 shall identify additional opportunities for partnerships in order to

1 keep fish hatcheries operational. Such partnerships shall aim to
2 maintain fish production and salmon recovery with less reliance on
3 state operating funds.

4 (8) By September 1, 2011, the department shall update its
5 interagency agreement dated September 30, 2010, with the department of
6 natural resources concerning land management services on the department
7 of fish and wildlife's wildlife conservation and recreation lands. The
8 update shall include rates and terms for services.

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

13 (10) \$18,514,000 of the state wildlife account--state appropriation
14 is provided solely for the implementation of Second Substitute Senate
15 Bill No. 5385 (state wildlife account). If the bill is not enacted by
16 June 30, 2011, the amount provided in this subsection shall lapse.

17 (11) \$9,418,000 of the state wildlife account--state appropriation
18 is provided solely for the implementation of Second Substitute Senate
19 Bill No. 5622 (state land recreation access). If the bill is not
20 enacted by June 30, 2011, the amount provided in this subsection shall
21 lapse.

22 (12) \$50,000 of the state wildlife account--state appropriation is
23 provided solely for mitigation, claims, and assessment costs for injury
24 or loss of livestock caused by wolves, black bears, and cougars.

25 (13) \$552,000 of the aquatic lands enhancement account--state
26 appropriation is provided solely for increased law enforcement capacity
27 to reduce the occurrence of geoduck poaching and illegal harvest
28 activities. With these additional funds, the department shall deploy
29 two new fish and wildlife officers and one detective within Puget Sound
30 to address on-the-water and marketplace geoduck harvest compliance.

31 **Sec. 308.** 2011 2nd sp.s. c 9 s 308 (uncodified) is amended to read
32 as follows:

33 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

34	General Fund--State Appropriation (FY 2012)	((\$31,324,000))
35		<u>\$30,907,000</u>
36	General Fund--State Appropriation (FY 2013)	((\$35,791,000))
37		<u>\$31,897,000</u>

1	General Fund--Federal Appropriation	((\$27,919,000))
2		<u>\$27,873,000</u>
3	General Fund--Private/Local Appropriation	((\$2,374,000))
4		<u>\$2,372,000</u>
5	Forest Development Account--State Appropriation	((\$41,717,000))
6		<u>\$46,236,000</u>
7	ORV and Nonhighway Vehicle Account--State	
8	Appropriation	((\$4,387,000))
9		<u>\$4,373,000</u>
10	Surveys and Maps Account--State Appropriation	((\$2,346,000))
11		<u>\$2,118,000</u>
12	Aquatic Lands Enhancement Account--State	
13	Appropriation	((\$7,224,000))
14		<u>\$69,000</u>
15	Resources Management Cost Account--State	
16	Appropriation	((\$82,097,000))
17		<u>\$90,108,000</u>
18	Surface Mining Reclamation Account--State	
19	Appropriation	((\$3,484,000))
20		<u>\$3,465,000</u>
21	Disaster Response Account--State Appropriation	\$5,000,000
22	Forest and Fish Support Account--State Appropriation	((\$7,933,000))
23		<u>\$9,784,000</u>
24	Aquatic Land Dredged Material Disposal Site	
25	Account--State Appropriation	\$838,000
26	Natural Resources Conservation Areas Stewardship	
27	Account--State Appropriation	\$34,000
28	State Toxics Control Account--State Appropriation	\$80,000
29	Air Pollution Control Account--State Appropriation	((\$669,000))
30		<u>\$540,000</u>
31	NOVA Program Account--State Appropriation	((\$639,000))
32		<u>\$635,000</u>
33	Derelict Vessel Removal Account--State Appropriation	\$1,761,000
34	Agricultural College Trust Management Account--State	
35	Appropriation	((\$1,854,000))
36		<u>\$1,848,000</u>
37	TOTAL APPROPRIATION	((\$257,471,000))
38		<u>\$259,938,000</u>

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

3 (1) \$710,000 of the general fund--state appropriation for fiscal
4 year 2012 and \$915,000 of the general fund--state appropriation for
5 fiscal year 2013 are provided solely for deposit into the agricultural
6 college trust management account and are provided solely to manage
7 approximately 70,700 acres of Washington State University's
8 agricultural college trust lands.

9 (2) \$8,030,000 of the general fund--state appropriation for fiscal
10 year 2012, (~~(\$10,037,000)~~) \$7,276,000 of the general fund--state
11 appropriation for fiscal year 2013, \$2,138,000 of the forest
12 development account--state appropriation for fiscal year 2013, and
13 \$5,000,000 of the disaster response account--state appropriation are
14 provided solely for emergency fire suppression. None of the general
15 fund and disaster response account amounts provided in this subsection
16 may be used to fund agency indirect and administrative expenses.
17 Agency indirect and administrative costs shall be allocated among the
18 agency's remaining accounts and appropriations. The department of
19 natural resources shall submit a quarterly report to the office of
20 financial management and the legislative fiscal committees detailing
21 information on current and planned expenditures from the disaster
22 response account. This work shall be done in coordination with the
23 military department.

24 (3) (~~(\$4,000,000 of the forest and fish support account--state~~
25 ~~appropriation is provided solely for adaptive management, monitoring,~~
26 ~~and participation grants to tribes. If federal funding for this~~
27 ~~purpose is reinstated, the amount provided in this subsection shall~~
28 ~~lapse.~~

29 (4) ~~\$333,000 of the forest and fish support account--state~~
30 ~~appropriation is provided solely for adaptive management, monitoring,~~
31 ~~and participation grants to nongovernmental organizations.~~

32 (5) ~~\$487,000))~~ \$4,500,000 of the forest and fish support account--
33 state appropriation is provided solely for outcome-based, performance
34 contracts with tribes to participate in the implementation of the
35 forest practices program. Contracts awarded in fiscal year 2013 may
36 only contain indirect costs set at or below the rate in the contracting
37 tribe's indirect cost agreement with the federal government. If

1 federal funding for this purpose is reinstated, the amount provided in
2 this subsection shall lapse.

3 (4) \$518,000 of the forest and fish support account--state
4 appropriation is provided solely for outcome-based performance
5 contracts with nongovernmental organizations to participate in the
6 implementation of the forest practices program. Contracts awarded in
7 fiscal year 2013 may only contain indirect cost set at or below a rate
8 of eighteen percent.

9 (5) During the 2011-2013 fiscal biennium, \$717,000 of the ((general
10 fund)) forest and fish support account--state appropriation is provided
11 solely to fund interagency agreements with the department of ecology
12 and the department of fish and wildlife as part of the adaptive
13 management process.

14 (6) \$1,000,000 of the general fund--federal appropriation and
15 \$1,000,000 of the forest and fish support account--state appropriation
16 are provided solely for continuing scientific studies already underway
17 as part of the adaptive management process. Funds may not be used to
18 initiate new studies unless the department secures new federal funding
19 for the adaptive management process.

20 (7) The department is authorized to increase the silviculture
21 burning permit fee in the 2011-2013 biennium by up to eighty dollars
22 plus fifty cents per ton for each ton of material burned in excess of
23 one hundred tons.

24 (8) \$440,000 of the state general fund--state appropriation for
25 fiscal year 2012 and \$440,000 of the state general fund--state
26 appropriation for fiscal year 2013 are provided solely for forest work
27 crews that support correctional camps and are contingent upon
28 continuing operations of Naselle youth camp.

29 (9) By September 1, 2011, the department shall update its
30 interagency agreement dated September 30, 2010, with the department of
31 fish and wildlife concerning land management services on the department
32 of fish and wildlife's wildlife conservation and recreation lands. The
33 update shall include rates and terms for services.

34 (10) In partnership with the department of ecology, the departments
35 shall deliver a report to the governor, the appropriate committees of
36 the legislature, and the forest practices board by September 1, 2012,
37 documenting forest practices adaptive management program reforms
38 implemented, or recommended, that streamline existing processes to

1 increase program efficiencies and effectiveness. The departments shall
2 collaborate with interested adaptive management program participants in
3 the development of the report.

4 **Sec. 309.** 2011 2nd sp.s. c 9 s 309 (uncodified) is amended to read
5 as follows:

6 **FOR THE DEPARTMENT OF AGRICULTURE**

7	General Fund--State Appropriation (FY 2012)	((\$15,484,000))
8		<u>\$15,434,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$14,875,000))
10		<u>\$14,537,000</u>
11	General Fund--Federal Appropriation	((\$22,940,000))
12		<u>\$22,793,000</u>
13	General Fund--Private/Local Appropriation	\$190,000
14	Aquatic Lands Enhancement Account--State	
15	Appropriation	((\$2,553,000))
16		<u>\$2,544,000</u>
17	State Toxics Control Account--State Appropriation . . .	((\$5,118,000))
18		<u>\$5,089,000</u>
19	Water Quality Permit Account--State Appropriation	\$60,000
20	Freshwater Aquatic Weeds Account--State Appropriation	\$280,000
21	TOTAL APPROPRIATION	((\$61,500,000))
22		<u>\$60,927,000</u>

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

25 (1) \$5,308,445 of the general fund--state appropriation for fiscal
26 year 2012 and \$5,302,905 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for implementing the food
28 assistance program as defined in RCW 43.23.290.

29 (2) Pursuant to RCW 43.135.055, the department is authorized to
30 increase the following fees in the 2011-2013 fiscal biennium as
31 necessary to meet the actual costs of conducting business: Fruit and
32 vegetable platform inspections; grain program services; warehouse
33 audits; requested inspections; seed inspections, testing, sampling and
34 certifications; phytosanitary certifications for seed; commission
35 merchants; and sod quality seed tags and tagging. In addition,
36 pursuant to RCW 43.135.055, 17.21.134, and 15.58.240, the department is
37 authorized to establish pesticide license examination fees.

1 integrate monitoring efforts for storm water, water quality, watershed
2 health, and other indicators to enhance monitoring efforts in Puget
3 Sound.

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2011 2nd sp.s. c 9 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2012)	((\$1,167,000))
	<u>\$1,163,000</u>
General Fund--State Appropriation (FY 2013)	((\$1,307,000))
	<u>\$1,279,000</u>
Architects' License Account--State Appropriation	((\$1,084,000))
	<u>\$1,075,000</u>
Professional Engineers' Account--State Appropriation	((\$3,518,000))
	<u>\$3,490,000</u>
Real Estate Commission Account--State Appropriation	((\$9,833,000))
	<u>\$9,696,000</u>
Uniform Commercial Code Account--State Appropriation	((\$3,120,000))
	<u>\$3,105,000</u>
Real Estate Education Account--State Appropriation	\$276,000
Real Estate Appraiser Commission Account--State Appropriation	((\$1,687,000))
	<u>\$1,656,000</u>
Business and Professions Account--State Appropriation	((\$15,592,000))
	<u>\$15,609,000</u>
Real Estate Research Account--State Appropriation	\$622,000
Geologists' Account--State Appropriation	\$51,000
Derelict Vessel Removal Account--State Appropriation	\$31,000
TOTAL APPROPRIATION	((\$38,288,000))
	<u>\$38,053,000</u>

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

- (1) Pursuant to RCW 43.135.055, the department is authorized to

1 increase fees for collection agencies. This increase is necessary to
2 support the expenditures authorized in this section, consistent with
3 RCW 43.24.086.

4 (2) \$8,000 of the business and professions account--state
5 appropriation is provided solely to implement Substitute Senate Bill
6 No. 5574 (collection agencies).

7 (3) \$150,000 of the business and professions account--state
8 appropriation is provided solely to implement Substitute House Bill No.
9 2301 (mixed martial arts, boxing, martial arts, and wrestling).
10 Pursuant to RCW 43.135.055 and 43.24.086, the department is authorized
11 to charge and increase fees to defray the cost of administering the
12 program, consistent with RCW 67.08.105. If the bill is not enacted by
13 June 30, 2012, the amount provided in this subsection shall lapse.

14 (4) Pursuant to RCW 43.135.055 and 43.24.086, the department is
15 authorized to increase fees for the camping resort program. This
16 increase is necessary to support the expenditures authorized in this
17 section, consistent with RCW 19.105.411.

18 **Sec. 402.** 2011 2nd sp.s. c 9 s 402 (uncodified) is amended to read
19 as follows:

20 **FOR THE STATE PATROL**

21	General Fund--State Appropriation (FY 2012)	((\$37,352,000))
22		<u>\$35,395,000</u>
23	General Fund--State Appropriation (FY 2013)	((\$35,108,000))
24		<u>\$32,323,000</u>
25	General Fund--Federal Appropriation	\$16,081,000
26	General Fund--Private/Local Appropriation	\$3,021,000
27	Death Investigations Account--State Appropriation . . .	((\$5,551,000))
28		<u>\$5,537,000</u>
29	County Criminal Justice Assistance Account--State	
30	Appropriation	((\$3,215,000))
31		<u>\$3,207,000</u>
32	Municipal Criminal Justice Assistance Account--State	
33	Appropriation	((\$1,290,000))
34		<u>\$1,286,000</u>
35	Fire Service Trust Account--State Appropriation	\$131,000
36	Disaster Response Account--State Appropriation	\$8,002,000
37	Fire Service Training Account--State Appropriation . . .	((\$9,394,000))

1 Substitute House Bill No. 1776 (child care center licensing). If the
2 bill is not enacted by June 30, 2011, the amount provided in this
3 subsection shall lapse.

4 (6) \$6,000 of the fingerprint identification account--state
5 appropriation is provided solely for implementation of Engrossed
6 Substitute House Bill No. 1494 (vulnerable adult referrals). If the
7 bill is not enacted by June 30, 2011, the amount provided in this
8 subsection shall lapse.

9 (7) \$1,000 of the fingerprint identification account--state
10 appropriation is provided solely for implementation of Engrossed Senate
11 Bill No. 6296 (background checks). If the bill is not enacted by June
12 30, 2012, the amount provided in this subsection shall lapse.

(End of part)

PART V
EDUCATION

Sec. 501. 2011 2nd sp.s. c 9 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2012)	((\$25,406,000))
	<u>\$25,322,000</u>
General Fund--State Appropriation (FY 2013)	((\$22,502,000))
	<u>\$27,133,000</u>
General Fund--Federal Appropriation	((\$77,065,000))
	<u>\$77,011,000</u>
General Fund--Private/Local Appropriation	\$4,000,000
TOTAL APPROPRIATION	((\$128,973,000))
	<u>\$133,466,000</u>

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

(1) A maximum of ((~~\$16,139,000~~)) \$16,056,000 of the general fund--state appropriation for fiscal year 2012 and ((~~\$13,335,000~~)) \$14,875,000 of the general fund--state appropriation for fiscal year 2013 is for state agency operations.

(a) ((~~\$9,775,000~~)) \$9,692,000 of the general fund--state appropriation for fiscal year 2012 and ((~~\$8,532,000~~)) \$8,169,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(i) Within the amounts provided in this subsection (1)(a), the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(ii) By January 1, 2012, the office of the superintendent of public instruction shall issue a report to the legislature with a timeline and an estimate of costs for implementation of the common core standards. The report must incorporate feedback from an open public forum for recommendations to enhance the standards, particularly in math.

1 (iii) Within the amounts provided, and in consultation with the
2 public school employees of Washington and the Washington school
3 counselors' association, the office of the superintendent of public
4 instruction shall develop a model policy that further defines the
5 recommended roles and responsibilities of graduation coaches and
6 identifies best practices for how graduation coaches work in
7 coordination with school counselors and in the context of a
8 comprehensive school guidance and counseling program.

9 (iv) The office of the superintendent of public instruction shall,
10 no later than August 1, 2011, establish a standard statewide definition
11 of unexcused absence. The definition shall be reported to the ways and
12 means committees of the senate and house of representatives for
13 legislative review in the 2012 legislative session. Beginning no later
14 than January 1, 2012, districts shall report to the office of the
15 superintendent of public instruction, daily student unexcused absence
16 data by school.

17 (b) \$1,964,000 of the general fund--state appropriation for fiscal
18 year 2012 and \$1,017,000 of the general fund--state appropriation for
19 fiscal year 2013 are provided solely for activities associated with the
20 implementation of new school finance systems required by chapter 236,
21 Laws of 2010 (K-12 education funding) and chapter 548, Laws of 2009
22 (state's education system), including technical staff, systems
23 reprogramming, and workgroup deliberations, including the quality
24 education council and the data governance working group.

25 (c) \$851,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$851,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for the operation and expenses of
28 the state board of education, including basic education assistance
29 activities.

30 (d) \$1,744,000 of the general fund--state appropriation for fiscal
31 year 2012 and (~~(\$1,362,000)~~) \$1,387,000 of the general fund--state
32 appropriation for fiscal year 2013 are provided solely to the
33 professional educator standards board for the following:

34 (i) \$1,050,000 in fiscal year 2012 and \$1,050,000 in fiscal year
35 2013 are for the operation and expenses of the Washington professional
36 educator standards board; and

37 (ii) \$694,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$312,000 of the general fund--state appropriation for

1 fiscal year 2013 are for conditional scholarship loans and mentor
2 stipends provided through the alternative routes to certification
3 program administered by the professional educator standards board,
4 including the pipeline for paraeducators program and the retooling to
5 teach conditional loan programs. Funding within this subsection
6 (1)(d)(ii) is also provided for the recruiting Washington teachers
7 program. Funding reductions in this subsection (1)(d)(ii) in the 2011-
8 2013 fiscal biennium are intended to be one-time; and

9 (iii) \$25,000 of the general fund--state appropriation for fiscal
10 year 2013 is provided solely for the professional educator standards
11 board to develop educator interpreter standards and identify
12 interpreter assessments that are available to school districts.
13 Interpreter assessments should meet the following criteria: (A)
14 Include both written assessment and performance assessment; (B) be
15 offered by a national organization of professional sign language
16 interpreters and transliterators; and (C) be designed to assess
17 performance in more than one sign system or sign language. The board
18 shall establish a performance standard, defining what constitutes a
19 minimum assessment result, for each educational interpreter assessment
20 identified. The board shall publicize the standards and assessments
21 for school district use.

22 (e) \$133,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$133,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for the implementation of chapter
25 240, Laws of 2010, including staffing the office of equity and civil
26 rights.

27 (f) \$50,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$50,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely for the ongoing work of the
30 education opportunity gap oversight and accountability committee.

31 (g) \$45,000 of the general fund--state appropriation for fiscal
32 year 2012 and \$45,000 of the general fund--state appropriation for
33 fiscal year 2013 are provided solely for the implementation of chapter
34 380, Laws of 2009 (enacting the interstate compact on educational
35 opportunity for military children).

36 (h) \$159,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$93,000 of the general fund--state appropriation for
38 fiscal year 2013 are provided solely for the implementation of chapter

1 185, Laws of 2011 (bullying prevention), which requires the office of
2 the superintendent of public instruction to convene an ongoing
3 workgroup on school bullying and harassment prevention. Within the
4 amounts provided, \$140,000 is for youth suicide prevention activities.

5 (i) \$1,227,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$1,227,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for implementing a comprehensive
8 data system to include financial, student, and educator data, including
9 development and maintenance of the comprehensive education data and
10 research system (CEDARS).

11 (j) \$25,000 of the general fund--state appropriation for fiscal
12 year 2012 and \$25,000 of the general fund--state appropriation for
13 fiscal year 2013 are provided solely for project citizen, a program
14 sponsored by the national conference of state legislatures and the
15 center for civic education to promote participation in government by
16 middle school students.

17 (k) \$166,000 of the general fund--state appropriation for fiscal
18 year 2012 is provided solely for the implementation of chapter 192,
19 Laws of 2011 (school district insolvency). Funding is provided to
20 develop a clear legal framework and process for dissolution of a school
21 district.

22 (l) \$1,500,000 of the general fund--state appropriation for fiscal
23 year 2013 is provided solely for implementation of House Bill No. 2799
24 (collaborative schools). If such legislation is not enacted by June
25 30, 2012, the amount provided in this subsection shall lapse.

26 (m) \$128,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely pursuant to Substitute House Bill No. 2254
28 (foster care outcomes). The office of the superintendent of public
29 instruction shall report on the implementation of the state's plan of
30 cross-system collaboration to promote educational stability and improve
31 education outcomes of foster youth. The first report is due December
32 1, 2012, and annually thereafter through 2015. If the bill is not
33 enacted by June 30, 2012, the amount provided in this subsection shall
34 lapse.

35 (n) \$250,000 of the general fund--state appropriation for fiscal
36 year 2013 is provided solely for implementation of House Bill No. 2337
37 (open K-12 education resources). If the bill is not enacted by June
38 30, 2012, the amount provided in this subsection shall lapse.

1 (2) \$9,267,000 of the general fund--state appropriation for fiscal
2 year 2012 and (~~\$9,167,000~~) \$12,267,000 of the general fund--state
3 appropriation for fiscal year 2013 are for statewide programs.

4 (a) HEALTH AND SAFETY

5 (i) \$2,541,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$2,541,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for a corps of nurses located at
8 educational service districts, as determined by the superintendent of
9 public instruction, to be dispatched to the most needy schools to
10 provide direct care to students, health education, and training for
11 school staff.

12 (ii) \$50,000 of the general fund--state appropriation for fiscal
13 year 2012 and \$50,000 of the general fund--state appropriation for
14 fiscal year 2013 are provided solely for a nonviolence and leadership
15 training program provided by the institute for community leadership.

16 (b) TECHNOLOGY

17 \$1,221,000 of the general fund--state appropriation for fiscal year
18 2012 and \$1,221,000 of the general fund--state appropriation for fiscal
19 year 2013 are provided solely for K-20 telecommunications network
20 technical support in the K-12 sector to prevent system failures and
21 avoid interruptions in school utilization of the data processing and
22 video-conferencing capabilities of the network. These funds may be
23 used to purchase engineering and advanced technical support for the
24 network.

25 (c) GRANTS AND ALLOCATIONS

26 (i) \$675,000 of the general fund--state appropriation for fiscal
27 year 2012 and \$675,000 of the general fund--state appropriation for
28 fiscal year 2013 are provided solely for the Washington state achievers
29 scholarship program. The funds shall be used to support community
30 involvement officers that recruit, train, and match community volunteer
31 mentors with students selected as achievers scholars.

32 (ii) \$1,000,000 of the general fund--state appropriation for fiscal
33 year 2012 and \$1,000,000 of the general fund--state appropriation for
34 fiscal year 2013 are provided solely for contracting with a college
35 scholarship organization with expertise in conducting outreach to
36 students concerning eligibility for the Washington college bound
37 scholarship consistent with chapter 405, Laws of 2007.

1 (iii) \$2,808,000 of the general fund--state appropriation for
2 fiscal year 2012 and \$2,808,000 of the general fund--state
3 appropriation for fiscal year 2013 are provided solely for the
4 dissemination of the navigation 101 curriculum to all districts. The
5 funding shall support electronic student planning tools and software
6 for analyzing the impact of navigation 101 on student performance, as
7 well as grants to a maximum of one hundred school districts each year,
8 based on progress and need for the implementation of the navigation 101
9 program. The implementation grants shall be awarded to a cross-section
10 of school districts reflecting a balance of geographic and demographic
11 characteristics. Within the amounts provided, the office of the
12 superintendent of public instruction will create a navigation 101
13 accountability model to analyze the impact of the program.

14 (iv) \$337,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$337,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely for implementation of the building
17 bridges statewide program for comprehensive dropout prevention,
18 intervention, and reengagement strategies.

19 (v) \$135,000 of the general fund--state appropriation for fiscal
20 year 2012 and \$135,000 of the general fund--state appropriation for
21 fiscal year 2013 are provided solely for dropout prevention programs at
22 the office of the superintendent of public instruction, including the
23 jobs for America's graduates (JAG) program.

24 (vi) \$500,000 of the general fund--state appropriation for fiscal
25 year 2012 and (~~(\$400,000)~~) \$1,400,000 of the general fund--state
26 appropriation for fiscal year 2013 are provided solely for the
27 implementation of chapter 340, Laws of 2011 (assessment of students in
28 state-funded full-day kindergarten classrooms), including the
29 development and implementation of the Washington kindergarten inventory
30 of developing skills (WaKIDS). Of the amounts in this subsection,
31 \$1,000,000 of the fiscal year 2013 appropriation is for the
32 implementation of House Bill No. 2586 (kindergarten inventory). If the
33 bill is not enacted by June 30, 2012, this amount shall lapse.

34 (vii) \$2,000,000 of the general fund--state appropriation for
35 fiscal year 2013 is provided solely for an urban school turnaround
36 initiative as follows:

37 (A) The office of the superintendent of public instruction shall
38 select two schools in the largest urban school district in the state.

1 The selected schools shall be among the state's lowest-performing
2 schools; be located within the same community and form a continuum of
3 education for the students in that community; have significant
4 educational achievement gaps; and include a mix of elementary, middle,
5 or high schools.

6 (B) The office shall allocate the funds under this subsection (vii)
7 to the school district to be used exclusively in the selected schools.
8 The district may not charge an overhead or indirect fee for the
9 allocated funds or supplant other state, federal, or local funds in the
10 selected schools. The school district shall use the funds for
11 intensive supplemental instruction, services, and materials in the
12 selected schools in the 2012-13 school year, including but not limited
13 to professional development for school staff; updated curriculum,
14 materials, and technology; extended learning opportunities for
15 students; reduced class size; summer enrichment activities;
16 school-based health clinics; and other research-based initiatives to
17 dramatically turn around the performance and close the achievement gap
18 in the schools. Priorities for the expenditure of the funds shall be
19 determined by the leadership and staff of each school.

20 (C) The office shall monitor the activities in the selected schools
21 and the expenditure of funds to ensure the intent of this subsection
22 (vii) is met, and submit a report to the legislature by December 1,
23 2013, including outcomes resulting from the urban school turnaround
24 initiative. The report submitted to the legislature must include a
25 comparison of student learning achievement in the selected schools with
26 schools of comparable demographics that have not participated in the
27 grant program.

28 (D) Funding provided in this subsection (vii) is intended to be
29 one-time.

30 (viii) \$100,000 of the general fund--state appropriation for fiscal
31 year 2013 is provided solely to subsidize advanced placement exam fees
32 and international baccalaureate class fees and exam fees for low-income
33 students. To be eligible for the subsidy, a student must be either
34 enrolled or eligible to participate in the federal free or reduced
35 price lunch program, and the student must have maximized the allowable
36 federal contribution. The office of the superintendent of public
37 instruction shall set the subsidy in an amount so that the advanced

1 placement exam fee does not exceed \$15.00 and the combined class and
2 exam fee for the international baccalaureate does not exceed \$14.50.

3 **Sec. 502.** 2011 2nd sp.s. c 9 s 502 (uncodified) is amended to read
4 as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
6 **APPORTIONMENT**

7	General Fund--State Appropriation (FY 2012)	((\$5,253,769,000))
8		<u>\$5,241,233,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$5,205,868,000))
10		<u>\$5,170,854,000</u>
11	General Fund--Federal Appropriation	((\$22,078,000))
12		<u>\$22,327,000</u>
13	TOTAL APPROPRIATION	((\$10,481,715,000))
14		<u>\$10,434,414,000</u>

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

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

20 (b) For the 2011-12 and 2012-13 school years, the superintendent
21 shall allocate general apportionment funding to school districts as
22 provided in the funding formulas and salary schedules in sections 502
23 and 503 of this act, excluding (c) of this subsection.

24 (c) From July 1, 2011 to August 31, 2011, the superintendent shall
25 allocate general apportionment funding to school districts programs as
26 provided in sections 502 and 504, chapter 564, Laws of 2009, as amended
27 through sections 1402 and 1403 of this act.

28 (d) The appropriations in this section include federal funds
29 provided through section 101 of P.L. No. 111-226 (education jobs fund),
30 which shall be used to support general apportionment program funding.
31 In distributing general apportionment allocations under this section
32 for the 2011-12 school year, the superintendent shall include the
33 additional amount of ((~~\$3,078,000~~)) \$3,327,000 allocated by the United
34 States department of education on September 16, 2011, provided through
35 101 of P.L. No. 111-226 (education jobs fund) as part of each
36 district's general apportionment allocation.

1 (e) The enrollment of any district shall be the annual average
2 number of full-time equivalent students and part-time students as
3 provided in RCW 28A.150.350, enrolled on the fourth day of school in
4 September and on the first school day of each month October through
5 June, including students who are in attendance pursuant to RCW
6 28A.335.160 and 28A.225.250 who do not reside within the servicing
7 school district. Any school district concluding its basic education
8 program in May must report the enrollment of the last school day held
9 in May in lieu of a June enrollment.

10 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

11 Allocations for certificated instructional staff salaries for the
12 2011-12 and 2012-13 school years are determined using formula-generated
13 staff units calculated pursuant to this subsection.

14 (a) Certificated instructional staff units, as defined in RCW
15 28A.150.410, shall be allocated to reflect the minimum class size
16 allocations, requirements, and school prototypes assumptions as
17 provided in RCW 28A.150.260. The superintendent shall make allocations
18 to school districts based on the district's annual average full-time
19 equivalent student enrollment in each grade.

20 (b) Additional certificated instructional staff units provided in
21 this subsection (2) that exceed the minimum requirements in RCW
22 28A.150.260 are enhancements outside the program of basic education,
23 except as otherwise provided in this section.

24 (c)(i) The superintendent shall base allocations for each level of
25 prototypical school on the following regular education average class
26 size of full-time equivalent students per teacher, except as provided
27 in (c)(ii) of this subsection:

28 General education class size:

29 Grade	RCW 28A.150.260
30 Grades K-3	25.23
31 Grade 4	27.00
32 Grades 5-6	27.00
33 Grades 7-8	28.53
34 Grades 9-12	28.74

1 The superintendent shall base allocations for career and technical
2 education (CTE) and skill center programs average class size as
3 provided in RCW 28A.150.260.

4 (ii) For each level of prototypical school at which more than fifty
5 percent of the students were eligible for free and reduced-price meals
6 in the prior school year, the superintendent shall allocate funding
7 based on the following average class size of full-time equivalent
8 students per teacher:

9 General education class size in high poverty
10 school:

11 Grades K-3	24.10
12 Grade 4	27.00
13 Grades 5-6	27.00
14 Grades 7-8	28.53
15 Grades 9-12	28.74

16 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher
17 planning period, expressed as a percentage of a teacher work day, is
18 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

19 (iv) Laboratory science, advanced placement, and international
20 baccalaureate courses are funded at the same class size assumptions as
21 general education schools in the same grade; and

22 (d)(i) Funding for teacher librarians, school nurses, social
23 workers, school psychologists, and guidance counselors is allocated
24 based on the school prototypes as provided in RCW 28A.150.260 and is
25 considered certificated instructional staff, except as provided in
26 (d)(ii) of this subsection.

27 (ii) Students in approved career and technical education and skill
28 center programs generate certificated instructional staff units to
29 provide for the services of teacher librarians, school nurses, social
30 workers, school psychologists, and guidance counselors at the following
31 combined rate per 1000 students:

32 Career and Technical Education

33 students	2.02 per 1000 student FTE's
34 Skill Center students	2.36 per 1000 student FTE's

1 (3) ADMINISTRATIVE STAFF ALLOCATIONS

2 (a) Allocations for school building-level certificated
3 administrative staff salaries for the 2011-12 and 2012-13 school years
4 for general education students are determined using the formula-
5 generated staff units provided in RCW 28A.150.260, and adjusted based
6 on a district's annual average full-time equivalent student enrollment
7 in each grade.

8 (b) Students in approved career and technical education and skill
9 center programs generate certificated school building-level
10 administrator staff units at per student rates that exceed the general
11 education rate in (a) of this subsection by the following percentages:

12 Career and Technical Education students 2.5 percent
13 Skill Center students 19.75 percent

14 (4) CLASSIFIED STAFF ALLOCATIONS

15 Allocations for classified staff units providing school building-
16 level and district-wide support services for the 2011-12 and 2012-13
17 school years are determined using the formula-generated staff units
18 provided in RCW 28A.150.260, and adjusted based on each district's
19 annual average full-time equivalent student enrollment in each grade.

20
21 (5) CENTRAL OFFICE ALLOCATIONS

22 In addition to classified and administrative staff units allocated
23 in subsections (3) and (4) of this section, classified and
24 administrative staff units are provided for the 2011-12 and 2012-13
25 school year for the central office administrative costs of operating a
26 school district, at the following rates:

27 (a) The total central office staff units provided in this
28 subsection (5) are calculated by first multiplying the total number of
29 eligible certificated instructional, certificated administrative, and
30 classified staff units providing school-based or district-wide support
31 services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

32 (b) Of the central office staff units calculated in (a) of this
33 subsection, 74.53 percent are allocated as classified staff units, as
34 generated in subsection (4) of this section, and 25.47 percent shall be
35 allocated as administrative staff units, as generated in subsection (3)
36 of this section.

37 (c) Staff units generated as enhancements outside the program of
38 basic education to the minimum requirements of RCW 28A.150.260, and

1 staff units generated by skill center and career-technical students,
2 are excluded from the total central office staff units calculation in
3 (a) of this subsection.

4 (d) For students in approved career-technical and skill center
5 programs, central office classified units are allocated at the same
6 staff unit per student rate as those generated for general education
7 students of the same grade in this subsection (5), and central office
8 administrative staff units are allocated at staff unit per student
9 rates that exceed the general education rate established for students
10 in the same grade in this subsection (5) by 3.69 percent for career and
11 technical education students, and 21.92 percent for skill center
12 students.

13 (6) FRINGE BENEFIT ALLOCATIONS

14 Fringe benefit allocations shall be calculated at a rate of 16.33
15 percent in the 2011-12 school year and (~~16.33~~) 16.34 percent in the
16 2012-13 school year for certificated salary allocations provided under
17 subsections (2), (3), and (5) of this section, and a rate of 18.73
18 percent in the 2011-12 school year and 18.73 percent in the 2012-13
19 school year for classified salary allocations provided under
20 subsections (4) and (5) of this section.

21
22 (7) INSURANCE BENEFIT ALLOCATIONS

23 Insurance benefit allocations shall be calculated at the
24 maintenance rate specified in section 504 of this act, based on the
25 number of benefit units determined as follows:

26 (a) The number of certificated staff units determined in
27 subsections (2), (3), and (5) of this section; and

28 (b) The number of classified staff units determined in subsections
29 (4) and (5) of this section multiplied by 1.152. This factor is
30 intended to adjust allocations so that, for the purposes of
31 distributing insurance benefits, full-time equivalent classified
32 employees may be calculated on the basis of 1440 hours of work per
33 year, with no individual employee counted as more than one full-time
34 equivalent.

35 (8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

36 Funding is allocated per annual average full-time equivalent
37 student for the materials, supplies, and operating costs (MSOC)

1 incurred by school districts, consistent with the requirements of RCW
2 28A.150.260.

3 (a) MSOC funding for general education students are allocated at
4 the following per student rates:

5 MSOC RATES/STUDENT FTE

6 MSOC Component	7 2011-12	8 2012-13
	9 SCHOOL YEAR	SCHOOL YEAR
10 Technology	\$57.42	(\$58.17) <u>\$58.28</u>
11 Utilities and Insurance	\$156.03	(\$158.05) <u>\$158.37</u>
12 Curriculum and Textbooks	\$61.65	(\$62.45) <u>\$62.58</u>
13 Other Supplies and Library Materials	\$130.89	(\$132.59) <u>\$132.85</u>
14 Instructional Professional Development for Certificated 15 and Classified Staff	\$9.53	(\$9.66) <u>\$9.68</u>
16 Facilities Maintenance	\$77.30	(\$78.30) <u>\$78.46</u>
17 Security and Central Office	\$53.55	(\$54.25) <u>\$54.35</u>
18 TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$546.37	(\$553.47) <u>\$554.57</u>

19 (b) Students in approved skill center programs generate per student
20 FTE MSOC allocations which equal the rate for general education
21 students calculated in (a) of this subsection, multiplied by a factor
22 of 2.171.

23 (c) Students in approved exploratory and preparatory career and
24 technical education programs generate a per student MSOC allocation
25 that is equal to the rate for general education students calculated in
26 (a) of this subsection, multiplied by a factor of 2.442.

27 (d) Students in laboratory science courses generate per student FTE
28 MSOC allocations which equal the per student FTE rate for general
29 education students established in (a) of this subsection.

30 (9) SUBSTITUTE TEACHER ALLOCATIONS

31 For the 2011-12 and 2012-13 school years, funding for substitute
32 costs for classroom teachers is based on four (4) funded substitute
33 days per classroom teacher unit generated under subsection (2) of this
34 section, at a daily substitute rate of \$151.86.

1 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

2 (a) Amounts provided in this section are adjusted to reflect
3 provisions of House Bill No. 2065 (allocation of funding for funding
4 for students enrolled in alternative learning experiences).

5 (b) The superintendent of public instruction shall require all
6 districts receiving general apportionment funding for alternative
7 learning experience (ALE) programs as defined in WAC 392-121-182 to
8 provide separate financial accounting of expenditures for the ALE
9 programs offered in district or with a provider, including but not
10 limited to private companies and multidistrict cooperatives, as well as
11 accurate, monthly headcount and FTE enrollment claimed for basic
12 education, including separate counts of resident and nonresident
13 students.

14 (11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

15 Funding in this section is sufficient to fund voluntary full day
16 kindergarten programs in qualifying high poverty schools, pursuant to
17 RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls
18 for the voluntary full-day program in a qualifying school shall count
19 as one-half of one full-time equivalent student for purpose of making
20 allocations under this section. Funding in this section provides full-
21 day kindergarten programs for 21 percent of kindergarten enrollment in
22 the 2011-12 school year, and 22 percent in the 2012-13 school year.
23 Funding priority shall be given to schools with the highest poverty
24 levels, as measured by prior year free and reduced price lunch
25 eligibility rates in each school. Funding in this section is
26 sufficient to fund voluntary full day kindergarten programs for July
27 and August of the 2010-11 school year.

28 (12) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND
29 NECESSARY PLANTS

30 For small school districts and remote and necessary school plants
31 within any district which have been judged to be remote and necessary
32 by the superintendent of public instruction, additional staff units are
33 provided to ensure a minimum level of staffing support. Additional
34 administrative and certificated instructional staff units provided to
35 districts in this subsection shall be reduced by the general education
36 staff units, excluding career and technical education and skills center

1 enhancement units, otherwise provided in subsections (2) through (5) of
2 this section on a per district basis.

3 (a) For districts enrolling not more than twenty-five average
4 annual full-time equivalent students in grades K-8, and for small
5 school plants within any school district which have been judged to be
6 remote and necessary by the superintendent of public instruction and
7 enroll not more than twenty-five average annual full-time equivalent
8 students in grades K-8:

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

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

19 (b) For specified enrollments in districts enrolling more than
20 twenty-five but not more than one hundred average annual full-time
21 equivalent students in grades K-8, and for small school plants within
22 any school district which enroll more than twenty-five average annual
23 full-time equivalent students in grades K-8 and have been judged to be
24 remote and necessary by the superintendent of public instruction:

25 (i) For enrollment of up to sixty annual average full-time
26 equivalent students in grades K-6, 2.76 certificated instructional
27 staff units and 0.24 certificated administrative staff units; and

28 (ii) For enrollment of up to twenty annual average full-time
29 equivalent students in grades 7 and 8, 0.92 certificated instructional
30 staff units and 0.08 certificated administrative staff units;

31 (c) For districts operating no more than two high schools with
32 enrollments of less than three hundred average annual full-time
33 equivalent students, for enrollment in grades 9-12 in each such school,
34 other than alternative schools, except as noted in this subsection:

35 (i) For remote and necessary schools enrolling students in any
36 grades 9-12 but no more than twenty-five average annual full-time
37 equivalent students in grades K-12, four and one-half certificated

1 instructional staff units and one-quarter of a certificated
2 administrative staff unit;

3 (ii) For all other small high schools under this subsection, nine
4 certificated instructional staff units and one-half of a certificated
5 administrative staff unit for the first sixty average annual full-time
6 equivalent students, and additional staff units based on a ratio of
7 0.8732 certificated instructional staff units and 0.1268 certificated
8 administrative staff units per each additional forty-three and one-half
9 average annual full-time equivalent students;

10 (iii) Districts receiving staff units under this subsection shall
11 add students enrolled in a district alternative high school and any
12 grades nine through twelve alternative learning experience programs
13 with the small high school enrollment for calculations under this
14 subsection;

15 (d) For each nonhigh school district having an enrollment of more
16 than seventy annual average full-time equivalent students and less than
17 one hundred eighty students, operating a grades K-8 program or a grades
18 1-8 program, an additional one-half of a certificated instructional
19 staff unit;

20 (e) For each nonhigh school district having an enrollment of more
21 than fifty annual average full-time equivalent students and less than
22 one hundred eighty students, operating a grades K-6 program or a grades
23 1-6 program, an additional one-half of a certificated instructional
24 staff unit;

25 (f)(i) For enrollments generating certificated staff unit
26 allocations under (a) through (e) of this subsection, one classified
27 staff unit for each 2.94 certificated staff units allocated under such
28 subsections;

29 (ii) For each nonhigh school district with an enrollment of more
30 than fifty annual average full-time equivalent students and less than
31 one hundred eighty students, an additional one-half of a classified
32 staff unit; and

33 (g) School districts receiving additional staff units to support
34 small student enrollments and remote and necessary plants under
35 subsection (12) of this section shall generate additional MSOC
36 allocations consistent with the nonemployee related costs (NERC)
37 allocation formula in place for the 2010-11 school year as provided

1 section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental
2 budget), adjusted annually for inflation.

3 (13) Any school district board of directors may petition the
4 superintendent of public instruction by submission of a resolution
5 adopted in a public meeting to reduce or delay any portion of its basic
6 education allocation for any school year. The superintendent of public
7 instruction shall approve such reduction or delay if it does not impair
8 the district's financial condition. Any delay shall not be for more
9 than two school years. Any reduction or delay shall have no impact on
10 levy authority pursuant to RCW 84.52.0531 and local effort assistance
11 pursuant to chapter 28A.500 RCW.

12 (14) The superintendent may distribute funding for the following
13 programs outside the basic education formula during fiscal years 2012
14 and 2013 as follows:

15 (a) \$589,000 of the general fund--state appropriation for fiscal
16 year 2012 and (~~(\$597,000)~~) \$598,000 of the general fund--state
17 appropriation for fiscal year 2013 are provided solely for fire
18 protection for school districts located in a fire protection district
19 as now or hereafter established pursuant to chapter 52.04 RCW.

20 (b) \$436,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$436,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for programs providing skills
23 training for secondary students who are enrolled in extended day
24 school-to-work programs, as approved by the superintendent of public
25 instruction. The funds shall be allocated at a rate not to exceed \$500
26 per full-time equivalent student enrolled in those programs.

27 (c) Funding in this section is sufficient to fund adjustments to
28 school districts' allocations resulting from the implementation of the
29 prototypical school funding formula, pursuant to chapter 236, Laws of
30 2010 (K-12 education funding). The funding in this section is intended
31 to hold school districts harmless in total for funding changes
32 resulting from conversion to the prototypical school formula in the
33 general apportionment program, the learning assistance program, the
34 transitional bilingual program, and the highly capable program, after
35 adjustment for changes in enrollment and other caseload adjustments.

36 (15) \$208,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$211,000 of the general fund--state appropriation for
38 fiscal year 2013 are provided solely for school district emergencies as

1 certified by the superintendent of public instruction. At the close of
2 the fiscal year the superintendent of public instruction shall report
3 to the office of financial management and the appropriate fiscal
4 committees of the legislature on the allocations provided to districts
5 and the nature of the emergency.

6 (16) Funding in this section is sufficient to fund a maximum of
7 1.6 FTE enrollment for skills center students pursuant to chapter 463,
8 Laws of 2007.

9 (17) Beginning in the 2011-12 school year, students participating
10 in running start programs may be funded up to a combined maximum
11 enrollment of 1.2 FTE including school district and institution of
12 higher education enrollment. In calculating the combined 1.2 FTE, the
13 office of the superintendent of public instruction may average the
14 participating student's September through June enrollment to account
15 for differences in the start and end dates for courses provided by the
16 high school and higher education institution. Additionally, the office
17 of the superintendent of public instruction, in consultation with the
18 state board for community and technical colleges, the higher education
19 coordinating board, and the education data center, shall annually track
20 and report to the fiscal committees of the legislature on the combined
21 FTE experience of students participating in the running start program,
22 including course load analyses at both the high school and community
23 and technical college system.

24 (18) If two or more school districts consolidate and each district
25 was receiving additional basic education formula staff units pursuant
26 to subsection (12) of this section, the following apply:

27 (a) For three school years following consolidation, the number of
28 basic education formula staff units shall not be less than the number
29 of basic education formula staff units received by the districts in the
30 school year prior to the consolidation; and

31 (b) For the fourth through eighth school years following
32 consolidation, the difference between the basic education formula staff
33 units received by the districts for the school year prior to
34 consolidation and the basic education formula staff units after
35 consolidation pursuant to subsection (12) of this section shall be
36 reduced in increments of twenty percent per year.

37 (19)(a) Indirect cost charges by a school district to approved
38 career and technical education middle and secondary programs shall not

1 exceed 15 percent of the combined basic education and career and
2 technical education program enhancement allocations of state funds.
3 Middle and secondary career and technical education programs are
4 considered separate programs for funding and financial reporting
5 purposes under this section.

6 (b) Career and technical education program full-time equivalent
7 enrollment shall be reported on the same monthly basis as the
8 enrollment for students eligible for basic support, and payments shall
9 be adjusted for reported career and technical education program
10 enrollments on the same monthly basis as those adjustments for
11 enrollment for students eligible for basic support.

12 **Sec. 503.** 2011 2nd sp.s. c 9 s 503 (uncodified) is amended to read
13 as follows:

14 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**
15 **COMPENSATION**

16 (1) The following calculations determine the salaries used in the
17 state allocations for certificated instructional, certificated
18 administrative, and classified staff units as provided in RCW
19 28A.150.280 and under section 503 of this act:

20 (a) Salary allocations for certificated instructional staff units
21 are determined for each district by multiplying the district's
22 certificated instructional total base salary shown on LEAP Document 2
23 by the district's average staff mix factor for certificated
24 instructional staff in that school year, computed using LEAP document
25 1; and

26 (b) Salary allocations for certificated administrative staff units
27 and classified staff units for each district are determined based on
28 the district's certificated administrative and classified salary
29 allocation amounts shown on LEAP Document 2.

30 (2) For the purposes of this section:

31 (a) "LEAP Document 1" means the staff mix factors for certificated
32 instructional staff according to education and years of experience, as
33 developed by the legislative evaluation and accountability program
34 committee on May 23, 2011, at 16:10 hours; and

35 (b) "LEAP Document 2" means the school year salary allocations for
36 certificated administrative staff and classified staff and derived and

1 total base salaries for certificated instructional staff as developed
 2 by the legislative evaluation and accountability program committee on
 3 May 23, 2011, at 16:10 hours.

4 (3) Incremental fringe benefit factors are applied to salary
 5 adjustments at a rate of 15.69 percent for school year 2011-12 and
 6 ((15.69)) 15.70 percent for school year 2012-13 for certificated
 7 instructional and certificated administrative staff and 15.23 percent
 8 for school year 2011-12 and 15.23 percent for the 2012-13 school year
 9 for classified staff.

10 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
 11 allocation schedules for certificated instructional staff are
 12 established for basic education salary allocations:

13 Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2011-12

14 ***Education Experience***

15	16									
17	Years									
18	of									
19	Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90
20	0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
21	1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
22	2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912
23	3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
24	4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
25	5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
26	6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
27	7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
28	8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
29	9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
30	10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
31	11				45,883	49,169	51,558	49,295	52,581	54,969
32	12				47,332	50,777	53,238	50,850	54,188	56,650
33	13					52,425	54,959	52,460	55,836	58,370
34	14					54,081	56,745	54,117	57,600	60,157
35	15					55,488	58,221	55,523	59,098	61,721
	16 or more					56,597	59,385	56,634	60,279	62,955

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2012-13

Education Experience

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90 OR Ph.D.
0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912
3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
11				45,883	49,169	51,558	49,295	52,581	54,969
12				47,332	50,777	53,238	50,850	54,188	56,650
13					52,425	54,959	52,460	55,836	58,370
14					54,081	56,745	54,117	57,600	60,157
15					55,488	58,221	55,523	59,098	61,721
16 or more					56,597	59,385	56,634	60,279	62,955

(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

(c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be counted after the masters degree. Thus, as used in this subsection, the column headings "MA+(N)" refer to the total of:

- (i) Credits earned since receiving the masters degree; and
- (ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

- 1 (a) "BA" means a baccalaureate degree.
- 2 (b) "MA" means a masters degree.
- 3 (c) "PHD" means a doctorate degree.
- 4 (d) "Years of service" shall be calculated under the same rules
- 5 adopted by the superintendent of public instruction.
- 6 (e) "Credits" means college quarter hour credits and equivalent
- 7 in-service credits computed in accordance with RCW 28A.415.020 and
- 8 28A.415.023.
- 9 (6) No more than ninety college quarter-hour credits received by
- 10 any employee after the baccalaureate degree may be used to determine
- 11 compensation allocations under the state salary allocation schedule and
- 12 LEAP documents referenced in this part V, or any replacement schedules
- 13 and documents, unless:
- 14 (a) The employee has a masters degree; or
- 15 (b) The credits were used in generating state salary allocations
- 16 before January 1, 1992.
- 17 (7) The salary allocation schedules established in this section are
- 18 for allocation purposes only except as provided in RCW 28A.400.200(2).

19 **Sec. 504.** 2011 2nd sp.s. c 9 s 504 (uncodified) is amended to read
 20 as follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
 22 **COMPENSATION ADJUSTMENTS**

23 General Fund--Federal Appropriation \$2,000

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

26 (1)(a) Additional salary adjustments as necessary to fund the base
 27 salaries for certificated instructional staff as listed for each
 28 district in LEAP Document 2, defined in section 504(2)(b) of this act.
 29 Allocations for these salary adjustments shall be provided to all
 30 districts that are not grandfathered to receive salary allocations
 31 above the statewide salary allocation schedule, and to certain
 32 grandfathered districts to the extent necessary to ensure that salary
 33 allocations for districts that are currently grandfathered do not fall
 34 below the statewide salary allocation schedule.

35 (b) Additional salary adjustments to certain districts as necessary
 36 to fund the per full-time-equivalent salary allocations for

1 certificated administrative staff as listed for each district in LEAP
2 Document 2, defined in section 504(2)(b) of this act.

3 (c) Additional salary adjustments to certain districts as necessary
4 to fund the per full-time-equivalent salary allocations for classified
5 staff as listed for each district in LEAP Document 2, defined in
6 section 504(2)(b) of this act.

7 (d) The appropriations in this subsection (1) include associated
8 incremental fringe benefit allocations at 15.69 percent for the 2011-12
9 school year and ((15.69)) 15.70 percent for the 2012-13 school year for
10 certificated instructional and certificated administrative staff and
11 15.23 percent for the 2011-12 school year and 15.23 percent for the
12 2012-13 school year for classified staff.

13 (e) The appropriations in this section include the increased or
14 decreased portion of salaries and incremental fringe benefits for all
15 relevant state-funded school programs in part V of this act. Changes
16 for general apportionment (basic education) are based on the salary
17 allocation schedules and methodology in sections 503 and 504 of this
18 act. Changes for special education result from changes in each
19 district's basic education allocation per student. Changes for
20 educational service districts and institutional education programs are
21 determined by the superintendent of public instruction using the
22 methodology for general apportionment salaries and benefits in sections
23 503 and 504 of this act.

24 (f) The appropriations in this section include no salary
25 adjustments for substitute teachers.

26 (2) The maintenance rate for insurance benefit allocations is
27 \$768.00 per month for the 2011-12 and 2012-13 school years. The
28 appropriations in this section reflect the incremental change in cost
29 of allocating rates of \$768.00 per month for the 2011-12 school year
30 and \$768.00 per month for the 2012-13 school year.

31 (3) The rates specified in this section are subject to revision
32 each year by the legislature.

33 **Sec. 505.** 2011 2nd sp.s. c 9 s 505 (uncodified) is amended to read
34 as follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**
36 General Fund--State Appropriation (FY 2012) ((~~\$322,033,000~~))
37 \$322,243,000

1	General Fund--State Appropriation (FY 2013)	((\$273,380,000))
2		<u>\$273,642,000</u>
3	TOTAL APPROPRIATION	((\$595,413,000))
4		<u>\$595,885,000</u>

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

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

10 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
11 shall allocate funding to school district programs for the
12 transportation of students as provided in RCW 28A.160.192.

13 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
14 allocate funding to school districts programs for the transportation of
15 students as provided in section 505, chapter 564, Laws of 2009, as
16 amended through section 1404 of this act.

17 (3) Any amounts appropriated for maintenance level funding for
18 pupil transportation that exceed actual maintenance level expenditures
19 as calculated under the funding formula that takes effect September 1,
20 2011, shall be distributed to districts according to RCW
21 28A.160.192(2)(b).

22 (4) A maximum of \$892,000 of this fiscal year 2012 appropriation
23 and a maximum of \$892,000 of the fiscal year 2013 appropriation may be
24 expended for regional transportation coordinators and related
25 activities. The transportation coordinators shall ensure that data
26 submitted by school districts for state transportation funding shall,
27 to the greatest extent practical, reflect the actual transportation
28 activity of each district.

29 (5) The office of the superintendent of public instruction shall
30 provide reimbursement funding to a school district for school bus
31 purchases only after the superintendent of public instruction
32 determines that the school bus was purchased from the list established
33 pursuant to RCW 28A.160.195(2) or a comparable competitive bid process
34 based on the lowest price quote based on similar bus categories to
35 those used to establish the list pursuant to RCW 28A.160.195.

36 (6) The superintendent of public instruction shall base
37 depreciation payments for school district buses on the pre-sales tax
38 five-year average of lowest bids in the appropriate category of bus.

1 In the final year on the depreciation schedule, the depreciation
2 payment shall be based on the lowest bid in the appropriate bus
3 category for that school year.

4 (7) Funding levels in this section reflect waivers granted by the
5 state board of education for four-day school weeks as allowed under RCW
6 28A.305.141.

7 (8) Starting with the 2012-13 school year, the office of the
8 superintendent of public instruction shall disburse payments for bus
9 depreciation in August.

10 **Sec. 506.** 2011 2nd sp.s. c 9 s 507 (uncodified) is amended to read
11 as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
13 **PROGRAMS**

14	General Fund--State Appropriation (FY 2012)	((\$653,904,000))
15		<u>\$648,369,000</u>
16	General Fund--State Appropriation (FY 2013)	((\$694,237,000))
17		<u>\$679,832,000</u>
18	General Fund--Federal Appropriation	((\$486,936,000))
19		<u>\$486,922,000</u>
20	Education Legacy Trust Account--State Appropriation	\$756,000
21	TOTAL APPROPRIATION	((\$1,835,833,000))
22		<u>\$1,815,879,000</u>

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

25 (1) Funding for special education programs is provided on an excess
26 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
27 that special education students as a class receive their full share of
28 the general apportionment allocation accruing through sections 502 and
29 504 of this act. To the extent a school district cannot provide an
30 appropriate education for special education students under chapter
31 28A.155 RCW through the general apportionment allocation, it shall
32 provide services through the special education excess cost allocation
33 funded in this section.

34 (2)(a) The superintendent of public instruction shall ensure that:
35 (i) Special education students are basic education students first;
36 (ii) As a class, special education students are entitled to the
37 full basic education allocation; and

1 (iii) Special education students are basic education students for
2 the entire school day.

3 (b) The superintendent of public instruction shall continue to
4 implement the full cost method of excess cost accounting, as designed
5 by the committee and recommended by the superintendent, pursuant to
6 section 501(1)(k), chapter 372, Laws of 2006.

7 (c) Beginning with the 2010-11 school year award cycle, the office
8 of the superintendent of public instruction shall make award
9 determinations for state safety net funding in August of each school
10 year. Determinations on school district eligibility for state safety
11 net awards shall be based on analysis of actual expenditure data from
12 the current school year.

13 (3) Each fiscal year appropriation includes such funds as are
14 necessary to complete the school year ending in the fiscal year and for
15 prior fiscal year adjustments.

16 (4)(a) For the 2011-12 and 2012-13 school years, the superintendent
17 shall allocate funding to school district programs for special
18 education students as provided in RCW 28A.150.390.

19 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
20 allocate funding to school district programs for special education
21 students as provided in section 507, chapter 564, Laws of 2009, as
22 amended through section 1406 of this act.

23 (5) The following applies throughout this section: The definitions
24 for enrollment and enrollment percent are as specified in RCW
25 28A.150.390(3). Each district's general fund--state funded special
26 education enrollment shall be the lesser of the district's actual
27 enrollment percent or 12.7 percent.

28 (6) At the request of any interdistrict cooperative of at least 15
29 districts in which all excess cost services for special education
30 students of the districts are provided by the cooperative, the maximum
31 enrollment percent shall be calculated in accordance with RCW
32 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate
33 rather than individual district units. For purposes of this
34 subsection, the average basic education allocation per full-time
35 equivalent student shall be calculated in the aggregate rather than
36 individual district units.

37 (7) \$8,914,000 of the general fund--state appropriation for fiscal
38 year 2012, \$34,200,000 of the general fund--state appropriation for

1 fiscal year 2013, and \$29,574,000 of the general fund--federal
2 appropriation are provided solely for safety net awards for districts
3 with demonstrated needs for special education funding beyond the
4 amounts provided in subsection (4) of this section. If the federal
5 safety net awards based on the federal eligibility threshold exceed the
6 federal appropriation in this subsection (7) in any fiscal year, the
7 superintendent shall expend all available federal discretionary funds
8 necessary to meet this need. At the conclusion of each school year,
9 the superintendent shall recover safety net funds that were distributed
10 prospectively but for which districts were not subsequently eligible.

11 (a) For the 2011-12 and 2012-13 school years, safety net funds
12 shall be awarded by the state safety net oversight committee as
13 provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

14 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
15 operate the safety net oversight committee and shall award safety net
16 funds as provided in section 507, chapter 564, Laws of 2009, as amended
17 through section 1406 of this act.

18 (8) A maximum of \$678,000 may be expended from the general fund--
19 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
20 full-time equivalent aides at children's orthopedic hospital and
21 medical center. This amount is in lieu of money provided through the
22 home and hospital allocation and the special education program.

23 (9) The superintendent shall maintain the percentage of federal
24 flow-through to school districts at 85 percent. In addition to other
25 purposes, school districts may use increased federal funds for high-
26 cost students, for purchasing regional special education services from
27 educational service districts, and for staff development activities
28 particularly relating to inclusion issues.

29 (10) A school district may carry over from one year to the next
30 year up to 10 percent of the general fund--state funds allocated under
31 this program; however, carryover funds shall be expended in the special
32 education program.

33 (11) \$251,000 of the general fund--state appropriation for fiscal
34 year 2012 and \$251,000 of the general fund--state appropriation for
35 fiscal year 2013 are provided solely for two additional full-time
36 equivalent staff to support the work of the safety net committee and to
37 provide training and support to districts applying for safety net
38 awards.

1 (12) \$50,000 of the general fund--state appropriation for fiscal
2 year 2012, \$50,000 of the general fund--state appropriation for fiscal
3 year 2013, and \$100,000 of the general fund--federal appropriation
4 shall be expended to support a special education ombudsman program
5 within the office of superintendent of public instruction.

6 **Sec. 507.** 2011 2nd sp.s. c 9 s 508 (uncodified) is amended to read
7 as follows:

8 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
9 **DISTRICTS**

10	General Fund--State Appropriation (FY 2012)	((\$7,889,000))
11		<u>\$7,894,000</u>
12	General Fund--State Appropriation (FY 2013)	((\$7,904,000))
13		<u>\$7,912,000</u>
14	TOTAL APPROPRIATION	((\$15,793,000))
15		<u>\$15,806,000</u>

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

18 (1) The educational service districts shall continue to furnish
19 financial services required by the superintendent of public instruction
20 and RCW 28A.310.190 (3) and (4).

21 (2) Funding within this section is provided for regional
22 professional development related to mathematics and science curriculum
23 and instructional strategies. Funding shall be distributed among the
24 educational service districts in the same proportion as distributions
25 in the 2007-2009 biennium. Each educational service district shall use
26 this funding solely for salary and benefits for a certificated
27 instructional staff with expertise in the appropriate subject matter
28 and in professional development delivery, and for travel, materials,
29 and other expenditures related to providing regional professional
30 development support.

31 (3) The educational service districts, at the request of the state
32 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
33 receive and screen applications for school accreditation, conduct
34 school accreditation site visits pursuant to state board of education
35 rules, and submit to the state board of education post-site visit
36 recommendations for school accreditation. The educational service

1 districts may assess a cooperative service fee to recover actual plus
2 reasonable indirect costs for the purposes of this subsection.

3 **Sec. 508.** 2011 2nd sp.s. c 9 s 509 (uncodified) is amended to read
4 as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
6 **ASSISTANCE**

7	General Fund--State Appropriation (FY 2012)	((\$300,761,000))
8		<u>\$300,768,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$299,276,000))
10		<u>\$298,166,000</u>
11	<u>General Fund--Federal Appropriation</u>	<u>\$4,400,000</u>
12	TOTAL APPROPRIATION	((\$600,037,000))
13		<u>\$603,334,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations: For purposes of RCW 84.52.0531, the
16 increase per full-time equivalent student is 3 percent from the 2010-11
17 school year to the 2011-12 school year and 5 percent from the 2011-12
18 school year to the 2012-13 school year.

19 **Sec. 509.** 2011 2nd sp.s. c 9 s 510 (uncodified) is amended to read
20 as follows:

21 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
22 **EDUCATION PROGRAMS**

23	General Fund--State Appropriation (FY 2012)	((\$17,507,000))
24		<u>\$16,694,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$16,969,000))
26		<u>\$15,867,000</u>
27	TOTAL APPROPRIATION	((\$34,476,000))
28		<u>\$32,561,000</u>

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

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

34 (2) State funding provided under this section is based on salaries
35 and other expenditures for a 220-day school year. The superintendent

1 of public instruction shall monitor school district expenditure plans
2 for institutional education programs to ensure that districts plan for
3 a full-time summer program.

4 (3) State funding for each institutional education program shall be
5 based on the institution's annual average full-time equivalent student
6 enrollment. Staffing ratios for each category of institution shall
7 remain the same as those funded in the 1995-97 biennium.

8 (4) The funded staffing ratios for education programs for juveniles
9 age 18 or less in department of corrections facilities shall be the
10 same as those provided in the 1997-99 biennium.

11 (5) (~~(\$669,000)~~) \$586,000 of the general fund--state appropriation
12 for fiscal year 2012 and (~~(\$669,000)~~) \$549,000 of the general fund--
13 state appropriation for fiscal year 2013 are provided solely to
14 maintain at least one certificated instructional staff and related
15 support services at an institution whenever the K-12 enrollment is not
16 sufficient to support one full-time equivalent certificated
17 instructional staff to furnish the educational program. The following
18 types of institutions are included: Residential programs under the
19 department of social and health services for developmentally disabled
20 juveniles, programs for juveniles under the department of corrections,
21 programs for juveniles under the juvenile rehabilitation
22 administration, and programs for juveniles operated by city and county
23 jails.

24 (6) Ten percent of the funds allocated for each institution may be
25 carried over from one year to the next.

26 **Sec. 510.** 2011 2nd sp.s. c 9 s 511 (uncodified) is amended to read
27 as follows:

28 **FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

29	General Fund--State Appropriation (FY 2012)	((\$8,759,000))
30		<u>\$8,745,000</u>
31	General Fund--State Appropriation (FY 2013)	((\$8,842,000))
32		<u>\$8,788,000</u>
33	TOTAL APPROPRIATION	((\$17,601,000))
34		<u>\$17,533,000</u>

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

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

4 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
5 shall allocate funding to school district programs for highly capable
6 students as provided in RCW 28A.150.260(10)(c). In calculating the
7 allocations, the superintendent shall assume the following: (i)
8 Additional instruction of 2.1590 hours per week per funded highly
9 capable program student; (ii) fifteen highly capable program students
10 per teacher; (iii) 36 instructional weeks per year; (iv) 900
11 instructional hours per teacher; and (v) the district's average staff
12 mix and compensation rates as provided in sections 503 and 504 of this
13 act.

14 (b) From July 1, 2011, to August 31, 2011, the superintendent shall
15 allocate funding to school districts programs for highly capable
16 students as provided in section 511, chapter 564, Laws of 2009, as
17 amended through section 1409 of this act.

18 (3) \$85,000 of the general fund--state appropriation for fiscal
19 year 2012 and \$85,000 of the general fund--state appropriation for
20 fiscal year 2013 are provided solely for the centrum program at Fort
21 Worden state park.

22 **Sec. 511.** 2011 2nd sp.s. c 9 s 513 (uncodified) is amended to read
23 as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
25 **PROGRAMS**

26	General Fund--State Appropriation (FY 2012)	\$58,078,000
27	General Fund--State Appropriation (FY 2013)	(\$98,309,000)
28		<u>\$102,955,000</u>
29	General Fund--Federal Appropriation	(\$219,161,000)
30		<u>\$219,147,000</u>
31	General Fund--Private/Local Appropriation	\$4,000,000
32	Education Legacy Trust Account--State Appropriation . .	(\$1,598,000)
33		<u>\$1,596,000</u>
34	TOTAL APPROPRIATION	(\$381,146,000)
35		<u>\$385,776,000</u>

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

1 (1) \$40,822,000 of the general fund--state appropriation for fiscal
2 year 2012, (~~(\$41,613,000)~~) \$41,614,000 of the general fund--state
3 appropriation for fiscal year 2013, \$1,350,000 of the education legacy
4 trust account--state appropriation, and \$15,868,000 of the general
5 fund--federal appropriation are provided solely for development and
6 implementation of the Washington state assessment system, including:
7 (a) Development and implementation of retake assessments for high
8 school students who are not successful in one or more content areas and
9 (b) development and implementation of alternative assessments or
10 appeals procedures to implement the certificate of academic
11 achievement. The superintendent of public instruction shall report
12 quarterly on the progress on development and implementation of
13 alternative assessments or appeals procedures. Within these amounts,
14 the superintendent of public instruction shall contract for the early
15 return of 10th grade student assessment results, on or around June 10th
16 of each year. State funding shall be limited to one collection of
17 evidence payment per student, per content-area assessment.

18 (2) \$356,000 of the general fund--state appropriation for fiscal
19 year 2012 and \$356,000 of the general fund--state appropriation for
20 fiscal year 2013 are provided solely for the Washington state
21 leadership and assistance for science education reform (LASER) regional
22 partnership activities coordinated at the Pacific science center,
23 including instructional material purchases, teacher and principal
24 professional development, and school and community engagement events.

25 (3) \$980,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$980,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for improving technology
28 infrastructure, monitoring and reporting on school district technology
29 development, promoting standards for school district technology,
30 promoting statewide coordination and planning for technology
31 development, and providing regional educational technology support
32 centers, including state support activities, under chapter 28A.650 RCW.

33 (4) \$3,852,000 of the general fund--state appropriation for fiscal
34 year 2012 and \$2,624,000 of the general fund--state appropriation for
35 fiscal year 2013 are provided solely for continued implementation of
36 chapter 235, Laws of 2010 (education reform) including development of
37 new performance-based evaluation systems for certificated educators.

1 (5)(a) (~~(\$40,681,000)~~) \$39,296,000 of the general fund--state
2 appropriation for fiscal year 2013 is provided solely for the following
3 bonuses for teachers who hold valid, unexpired certification from the
4 national board for professional teaching standards and who are teaching
5 in a Washington public school, subject to the following conditions and
6 limitations:

7 (i) For national board certified teachers, a bonus of \$5,090 per
8 teacher in the 2011-12 and 2012-13 school years, adjusted for inflation
9 in each school year in which Initiative 732 cost of living adjustments
10 are provided;

11 (ii) An additional \$5,000 annual bonus shall be paid to national
12 board certified teachers who teach in either: (A) High schools where
13 at least 50 percent of student headcount enrollment is eligible for
14 federal free or reduced price lunch, (B) middle schools where at least
15 60 percent of student headcount enrollment is eligible for federal free
16 or reduced price lunch, or (C) elementary schools where at least 70
17 percent of student headcount enrollment is eligible for federal free or
18 reduced price lunch;

19 (iii) The superintendent of public instruction shall adopt rules to
20 ensure that national board certified teachers meet the qualifications
21 for bonuses under (a)(ii) of this subsection for less than one full
22 school year receive bonuses in a pro-rated manner. Beginning in the
23 2011-12 school year, all bonuses in (a)(i) and (ii) of this subsection
24 will be paid in July of each school year. Bonuses in (a)(i) and (ii)
25 of this subsection shall be reduced by a factor of 40 percent for first
26 year NBPTS certified teachers, to reflect the portion of the
27 instructional school year they are certified; and

28 (iv) During the 2011-12 and 2012-13 school years, and within
29 available funds, certificated instructional staff who have met the
30 eligibility requirements and have applied for certification from the
31 national board for professional teaching standards may receive a
32 conditional loan of two thousand dollars or the amount set by the
33 office of the superintendent of public instruction to contribute toward
34 the current assessment fee, not including the initial up-front
35 candidacy payment. The fee shall be an advance on the first annual
36 bonus under RCW 28A.405.415. The conditional loan is provided in
37 addition to compensation received under a district's salary schedule
38 and shall not be included in calculations of a district's average

1 salary and associated salary limitation under RCW 28A.400.200.
2 Recipients who fail to receive certification after three years are
3 required to repay the conditional loan. The office of the
4 superintendent of public instruction shall adopt rules to define the
5 terms for initial grant of the assessment fee and repayment, including
6 applicable fees. To the extent necessary, the superintendent may use
7 revenues from the repayment of conditional loan scholarships to ensure
8 payment of all national board bonus payments required by this section
9 in each school year.

10 (6) \$477,000 of the general fund--state appropriation for fiscal
11 year 2012 and \$477,000 of the general fund--state appropriation for
12 fiscal year 2013 are provided solely for the leadership internship
13 program for superintendents, principals, and program administrators.

14 (7) \$950,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$950,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely for the Washington reading corps.
17 The superintendent shall allocate reading corps members to low-
18 performing schools and school districts that are implementing
19 comprehensive, proven, research-based reading programs. Two or more
20 schools may combine their Washington reading corps programs.

21 (8) \$810,000 of the general fund--state appropriation for fiscal
22 year 2012 and \$810,000 of the general fund--state appropriation for
23 fiscal year 2013 are provided solely for the development of a
24 leadership academy for school principals and administrators. The
25 superintendent of public instruction shall contract with an independent
26 organization to design, field test, and implement a state-of-the-art
27 education leadership academy that will be accessible throughout the
28 state. Initial development of the content of the academy activities
29 shall be supported by private funds. Semiannually the independent
30 organization shall report on amounts committed by foundations and
31 others to support the development and implementation of this program.
32 Leadership academy partners shall include the state level organizations
33 for school administrators and principals, the superintendent of public
34 instruction, the professional educator standards board, and others as
35 the independent organization shall identify.

36 (9) \$3,234,000 of the general fund--state appropriation for fiscal
37 year 2012 and \$3,234,000 of the general fund--state appropriation for
38 fiscal year 2013 are provided solely for grants to school districts to

1 provide a continuum of care for children and families to help children
2 become ready to learn. Grant proposals from school districts shall
3 contain local plans designed collaboratively with community service
4 providers. If a continuum of care program exists in the area in which
5 the school district is located, the local plan shall provide for
6 coordination with existing programs to the greatest extent possible.

7 (10) \$1,500,000 of the general fund--state appropriation for fiscal
8 year 2012 and \$1,500,000 of the general fund--state appropriation for
9 fiscal year 2013 are provided solely for the implementation of chapter
10 288, Laws of 2011 (actual student success program), including
11 allocations to the opportunity internship program, the jobs for
12 America's graduates program, the building bridges program, services
13 provided by a college scholarship organization. Funding shall not be
14 used in the 2011-2013 fiscal biennium to provide awards for schools and
15 school districts.

16 (11) \$859,000 of the general fund--state appropriation for fiscal
17 year 2012, (~~(\$846,000)~~) \$808,000 of the general fund--state
18 appropriation for fiscal year 2013, and \$248,000 of the education
19 legacy trust account--state appropriation are for administrative
20 support of education reform programs.

21 (12) \$2,000,000 of the general fund--state appropriation for fiscal
22 year 2012 and \$2,000,000 of the general fund--state appropriation for
23 fiscal year 2013 are provided solely for a statewide information
24 technology (IT) academy program. This public-private partnership will
25 provide educational software, as well as IT certification and software
26 training opportunities for students and staff in public schools.

27 (13) \$977,000 of the general fund--state appropriation for fiscal
28 year 2012 and (~~(\$977,000)~~) \$1,077,000 of the general fund--state
29 appropriation for fiscal year 2013 are provided solely for secondary
30 career and technical education grants pursuant to chapter 170, Laws of
31 2008. If equally matched by private donations, \$300,000 of the 2012
32 appropriation and \$300,000 of the 2013 appropriation shall be used to
33 support FIRST robotics programs. Of the amounts in this subsection,
34 \$100,000 of the fiscal year 2013 appropriation is provided solely for
35 the purpose of statewide supervision activities for career and
36 technical education student leadership organizations.

37 (14) \$125,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$125,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely for (a) staff at the office of the
2 superintendent of public instruction to coordinate and promote efforts
3 to develop integrated math, science, technology, and engineering
4 programs in schools and districts across the state; and (b) grants of
5 \$2,500 to provide twenty middle and high school teachers each year with
6 professional development training for implementing integrated math,
7 science, technology, and engineering programs in their schools.

8 (15) \$135,000 of the general fund--state appropriation for fiscal
9 year 2012 and \$135,000 of the general fund--state appropriation for
10 fiscal year 2013 are provided solely for science, technology,
11 engineering and mathematics lighthouse projects, consistent with
12 chapter 238, Laws of 2010.

13 (16) \$1,000,000 of the general fund--state appropriation for fiscal
14 year 2012 and \$1,000,000 of the general fund--state appropriation for
15 fiscal year 2013 are provided solely for a beginning educator support
16 program. School districts and/or regional consortia may apply for
17 grant funding. The superintendent shall implement this program in 5 to
18 15 school districts and/or regional consortia. The program provided by
19 a district and/or regional consortia shall include: A paid
20 orientation; assignment of a qualified mentor; development of a
21 professional growth plan for each beginning teacher aligned with
22 professional certification; release time for mentors and new teachers
23 to work together; and teacher observation time with accomplished peers.
24 \$250,000 may be used to provide statewide professional development
25 opportunities for mentors and beginning educators.

26 (17) \$5,767,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely pursuant to Engrossed Substitute Senate
28 Bill No. 5895 (certificated employee evaluations). If the bill is not
29 enacted by June 30, 2012, the amount provided in this subsection shall
30 lapse.

31 (18) \$200,000 of the general fund--state appropriation for fiscal
32 year 2013 is provided solely for social support and academic
33 intervention for students who have been suspended or expelled, are
34 pregnant or parenting teens, have dropped out of school, or are
35 significantly at risk of dropping out of school. Students are eligible
36 to participate with the recommendation and approval of their resident
37 school district.

1 following amounts: 2.79 percent for school year 2011-12 and ~~((2.09))~~
2 2.11 percent for school year 2012-13.

3 (4) The general fund--federal appropriation in this section is for
4 migrant education under Title I Part C and English language
5 acquisition, and language enhancement grants under Title III of the
6 elementary and secondary education act.

7 ~~(5)((a) The office of the superintendent of public instruction
8 shall implement a funding model for the transitional bilingual program,
9 beginning in school year 2012-13, that is scaled to provide more
10 support to students requiring most intensive intervention, (students
11 with beginning levels of English language proficiency) and less support
12 to students requiring less intervention. The funding model shall also
13 provide up to two years of bonus funding upon successful exit from the
14 bilingual program to facilitate successful transition to a standard
15 program of education.~~

16 ~~(b) It is expected that per pupil funding for level 2 proficiency
17 will be set at the same level as would have been provided statewide
18 prior to establishing differential per pupil amounts; level 1 will be
19 125 percent of level 2; level 3 through the level prior to exit will be
20 75 percent of level 2; and two bonus years upon successful
21 demonstration of proficiency will be 100 percent of level 2. Prior to
22 implementing in school year 2012-13, the office of the superintendent
23 of public instruction shall provide to the senate and house of
24 representatives ways and means committees recommended rates based on
25 the results of proficiency test procurement, expressed as both per
26 pupil rates and hours of instruction as provided in RCW
27 28A.150.260(10)(b).~~

28 ~~(c) Each bilingual student shall be tested for proficiency level
29 and, therefore, eligibility for the transitional bilingual program each
30 year. The bonus payments for up to two school years following
31 successful exit from the transitional bilingual program shall be
32 allocated to the exiting school district. If the student graduates or
33 transfers to another district prior to the district receiving both
34 years' bonuses, the district shall receive the bonus for only the
35 length of time the student remains enrolled in the exiting district.~~

36 ~~(d) The quality education council shall examine the revised
37 funding model developed under this subsection and provide a report to~~

1 the education and fiscal committees of the legislature by December 1,
2 2011, that includes recommendations for:

3 (i) Changing the prototypical school funding formula for the
4 transitional bilingual program to align with the revised model in an
5 accurate and transparent manner;

6 (ii) Reconciling the revised model with statutory requirements for
7 categorical funding of the transitional bilingual instructional program
8 that is restricted to students eligible for and enrolled in that
9 program;

10 (iii) Clarifying the elements of the transitional bilingual
11 instructional program that fall under the definition of basic education
12 and the impact of the revised model on them; and

13 (iv) The extent that the disparate financial impact of the revised
14 model on different school districts should be addressed and options for
15 addressing it.

16 (e) The office of the superintendent of public instruction shall
17 report to the senate and house of representatives ways and means
18 committees and education committees annually by December 31st of each
19 year, through 2018, regarding any measurable changes in proficiency,
20 time in program, and transition experience.

21 (6)) \$35,000 of the general fund--state appropriation for fiscal
22 year 2012 and \$35,000 of the general fund--state appropriation for
23 fiscal year 2013 are provided solely to track current and former
24 transitional bilingual program students.

25 **Sec. 513.** 2011 2nd sp.s. c 9 s 515 (uncodified) is amended to read
26 as follows:

27 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
28 **ASSISTANCE PROGRAM**

29	General Fund--State Appropriation (FY 2012)	((\$102,470,000))
30		<u>\$102,619,000</u>
31	General Fund--State Appropriation (FY 2013)	((\$103,666,000))
32		<u>\$128,779,000</u>
33	General Fund--Federal Appropriation	\$492,207,000
34	Education Legacy Trust Account--State	
35	Appropriation	((\$47,980,000))
36		<u>\$23,990,000</u>
37	TOTAL APPROPRIATION	((\$746,323,000))

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

(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

(a) The appropriations include such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b)(i) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a). In calculating the allocations, the superintendent shall assume the following averages:

(A) Additional instruction of 1.51560 hours per week per funded learning assistance program student; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 564, Laws of 2009, as amended through section 1412 of this act.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund--federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund-state or education legacy trust funds

1 allocated under this program; however, carryover funds shall be
2 expended for the learning assistance program.

3 (5) The office of the superintendent of public instruction shall
4 research and recommend options for an adjustment factor for middle
5 school and high school free and reduced price lunch eligibility
6 reporting rates pursuant to RCW 28A.150.260(12)(a), and submit a report
7 to the fiscal committees of the legislature by June 1, 2012. For the
8 2011-12 and 2012-13 school years, the adjustment factor is 1.0.

9 **Sec. 514.** 2011 1st sp.s. c 50 s 516 (uncodified) is amended to
10 read as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

12 (1) Amounts distributed to districts by the superintendent through
13 part V of this act are for allocations purposes only and do not entitle
14 a particular district, district employee, or student to a specific
15 service, beyond what has been expressly provided in statute. Part V of
16 this act restates the requirements of various sections of Title 28A
17 RCW. If any conflict exists, the provisions of Title 28A RCW control
18 unless this act explicitly states that it is providing an enhancement.

19 Any amounts provided in part V of this act in excess of the amounts
20 required by Title 28A RCW provided in statute, are not within the
21 program of basic education.

22 (2) To the maximum extent practicable, when adopting new or revised
23 rules or policies relating to the administration of allocations in part
24 V of this act that result in fiscal impact, the office of the
25 superintendent of public instruction shall attempt to seek legislative
26 approval through the budget request process.

27 (3) Appropriations made in this act to the office of the
28 superintendent of public instruction shall initially be allotted as
29 required by this act. Subsequent allotment modifications shall not
30 include transfers of moneys between sections of this act except as
31 expressly provided in subsection (4) of this section.

32 (4) The appropriations to the office of the superintendent of
33 public instruction in this act shall be expended for the programs and
34 amounts specified in this act. However, after May 1, 2012, unless
35 specifically prohibited by this act and after approval by the director
36 of financial management, the superintendent of public instruction may
37 transfer state general fund appropriations for fiscal year 2012 among

1 the following programs to meet the apportionment schedule for a
2 specified formula in another of these programs: General apportionment;
3 employee compensation adjustments; pupil transportation; special
4 education programs; institutional education programs; transitional
5 bilingual programs; and learning assistance programs.

6 (5) The director of financial management shall notify the
7 appropriate legislative fiscal committees in writing prior to approving
8 any allotment modifications or transfers under this section.

(End of part)

**PART VI
HIGHER EDUCATION**

Sec. 601. 2011 2nd sp.s. c 9 s 601 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2012)	((\$533,009,000))
	<u>\$532,841,000</u>
General Fund--State Appropriation (FY 2013)	((\$525,644,000))
	<u>\$516,861,000</u>
Community/Technical College Capital Projects	
Account--State Appropriation	((\$8,037,000))
	<u>\$12,793,000</u>
Education Legacy Trust Account--State	
Appropriation	((\$95,370,000))
	<u>\$95,256,000</u>
TOTAL APPROPRIATION	((\$1,162,060,000))
	<u>\$1,157,751,000</u>

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

(1) \$28,761,000 of the general fund--state appropriation for fiscal year 2012 and \$28,761,000 of the general fund--state appropriation for fiscal year 2013 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 6,200 full-time equivalent students in fiscal year 2012 and at least 6,200 full-time equivalent students in fiscal year 2013.

(2) \$2,725,000 of the general fund--state appropriation for fiscal year 2012 and \$2,725,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of

1 the state, and the results of the partnerships supported by these
2 funds.

3 (3) \$4,500,000 of the general fund--state appropriation for fiscal
4 year 2012 and \$4,500,000 of the general fund--state appropriation for
5 fiscal year 2013 is provided solely for worker retraining.

6 (4) Of the amounts appropriated in this section, \$5,000,000 is
7 provided solely for the student achievement initiative.

8 (5) When implementing the appropriations in this section, the state
9 board and the trustees of the individual community and technical
10 colleges shall minimize impact on academic programs, maximize
11 reductions in administration, and shall at least maintain, and endeavor
12 to increase, enrollment opportunities and degree and certificate
13 production in high employer-demand fields of study at their academic
14 year 2008-09 levels.

15 (6) Community and technical colleges are not required to send mass
16 mailings of course catalogs to residents of their districts. Community
17 and technical colleges shall consider lower cost alternatives, such as
18 mailing postcards or brochures that direct individuals to online
19 information and other ways of acquiring print catalogs.

20 (7) Bellevue college is authorized to offer (~~applied~~)
21 baccalaureate degrees in information technology, health care services
22 and management, biotechnology, and preprofessional preparation for
23 medical fields. These degrees shall be directed at high school
24 graduates and transfer-oriented degree and professional and technical
25 degree holders. In fiscal year 2012, Bellevue college will develop a
26 two-year plan for offering these new degrees. The plan will assume
27 funding for these new degrees shall come through redistribution of its
28 current per full-time enrollment funding. The plan shall be delivered
29 to the legislature by June 30, 2012.

30 (8) The Seattle community college district is authorized to offer
31 applied baccalaureate degree programs in business/international
32 business and technology management, interactive and artistic digital
33 media, sustainability, building science technology, and allied and
34 global health. These degrees shall be directed at high school
35 graduates and professional and technical degree holders. In fiscal
36 year 2012, Seattle community colleges shall develop a two-year plan for
37 offering these new degrees. The plan will assume that funding for

1 these new degrees comes through redistribution of its current per full-
2 time enrollment funding. The plan shall be delivered to the
3 legislature by June 30, 2012.

4 (9) \$100,000 of the general fund--state appropriation for fiscal
5 year 2013 is provided solely for the Jefferson education center.

6 (10) \$2,000,000 of the general fund--state appropriation for fiscal
7 year 2013 is provided solely for an expansion in enrollments in
8 science, technology, engineering, and math. Amounts provided in this
9 subsection may be used only to cover direct costs of instruction
10 associated with this enrollment expansion. By June 30, 2012, the state
11 board for community and technical colleges shall provide a report to
12 the legislature that provides specific detail on how these amounts will
13 be spent. Each June 30th thereafter, the state board for community and
14 technical colleges shall provide an updated report that provides
15 specific detail on how these amounts were spent in the preceding twelve
16 months.

17 (11) Amounts appropriated in this section are sufficient for the
18 state board for community and technical colleges to conduct a
19 comprehensive review of its tuition waiver policies. The resulting
20 report shall include an overview of tuition waiver uses and costs
21 (forgone revenue) and outcomes and any recommendations for changes to
22 tuition waiver policy and shall be provided to the legislature no later
23 than December 1, 2012.

24 (12) \$131,000 of the general fund--state appropriation for fiscal
25 year 2013 is provided solely for the implementation of Second
26 Substitute House Bill No. 2156 (workforce training/aerospace). If the
27 bill is not enacted by June 30, 2012, the amount provided in this
28 subsection shall lapse.

29 (13) The state board for community and technical colleges shall not
30 use funds appropriated in this section to support intercollegiate
31 athletics programs.

32 **Sec. 602.** 2011 2nd sp.s. c 9 s 602 (uncodified) is amended to read
33 as follows:

34 **FOR THE UNIVERSITY OF WASHINGTON**

35 General Fund--State Appropriation (FY 2012) ((~~\$201,388,000~~))
36 \$201,226,000

37 General Fund--State Appropriation (FY 2013) ((~~\$206,358,000~~))

1	\$133,692,000
2	Education Legacy Trust Account--State Appropriation \$33,065,000
3	TOTAL APPROPRIATION ((\$303,664,000))
4	<u>\$301,211,000</u>

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

7 (1) In implementing the appropriations in this section, the
8 president and regents shall seek to minimize impacts on student
9 services and instructional programs by maximizing reductions in
10 administration and other noninstructional activities.

11 (2) Within available funds, Washington State University shall serve
12 an additional cohort of fifteen full-time equivalent students in the
13 mechanical engineering program located at Olympic College.

14 (3) \$300,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$300,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely for the expansion of health
17 sciences capacity through the Washington/Wyoming/Alaska/Montana/Idaho
18 (WWAMI) medical education program in Spokane and eastern Washington.
19 Funding is contingent on appropriations being provided to the
20 University of Washington for integrated medical curriculum development
21 for WWAMI.

22 (4) \$3,800,000 of the general fund--state appropriation for fiscal
23 year 2013 is provided solely for an expansion in engineering
24 enrollments, including enrollments in the field of computer science,
25 including thirty additional full-time equivalent students in the
26 mechanical engineering program located at Olympic College. Amounts
27 provided in this subsection may be used only to cover direct costs of
28 instruction associated with this enrollment expansion. By June 30,
29 2012, the university shall provide a report to the legislature that
30 provides specific detail on how these amounts will be spent. Each June
31 30th thereafter, the university shall provide an updated report that
32 provides specific detail on how these amounts were spent in the
33 preceding twelve months.

34 (5) Amounts appropriated in this section are sufficient for the
35 university to conduct a comprehensive review of its tuition waiver
36 policies. The resulting report shall include an overview of tuition
37 waiver uses and costs (forgone revenue) and outcomes and any

1 recommendations for changes to tuition waiver policy and shall be
2 provided to the legislature no later than December 1, 2012.

3 (6) Washington State University shall not use funds appropriated in
4 this section to support intercollegiate athletics programs.

5 (7) Amounts appropriated in this section are sufficient to cover
6 the costs associated with the implementation of Engrossed Substitute
7 Senate Bill No. 6486 (collective bargaining for post-doctoral
8 researchers).

9 **Sec. 604.** 2011 2nd sp.s. c 9 s 604 (uncodified) is amended to read
10 as follows:

11 **FOR EASTERN WASHINGTON UNIVERSITY**

12	General Fund--State Appropriation (FY 2012)	((\$26,257,000))
13		<u>\$26,239,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$26,541,000))
15		<u>\$25,759,000</u>
16	Education Legacy Trust Account--State Appropriation	\$16,087,000
17	TOTAL APPROPRIATION	((\$68,885,000))
18		<u>\$68,085,000</u>

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

21 (1) In implementing the appropriations in this section, the
22 president and governing board shall seek to minimize impacts on student
23 services and instructional programs by maximizing reductions in
24 administration and other noninstructional activities.

25 (2) At least \$200,000 of the general fund--state appropriation for
26 fiscal year 2012 and at least \$200,000 of the general fund--state
27 appropriation for fiscal year 2013 shall be expended on the Northwest
28 autism center.

29 (3) Amounts appropriated in this section are sufficient for the
30 university to conduct a comprehensive review of its tuition waiver
31 policies. The resulting report shall include an overview of tuition
32 waiver uses and costs (forgone revenue) and outcomes and any
33 recommendations for changes to tuition waiver policy and shall be
34 provided to the legislature no later than December 1, 2012.

35 (4) \$1,209,000 of the general fund--state appropriation for fiscal
36 year 2013 is provided solely for an expansion in enrollments in
37 science, technology, engineering and math. Amounts provided in this

1 subsection may be used only to cover direct costs of instruction
2 associated with this enrollment expansion. By June 30, 2012, the
3 university shall provide a report to the legislature that provides
4 specific detail on how these amounts will be spent. Each September 1st
5 thereafter, the university shall provide an updated report that
6 provides specific detail on how these amounts were spent in the
7 preceding twelve months.

8 (5) Eastern Washington University shall not use funds appropriated
9 in this section to support intercollegiate athletics programs.

10 **Sec. 605.** 2011 2nd sp.s. c 9 s 605 (uncodified) is amended to read
11 as follows:

12 **FOR CENTRAL WASHINGTON UNIVERSITY**

13	General Fund--State Appropriation (FY 2012)	((\$22,468,000))
14		<u>\$22,449,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$22,525,000))
16		<u>\$21,906,000</u>
17	Education Legacy Trust Account--State Appropriation	\$19,076,000
18	TOTAL APPROPRIATION	((\$64,069,000))
19		<u>\$63,431,000</u>

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

22 (1) In implementing the appropriations in this section, the
23 president and governing board shall seek to minimize impacts on student
24 services and instructional programs by maximizing reductions in
25 administration and other noninstructional activities.

26 (2) Amounts appropriated in this section are sufficient for the
27 university to conduct a comprehensive review of its tuition waiver
28 policies. The resulting report shall include an overview of tuition
29 waiver uses and costs (forgone revenue) and outcomes and any
30 recommendations for changes to tuition waiver policy and shall be
31 provided to the legislature no later than December 1, 2012.

32 (3) \$1,125,000 of the general fund--state appropriation for fiscal
33 year 2013 is provided solely for an expansion in enrollments in
34 science, technology, engineering and math. Amounts provided in this
35 subsection may be used only to cover direct costs of instruction
36 associated with this enrollment expansion. By June 30, 2012, the
37 university shall provide a report to the legislature that provides

1 specific detail on how these amounts will be spent. Each September 1st
2 thereafter, the university shall provide an updated report that
3 provides specific detail on how these amounts were spent in the
4 preceding twelve months.

5 (4) Central Washington University shall not use funds appropriated
6 in this section to support intercollegiate athletics programs.

7 **Sec. 606.** 2011 2nd sp.s. c 9 s 606 (uncodified) is amended to read
8 as follows:

9 **FOR THE EVERGREEN STATE COLLEGE**

10	General Fund--State Appropriation (FY 2012)	((\$15,595,000))
11		<u>\$15,634,000</u>
12	General Fund--State Appropriation (FY 2013)	((\$15,339,000))
13		<u>\$15,164,000</u>
14	Education Legacy Trust Account--State Appropriation	\$5,450,000
15	TOTAL APPROPRIATION	((\$36,384,000))
16		<u>\$36,248,000</u>

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

19 (1) In implementing the appropriations in this section, the
20 president and governing board shall seek to minimize impacts on student
21 services and instructional programs by maximizing reductions in
22 administration and other noninstructional activities.

23 (2) \$50,000 of the general fund--state appropriation for fiscal
24 year 2012 and \$25,000 of the general fund--state appropriation for
25 fiscal year 2013 are provided solely for the Washington state institute
26 for public policy to conduct a detailed study of the commitment of
27 sexually violent predators to the special commitment center pursuant to
28 chapter 71.09 RCW and the subsequent release of those persons to
29 less-restrictive alternatives.

30 (a) Specifically, the institute's study shall examine:

31 (i) The projected future demand for the special commitment center,
32 including profiles and characteristics of persons referred and
33 committed to the special commitment center since its inception, whether
34 the profiles of those persons have changed over time, and, given
35 current trends, the likelihood of the continuing rate of referral;

36 (ii) Residents' participation in treatment over time and the impact
37 of treatment on eventual release to a less-restrictive alternative;

1 (iii) The annual review process and the process for a committed
2 person to petition for conditional or unconditional release,
3 specifically:

4 (A) The time frames for conducting mandatory reviews;

5 (B) The role of the special commitment center clinical team;

6 (C) Options and standards utilized by other jurisdictions or
7 similar processes to conduct periodic reviews, including specialized
8 courts, parole boards, independent review boards, and other commitment
9 proceedings;

10 (iv) The capacity and future demand for appropriate less
11 restrictive alternatives for moving residents out of the special
12 commitment center, including:

13 (A) The capacity and demand for secure community transition
14 facilities;

15 (B) Options for specialized populations such as the elderly or
16 those with developmental disabilities and whether more cost-efficient
17 options might be used to house those populations while keeping the
18 public safe;

19 (C) Prospects for moving residents to noninstitutionalized settings
20 beyond a secure community transition facility.

21 (b) The department of social and health services shall cooperate
22 with the institute in conducting its examination and must provide the
23 institute with requested data and records in a timely manner.

24 (c) The institute shall provide a status report to the governor and
25 the legislature no later than November 1, 2011, with a final report due
26 no later than November 1, 2012.

27 (3) \$50,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$50,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely for the institute for public
30 policy to provide research support to the council on quality education.

31 (4) To the extent federal or private funding is available for this
32 purpose, the Washington state institute for public policy and the
33 center for reinventing public education at the University of Washington
34 shall examine the relationship between participation in pension systems
35 and teacher quality and mobility patterns in the state. The department
36 of retirement systems shall facilitate researchers' access to necessary
37 individual-level data necessary to effectively conduct the study. The
38 researchers shall ensure that no individually identifiable information

1 will be disclosed at any time. An interim report on project findings
2 shall be completed by November 15, 2010, and a final report shall be
3 submitted to the governor and to the relevant committees of the
4 legislature by October 15, 2011.

5 (5) Funding provided in this section is sufficient for The
6 Evergreen State College to continue operations of the Longhouse Center
7 and the Northwest Indian applied research institute.

8 (6) If, and to the extent that private funding is available for
9 this purpose, the Washington state institute for public policy shall
10 study and report on the child welfare and educational characteristics
11 and outcomes for foster youth who are served by educational advocates.
12 The department of social and health services and the office of the
13 superintendent of public instruction shall facilitate researchers'
14 access to data necessary to effectively complete the study. The
15 institute shall submit an interim report with baseline characteristics
16 of youth served by educational advocates by December 2011 and a final
17 report by October 31, 2012, to the governor and to the appropriate
18 committees of the legislature.

19 (7) \$75,000 of the general fund--state appropriation for fiscal
20 year 2012 is provided to the Washington state institute for public
21 policy (WSIPP) to conduct a review of state investments in the family
22 caregiver and support program. Funding for this program is provided by
23 assumed savings from diverting seniors from entering into long-term
24 care medicaid placements by supporting informal caregivers. WSIPP
25 shall work with the department of social and health services to
26 establish and review outcome data for this investment. A preliminary
27 report on the outcomes of the investment into this program is due to
28 the appropriate legislative committees by December 15, 2011, and a
29 final report is due to the appropriate legislative committees by August
30 30, 2012.

31 (8) \$50,000 of the general fund--state appropriation for fiscal
32 year 2013 is provided solely to implement Second Substitute House Bill
33 No. 2264 (child welfare/contracting). If the bill is not enacted by
34 June 30, 2012, the amount provided in this subsection shall lapse.

35 (9) Amounts appropriated in this section are sufficient for the
36 college to conduct a comprehensive review of its tuition waiver
37 policies. The resulting report shall include an overview of tuition

1 waiver uses and costs (forgone revenue) and outcomes and any
2 recommendations for changes to tuition waiver policy and shall be
3 provided to the legislature no later than December 1, 2012.

4 (10) \$639,000 of the general fund--state appropriation for fiscal
5 year 2013 is provided solely for an expansion in enrollments in
6 science, technology, engineering and math. Amounts provided in this
7 subsection may be used only to cover direct costs of instruction
8 associated with this enrollment expansion. By June 30, 2012, the
9 college shall provide a report to the legislature that provides
10 specific detail on how these amounts will be spent. Each September 1st
11 thereafter, the college shall provide an updated report that provides
12 specific detail on how these amounts were spent in the preceding twelve
13 months.

14 (11) \$17,000 of the general fund--state appropriation for fiscal
15 year 2013 are provided solely to implement Substitute Senate Bill No.
16 6492 (competency to stand trial). If the bill is not enacted by June
17 30, 2012, the amount provided in this subsection shall lapse.

18 (12) \$40,000 of the general fund--state appropriation for fiscal
19 year 2012 and \$60,000 of the general fund--state appropriation for
20 fiscal year 2013 are provided solely for the Washington state institute
21 for public policy to conduct a longitudinal study of the state need
22 grant program. The purpose of this study is to determine to what
23 extent this program has increased access and degree attainment for low-
24 income students and to determine whether the funding for the state need
25 grant has been utilized in the most efficient way possible to maximize
26 the enrollment and degree attainment of low-income students. This
27 study shall include, but not be limited to, a review of the following:
28 (a) The demographics of recipients of the state need grant program,
29 including, but not limited to, gender, race, and income; (b) the effect
30 of the state need grant on enrollment rates of low-income students at
31 the different institutions of higher education and whether these
32 students attend full-time or part-time; (c) the effect of the state
33 need grant on recipients' persistence, performance, degree or
34 certificate completion, and time to degree or certificate completion at
35 the different institutions of higher education; (d) an inventory of the
36 types of degrees and certifications at the different institutions of
37 higher education, by field of study, obtained by recipients; and (e)
38 the interplay of the state need grant program with other forms of

1 financial aid and the effect of this interplay on access and degree
2 attainment of low-income students. A preliminary report of the
3 findings shall be submitted to the governor and the appropriate
4 committees of the legislature by December 1, 2012. A final report of
5 the findings shall be submitted to the governor and the appropriate
6 committees of the legislature by December 1, 2013. The preliminary
7 report shall provide a comparison of Washington's state need grant
8 program to similar programs in other states. The reports shall include
9 recommendations for using more efficiently the funds provided to the
10 state need grant program to increase access and degree attainment of
11 low-income students. To the maximum extent possible, this report shall
12 disaggregate the demographic and institution specific data in a manner
13 that will inform policymakers of the enrollment patterns and success of
14 specific subsets of recipients within the different institutions of
15 higher education. The higher education coordinating board, or its
16 successor agency, the education data center, and the institutions of
17 higher education shall cooperate with the Washington state institute
18 for public policy in the conduct of this study and shall provide to the
19 institute the necessary data and information to complete this study.

20 (13) \$15,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$50,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for the Washington state institute
23 for public policy to conduct an evaluation of the benefits provided in
24 the pension plans offered by public employers in the state.

25 (a) Specifically, the study shall examine:

26 (i) The level of benefits offered by the state retirement plans and
27 retirement plans sponsored by local government employers relative to
28 the benefits provided in other states;

29 (ii) The adequacy of pension benefits provided to public employees,
30 including barriers to retirement;

31 (iii) Barriers to the portability of retirement benefits between
32 public employers in the state, including opportunities to improve
33 benefit portability and compatibility; and

34 (iv) The treatment of overtime earnings in public employee
35 retirement plans relative to the treatment of earnings in other states,
36 including the impact of excess compensation on state retirement system
37 contribution rates with a particular emphasis on agencies that operate

1 on a 24-hour basis, such as the state patrol, ferry system, and state
2 prisons.

3 (b) In conducting the study, the institute shall collaborate with
4 the office of the state actuary and shall solicit input from local
5 government plan sponsors.

6 (c) The institute shall report its findings to the select committee
7 on pension policy and the committees on ways and means of the house of
8 representatives and the senate by December 1, 2012.

9 (14) \$5,000 of the general fund--state appropriation for fiscal
10 year 2012 and \$10,000 of the general fund--state appropriation for
11 fiscal year 2013 are provided solely for the Washington state institute
12 for public policy to assess the potential costs and benefits of
13 implementing the national academy of pediatricians' "bright futures"
14 recommended schedule of well-child visits, developmental, and autism
15 screenings in state medical assistance programs. The assessment shall
16 be conducted in consultation with subject area experts, and shall
17 include an estimate of the full cost of implementing the revised
18 standards; identification and estimation of the fiscal and nonfiscal
19 benefits; and computation of an estimated return on investment. The
20 health care authority shall provide the institute with confidential
21 access to claims and encounter data as necessary to complete this
22 project. The institute shall report its finding to the relevant policy
23 and fiscal committees of the legislature by December 31, 2012.

24 (15) The Evergreen State College shall not use funds appropriated
25 in this section to support intercollegiate athletics programs.

26 (16) \$46,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely for the implementation of section 10 of
28 Engrossed Substitute House Bill No. 2363 (domestic violence). If the
29 bill is not enacted by June 30, 2012, the amount provided in this
30 subsection shall lapse.

31 (17) The Washington state institute for public policy shall conduct
32 a review of the evaluation literature to determine the effectiveness of
33 chemical dependency programs delivered in adult criminal justice and
34 juvenile justice systems. The review shall identify characteristics of
35 chemical dependency programs that are cost-effective at reducing crime
36 and substance abuse. Specifically, the review will include an
37 examination of the types of chemical dependency treatments, including
38 residential and outpatient treatments; the efficacy of aftercare

1 following formal treatment; and the impact of the duration of treatment
2 on outcomes. The department of corrections and the department of
3 social and health services shall provide information identified by the
4 institute as necessary to complete this review. A report on the
5 outcomes of the study is due to the appropriate legislative committees
6 by December 15, 2012.

7 **Sec. 607.** 2011 2nd sp.s. c 9 s 607 (uncodified) is amended to read
8 as follows:

9 **FOR WESTERN WASHINGTON UNIVERSITY**

10	General Fund--State Appropriation (FY 2012)	((\$33,754,000))
11		<u>\$33,728,000</u>
12	General Fund--State Appropriation (FY 2013)	((\$33,743,000))
13		<u>\$32,783,000</u>
14	Education Legacy Trust Account--State	
15	Appropriation	((\$13,266,000))
16		<u>\$13,204,000</u>
17	TOTAL APPROPRIATION	((\$80,763,000))
18		<u>\$79,715,000</u>

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

21 (1) In implementing the appropriations in this section, the
22 president and governing board shall seek to minimize impacts on student
23 services and instructional programs by maximizing reductions in
24 administration and other noninstructional activities.

25 (2) Amounts appropriated in this section are sufficient for the
26 university to conduct a comprehensive review of its tuition waiver
27 policies. The resulting report shall include an overview of tuition
28 waiver uses and costs (forgone revenue) and outcomes and any
29 recommendations for changes to tuition waiver policy and shall be
30 provided to the legislature no later than December 1, 2012.

31 (3) \$1,427,000 of the general fund--state appropriation for fiscal
32 year 2013 is provided solely for an expansion in enrollments in
33 science, technology, engineering and math. Amounts provided in this
34 subsection may be used only to cover direct costs of instruction
35 associated with this enrollment expansion. By June 30, 2012, the
36 university shall provide a report to the legislature that provides
37 specific detail on how these amounts will be spent. Each September 1st

1 thereafter, the university shall provide an updated report that
2 provides specific detail on how these amounts were spent in the
3 preceding twelve months.

4 (4) Western Washington University shall not use funds appropriated
5 in this section to support intercollegiate athletics programs.

6 NEW SECTION. Sec. 608. 2011 2nd sp.s. c 9 s 610 (uncodified) and
7 2011 1st sp.s. c 50 s 614 (uncodified) are repealed.

8 NEW SECTION. Sec. 609. 2011 2nd sp.s. c 9 s 611 (uncodified) and
9 2011 1st sp.s. c 50 s 615 (uncodified) are repealed.

10 **Sec. 610.** 2011 2nd sp.s. c 9 s 608 (uncodified) is amended to read
11 as follows:

12 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
13 **ADMINISTRATION**

14	General Fund--State Appropriation (FY 2012)	((\$1,036,000))
15		<u>\$1,041,000</u>
16	General Fund--Federal Appropriation	\$1,976,000
17	TOTAL APPROPRIATION	((\$3,012,000))
18		<u>\$3,017,000</u>

19 The appropriations in this section are subject to the following
20 conditions and limitations: The higher education coordinating board is
21 authorized to increase or establish fees for initial degree
22 authorization, degree authorization renewal, degree authorization
23 reapplication, new program applications, and new site applications
24 pursuant to RCW 28B.85.060.

25 **Sec. 611.** 2011 2nd sp.s. c 9 s 609 (uncodified) is amended to read
26 as follows:

27 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
28 **PROGRAMS**

29	General Fund--State Appropriation (FY 2012)	\$217,939,000
30	General Fund--Federal Appropriation	\$5,829,000
31	Opportunity Pathways Account--State Appropriation	\$73,500,000
32	TOTAL APPROPRIATION	\$297,268,000

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

1 (1) \$200,413,000 of the general fund--state appropriation for
2 fiscal year 2012 and \$73,500,000 of the opportunity pathways account--
3 state appropriation are provided solely for student financial aid
4 payments under the state need grant and the state work study program
5 including up to a four percent administrative allowance for the state
6 work study program.

7 (2) Within the funds appropriated in this section, eligibility for
8 the state need grant shall include students with family incomes at or
9 below 70 percent of the state median family income (MFI), adjusted for
10 family size, and shall include students enrolled in three to five
11 credit-bearing quarter credits, or the equivalent semester credits.
12 The higher education coordinating board shall report to the legislature
13 by December 1, 2013, regarding the number of students enrolled in three
14 to five credit-bearing quarter credits, or the equivalent semester
15 credits, and their academic progress including degree completion.
16 Awards for all students shall be adjusted by the estimated amount by
17 which Pell grant increases exceed projected increases in the
18 noninstructional costs of attendance. Awards for students with incomes
19 between 51 and 70 percent of the state median shall be prorated at the
20 following percentages of the award amount granted to those with incomes
21 below 51 percent of the MFI: 70 percent for students with family
22 incomes between 51 and 55 percent MFI; 65 percent for students with
23 family incomes between 56 and 60 percent MFI; 60 percent for students
24 with family incomes between 61 and 65 percent MFI; and 50 percent for
25 students with family incomes between 66 and 70 percent MFI.

26 (3) For fiscal year 2012, the board shall defer loan or conditional
27 scholarship repayments to the future teachers conditional scholarship
28 and loan repayment program for up to one year for each participant if
29 the participant has shown evidence of efforts to find a teaching job
30 but has been unable to secure a teaching job per the requirements of
31 the program.

32 (4) \$500,000 of the general fund--state appropriation for fiscal
33 year 2012 is provided solely for the leadership 1000 program.

34 (5) \$2,436,000 of the general fund--state appropriation for fiscal
35 year 2012 is provided solely for the passport to college program. The
36 maximum scholarship award shall be \$5,000. The board shall contract
37 with a nonprofit organization to provide support services to increase
38 student completion in their postsecondary program and shall, under this

1 contract provide a minimum of \$500,000 in fiscal year 2012. Any
2 amounts provided in this subsection that remain unobligated at the
3 close of fiscal year 2012 must be transferred to the state education
4 trust account in RCW 28B.92.140 for purposes of the passport to college
5 program.

6 (6) \$250,000 of the general fund--state appropriation for fiscal
7 year 2012 is provided solely for implementation of the aerospace
8 training scholarship and student loan program as specified in Engrossed
9 Substitute House Bill No. 1846 (aerospace student loans). If this bill
10 is not enacted by June 30, 2011, the amount provided in this subsection
11 shall lapse.

12 NEW SECTION. Sec. 612. A new section is added to 2011 1st sp.s.
13 c 50 (uncodified) to read as follows:

14 **FOR THE STUDENT ACHIEVEMENT COUNCIL--POLICY COORDINATION AND**
15 **ADMINISTRATION**

16	General Fund--State Appropriation (FY 2013)	\$4,934,000
17	General Fund--Federal Appropriation	\$2,376,000
18	TOTAL APPROPRIATION	\$7,310,000

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

21 (1) The student achievement council is authorized to increase or
22 establish fees for initial degree authorization, degree authorization
23 renewal, degree authorization reapplication, new program applications,
24 and new site applications pursuant to RCW 28B.85.060.

25 (2) \$1,043,000 of the general fund--state appropriation for fiscal
26 year 2013 is provided solely for the implementation of Engrossed Second
27 Substitute House Bill No. 2483 (higher education coordination). If the
28 bill is not enacted by June 30, 2012, the amount provided in this
29 subsection shall lapse.

30 NEW SECTION. Sec. 613. A new section is added to 2011 1st sp.s.
31 c 50 (uncodified) to read as follows:

32 **FOR THE STUDENT ACHIEVEMENT COUNCIL--OFFICE OF STUDENT FINANCIAL**
33 **ASSISTANCE**

34	General Fund--State Appropriation (FY 2013)	\$247,034,000
35	General Fund--Federal Appropriation	\$5,812,000
36	Washington Opportunity Pathways Account--State	

1	Appropriation	\$73,500,000
2	TOTAL APPROPRIATION	\$326,346,000

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

5 (1) \$237,018,000 of the general fund--state appropriation for
6 fiscal year 2013, and \$73,500,000 of the opportunity pathways account--
7 state appropriation are provided solely for student financial aid
8 payments under the state need grant and the state work study programs
9 including up to a four percent administrative allowance for the state
10 work study program.

11 (2) Within the funds appropriated in this section, eligibility for
12 the state need grant shall include students with family incomes at or
13 below 70 percent of the state median family income (MFI), adjusted for
14 family size, and shall include students enrolled in three to five
15 credit-bearing quarter credits, or the equivalent semester credits.
16 The higher education coordinating board shall report to the legislature
17 by December 1, 2013, regarding the number of students enrolled in three
18 to five credit-bearing quarter credits, or the equivalent semester
19 credits, and their academic progress including degree completion.
20 Awards for all students shall be adjusted by the estimated amount by
21 which Pell grant increases exceed projected increases in the
22 noninstructional costs of attendance. Awards for students with incomes
23 between 51 and 70 percent of the state median shall be prorated at the
24 following percentages of the award amount granted to those with incomes
25 below 51 percent of the MFI: 70 percent for students with family
26 incomes between 51 and 55 percent MFI; 65 percent for students with
27 family incomes between 56 and 60 percent MFI; 60 percent for students
28 with family incomes between 61 and 65 percent MFI; and 50 percent for
29 students with family incomes between 66 and 70 percent MFI.

30 (3) \$1,250,000 of the general fund--state appropriation for fiscal
31 year 2013 is provided solely for implementation of the aerospace
32 training scholarship and student loan program as specified in Engrossed
33 Substitute House Bill No. 1846 (aerospace student loans). If the bill
34 is not enacted by June 30, 2012, the amount provided in this subsection
35 shall lapse.

36 (4) For fiscal year 2013, the board shall defer loan or conditional
37 scholarship repayments to the future teachers conditional scholarship
38 and loan repayment program for up to one year for each participant if

1 the participant has shown evidence of efforts to find a teaching job
2 but has been unable to secure a teaching job per the requirements of
3 the program.

4 (5) \$1,000,000 of the education legacy trust account--state
5 appropriation is provided solely for the gaining early awareness and
6 readiness for undergraduate programs project.

7 (6) \$1,500,000 of the general fund--state appropriation for fiscal
8 year 2013 is provided solely for the leadership 1000 program.

9 (7) \$2,436,000 of the general fund--state appropriation for fiscal
10 year 2013 is provided solely for the passport to college program. The
11 maximum scholarship award shall be \$5,000. The board shall contract
12 with a nonprofit organization to provide support services to increase
13 student completion in their postsecondary program and shall, under this
14 contract, provide a minimum of \$500,000 in fiscal year 2013 for this
15 purpose.

16 (8) In addition to the entities listed in RCW 28B.122.010, the
17 aerospace student loan program may provide loans to students attending
18 an aerospace training program at Renton technical college.

19 (9) The office of student financial assistance and the department
20 of health shall prioritize a portion of any nonfederal balances in the
21 health professional loan repayment and scholarship fund for conditional
22 loan repayment contracts with psychiatrists and with advanced
23 registered nurse practitioners for work at one of the state-operated
24 psychiatric hospitals. The office and department shall designate the
25 state hospitals as health professional shortage areas if necessary for
26 this purpose. The office of student financial assistance shall
27 coordinate with the department of social and health services to
28 effectively incorporate these conditional loan repayments into the
29 department's advanced psychiatric professional recruitment and
30 retention strategies.

31 (10) \$50,000 of the amount provided in this section shall be used
32 to convene the higher education loan program work group. The work
33 group shall develop methods for funding the loan program in the future,
34 as well as recommendations regarding the best loan program structure
35 for providing financial aid to underserved populations. The work group
36 shall seek out technical advice from the housing finance commission.
37 At a minimum, the recommendations regarding the proposed loan program
38 must take into account the following: Whether students could benefit

1 from the creation of a new student loan program; the relationship
2 between the student loan program and the state need grant program and
3 the state need grant qualified student population; mechanisms to
4 achieve interest rates that are below those offered in federally
5 guaranteed and private bank student loans; sources of initial and
6 on-going funding for loans and program operation; and default risks,
7 reserve requirements, and other conditions required for the student
8 loan program. The work group shall provide a report to the legislature
9 no later than December 1, 2012.

10 **Sec. 614.** 2011 1st sp.s. c 50 s 616 (uncodified) is amended to
11 read as follows:

12 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

13	General Fund--State Appropriation (FY 2012)	((\$1,382,000))
14		<u>\$1,310,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$1,388,000))
16		<u>\$1,345,000</u>
17	General Fund--Federal Appropriation	((\$62,758,000))
18		<u>\$62,733,000</u>
19	TOTAL APPROPRIATION	((\$65,528,000))
20		<u>\$65,388,000</u>

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

23 (1) For the 2011-2013 fiscal biennium the board shall not designate
24 recipients of the Washington award for vocational excellence or
25 recognize them at award ceremonies as provided in RCW 28C.04.535.

26 (2) \$36,000 of the general fund--state appropriation for fiscal
27 year 2013 is provided solely for the implementation of Second
28 Substitute House Bill No. 2156 (workforce training/aerospace). If this
29 bill is not enacted by June 30, 2012, the amount provided in the
30 subsection shall lapse.

31 **Sec. 615.** 2011 2nd sp.s. c 9 s 612 (uncodified) is amended to read
32 as follows:

33 **FOR THE DEPARTMENT OF EARLY LEARNING**

34	General Fund--State Appropriation (FY 2012)	((\$27,571,000))
35		<u>\$25,497,000</u>
36	General Fund--State Appropriation (FY 2013)	((\$27,558,000))

1		<u>\$27,200,000</u>
2	General Fund--Federal Appropriation	((\$261,753,000))
3		<u>\$280,619,000</u>
4	Opportunity Pathways Account--State Appropriation . . .	((\$80,000,000))
5		<u>\$78,000,000</u>
6	<u>Home Visiting Services Account--Federal Appropriation</u>	<u>\$300,000</u>
7	TOTAL APPROPRIATION	((\$396,882,000))
8		<u>\$411,616,000</u>

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

11 (1) \$16,028,000 of the general fund--state appropriation for fiscal
12 year 2012, (~~(\$16,028,000)~~) \$18,028,000 of the general fund--state
13 appropriation of fiscal year 2013, (~~(\$80,000,000)~~) \$78,000,000 of the
14 opportunity pathways account appropriation, and \$2,256,000 of the
15 general fund--federal appropriation are provided solely for the early
16 childhood education assistance program services. Of these amounts,
17 \$10,284,000 is a portion of the biennial amount of state maintenance of
18 effort dollars required to receive federal child care and development
19 fund grant dollars.

20 (2) In accordance to RCW 43.215.255(2) and 43.135.055, the
21 department is authorized to increase child care center and child care
22 family home licensure fees in fiscal years 2012 and 2013 for costs to
23 the department for the licensure activity, including costs of necessary
24 inspection. These increases are necessary to support expenditures
25 authorized in this section.

26 (3) (~~(\$638,000)~~) \$64,000 of the general fund--state appropriation
27 for fiscal year 2012 (~~and~~), \$638,000 of the general fund--state
28 appropriation for fiscal year 2013, and \$574,000 of the general fund--
29 federal appropriation are provided solely for child care resource and
30 referral network services.

31 (4) \$200,000 of the general fund--state appropriation for fiscal
32 year 2012 and \$200,000 of the general fund--state appropriation for
33 fiscal year 2013 are provided solely to develop and provide culturally
34 relevant supports for parents, family, and other caregivers.

35 (5) The department is the lead agency for and recipient of the
36 federal child care and development fund grant. Amounts within this
37 grant shall be used to fund child care licensing, quality initiatives,
38 agency administration, and other costs associated with child care

1 subsidies. The department shall transfer a portion of this grant to
2 the department of social and health services to fund the child care
3 subsidies paid by the department of social and health services on
4 behalf of the department of early learning.

5 (6) The appropriations in this section reflect reductions in the
6 appropriations for the department's administrative expenses. It is the
7 intent of the legislature that these reductions shall be achieved, to
8 the greatest extent possible, by reducing those administrative costs
9 that do not affect direct client services or direct service delivery or
10 program.

11 (7) \$934,000 of the general fund--state appropriation for fiscal
12 year 2012, \$934,000 of the general fund--state appropriation for fiscal
13 year 2013, and \$2,400,000 of the general fund--federal appropriation
14 are provided solely for expenditure into the home visiting services
15 account. This funding is intended to meet federal maintenance of
16 effort requirements and to secure private matching funds.

17 (a) All federal funds received by the department for home visiting
18 activities must be deposited into the home visiting services account.

19 (b) The department must consult with stakeholders during the
20 development of the Washington home visiting plan and any future
21 proposals for federal funding.

22 (c) No more than \$300,000 of the home visiting services account--
23 federal appropriation may be expended for program administration for
24 fiscal year 2013 pursuant to RCW 43.215.130. No other funds may be
25 expended for that purpose.

26 (8)(a) \$153,558,000 of the general fund--federal appropriation is
27 provided solely for the working connections child care program under
28 RCW 43.215.135.

29 (b) In addition to groups that were given prioritized access to the
30 working connections child care program effective March 1, 2011, the
31 department shall also give prioritized access into the program to
32 families in which a parent of a child in care is a minor who is not
33 living with a parent or guardian and who is a full-time student in a
34 high school that has a school-sponsored on-site child care center.

35 (9)(a) \$50,000 of the general fund--state appropriation for fiscal
36 year 2012 and \$1,050,000 of the general fund--state appropriation for
37 fiscal year 2013 are provided solely for implementation and
38 administration of an electronic benefit transfer system. The system

1 shall include electronic time keeping, integrated with an eligibility
2 information technology system, and an electronic payment system. The
3 department shall coordinate implementation of this system with the
4 department of social and health services.

5 (b) \$100,000 of the general fund--state appropriation in this
6 subsection is provided solely for the department to contract for an
7 independent consultant to evaluate and recommend the optimum system for
8 the eligibility determination process. The evaluation must include an
9 analysis of lean management processes that, if adopted, could improve
10 the cost effectiveness and delivery of eligibility determination. The
11 department shall coordinate with the department of social and health
12 services for this evaluation. The department must report to the office
13 of financial management and the appropriate fiscal and policy
14 committees of the legislature by December 1, 2012.

15 (10) Within available amounts, the department in consultation with
16 the office of financial management and the department of social and
17 health services shall report quarterly enrollments and active caseload
18 for the working connections child care program to the legislative
19 fiscal committees and the legislative-executive WorkFirst oversight
20 task force. The report shall also identify the number of cases
21 participating in both temporary assistance for needy families and
22 working connections child care.

23 ((+10+)) (11) \$1,025,000 of the general fund--state appropriation
24 for fiscal year 2013 and \$6,712,000 of the general fund--federal
25 appropriation are provided solely for the seasonal child care program
26 in fiscal year 2013.

27 (12) \$2,522,000 of the general fund--state appropriation for fiscal
28 year 2012, \$2,522,000 of the general fund--state appropriation for
29 fiscal year 2013, and \$4,304,000 of the general fund--federal
30 appropriation are provided solely for the medicaid treatment child care
31 (MTCC) program. The department shall contract for MTCC services to
32 provide therapeutic child care and other specialized treatment services
33 to abused, neglected, at-risk, and/or drug-affected children. Priority
34 for services shall be given to children referred from the department of
35 social and health services children's administration. In addition to
36 referrals made by children's administration, the department shall
37 authorize services for children referred to the MTCC program, as long
38 as the children meet the eligibility requirements as outlined in the

1 Washington state plan for the MTCC program. Of the amounts
2 appropriated in this subsection, \$60,000 per fiscal year may be used by
3 the department for administering the MTCC program, if needed.

4 (13)(a) The department shall establish a birth-to-three
5 subcommittee of the early learning advisory council. The subcommittee
6 will be cochaired by the department and nongovernmental private-public
7 partnership created in RCW 43.215.070. The subcommittee shall include
8 at least one representative from each of the following:

9 (i) The early learning advisory council;

10 (ii) The office of the superintendent of public instruction;

11 (iii) The department of social and health services;

12 (iv) The department of early learning;

13 (v) The nongovernmental private-public partnership created in RCW
14 43.215.070;

15 (vi) The early learning action alliance; and

16 (vii) Additional stakeholders with expertise in birth-to-three
17 policy and programs and quality child care, as designated by the early
18 learning advisory council.

19 (b) The subcommittee may convene advisory subgroups on specific
20 topics as necessary to assure participation and input from a broad
21 array of diverse stakeholders.

22 (c) The subcommittee shall be monitored and overseen by the early
23 learning advisory council created in RCW 43.215.090.

24 (d) The subcommittee shall develop a birth-to-three implementation
25 proposal, which shall include further development of the Washington
26 state birth-to-three plan.

27 (e) The subcommittee must include recommendations on the following
28 in its birth-to-three proposal:

29 (i) Eligibility criteria for providers and programs;

30 (ii) The level of funding necessary to implement birth-to-three
31 programs, including an option which makes available funding equivalent
32 to thirty percent of the funding provided for the program of early
33 learning established in RCW 43.215.141;

34 (iii) Options for funding sources for birth-to-three programs;

35 (iv) Governance responsibilities for the department of early
36 learning; and

37 (v) A timeline for implementation that is concurrent with the
38 expansion to the early learning program outlined in RCW 43.215.142.

1 The subcommittee must present its recommendations to the early
2 learning advisory council and the appropriate committees of the
3 legislature by December 1, 2012.

4 (14) \$10,000 of the general fund--state appropriation is provided
5 solely for:

6 (a) The department shall convene a subcommittee to the early
7 learning advisory council to make recommendations development and
8 implementation of a Washington preschool program. The subcommittee's
9 recommendations should include, but are not limited to:

10 (i) Criteria and processes for lead and assistant teachers to
11 demonstrate the required competencies or equivalent competencies;

12 (ii) Qualifications and continuing education requirements for other
13 staff in addition to lead and assistant teachers; and

14 (iii) A schedule to phase in degree and equivalent competency
15 requirements provided for lead and assistant teachers.

16 The subcommittee shall report its initial recommendations to the
17 early learning advisory council and the appropriate committees of
18 legislature by December 31, 2012.

19 (b) The subcommittee must develop the schedule in (a)(iii) of this
20 subsection in consultation with: The professional educator standards
21 board, state board for community and technical colleges, higher
22 education coordinating board, nongovernmental private-public
23 partnership created in RCW 43.215.070, tribes, labor organizations
24 representing child care workers, representatives from child care
25 centers, early childhood education and assistance program and head
26 start association, and the Puget Sound education service district to
27 determine:

28 (i) Capacity at higher education institutions to implement degree
29 requirements;

30 (ii) Availability of financial aid to ensure access to degree
31 requirements;

32 (iii) Availability of classes for nontraditional students including
33 online, evening, and weekend offerings;

34 (iv) Availability of additional resources to meet the unique needs
35 of tribes, family child care providers, and other nontraditional
36 caregivers including, but not limited to, mentoring, coaching,
37 resource-sharing models or other resources to ensure child care
38 providers have access to ongoing education opportunities;

1 (v) Additional pathways to demonstrate competencies, including
2 consideration of the quality rating and improvement system ratings as
3 a mechanism to demonstrate eligibility to apply for contracts for the
4 early learning program outlined in RCW 43.215.142; and

5 (vi) Development of a teacher compensation model.

6 (15) \$300,000 of the general fund--federal appropriation is
7 provided solely for a contract with a nonprofit entity experienced in
8 the provision of promoting early literacy for children through
9 pediatric office visits.

10 **Sec. 616.** 2011 2nd sp.s. c 9 s 613 (uncodified) is amended to read
11 as follows:

12 **FOR THE STATE SCHOOL FOR THE BLIND**

13	General Fund--State Appropriation (FY 2012)	(((\$5,782,000))
14		<u>\$5,776,000</u>
15	General Fund--State Appropriation (FY 2013)	(((\$5,749,000))
16		<u>\$5,671,000</u>
17	((General Fund--Private/Local Appropriation	\$1,961,000))
18	TOTAL APPROPRIATION	(((\$13,492,000))
19		<u>\$11,447,000</u>

20 ~~((The appropriations in this section are subject to the following~~
21 ~~conditions and limitations: \$271,000 of the general fund--~~
22 ~~private/local appropriation is provided solely for the school for the~~
23 ~~blind to offer short course programs, allowing students the opportunity~~
24 ~~to leave their home schools for short periods and receive intensive~~
25 ~~training. The school for the blind shall provide this service to the~~
26 ~~extent that it is funded by contracts with school districts and~~
27 ~~educational services districts.))~~

28 **Sec. 617.** 2011 2nd sp.s. c 9 s 614 (uncodified) is amended to read
29 as follows:

30 **FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING**
31 **LOSS**

32	General Fund--State Appropriation (FY 2012)	(((\$8,449,000))
33		<u>\$8,439,000</u>
34	General Fund--State Appropriation (FY 2013)	(((\$8,446,000))
35		<u>\$8,335,000</u>
36	((General Fund--Private/Local Appropriation	\$526,000))

1 TOTAL APPROPRIATION ((~~\$17,421,000~~))
2 \$16,774,000

3 **Sec. 618.** 2011 2nd sp.s. c 9 s 615 (uncodified) is amended to read
4 as follows:

5 **FOR THE WASHINGTON STATE ARTS COMMISSION**
6 General Fund--Federal Appropriation \$2,065,000
7 General Fund--Private/Local Appropriation \$1,056,000
8 Washington State Heritage Center Account--State
9 Appropriation ((~~\$2,213,000~~))
10 \$2,186,000

11 TOTAL APPROPRIATION ((~~\$5,334,000~~))
12 \$5,307,000

13 **Sec. 619.** 2011 2nd sp.s. c 9 s 616 (uncodified) is amended to read
14 as follows:

15 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**
16 Washington State Heritage Center Account--State
17 Appropriation ((~~\$4,241,000~~))
18 \$4,204,000

19 **Sec. 620.** 2011 2nd sp.s. c 9 s 617 (uncodified) is amended to read
20 as follows:

21 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**
22 Washington State Heritage Center Account--State
23 Appropriation ((~~\$2,962,000~~))
24 \$2,957,000

(End of part)

PART VII

SPECIAL APPROPRIATIONS

Sec. 701. 2011 2nd sp.s. c 9 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

Table with 2 columns: Description and Amount. Rows include General Fund--State Appropriation (FY 2012), General Fund--State Appropriation (FY 2013), State Building Construction Account--State Appropriation, Columbia River Basin Water Supply Development Account--State Appropriation, Hood Canal Aquatic Rehabilitation Bond Account--State Appropriation, State Taxable Building Construction Account--State Appropriation, Gardner-Evans Higher Education Construction Account--State Appropriation, Debt-Limit Reimbursable Bond Retire Account--State Appropriation, and TOTAL APPROPRIATION.

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2012 shall be expended into the debt-limit general fund bond retirement account by June 30, 2012.

Sec. 702. 2011 2nd sp.s. c 9 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING

1 **BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO**
2 **BE REIMBURSED AS PRESCRIBED BY STATUTE**

3	General Fund--State Appropriation (FY 2012)	((\$27,516,000))
4		<u>\$27,400,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$30,758,000))
6		<u>\$30,572,000</u>
7	Nondebt-Limit Reimbursable Bond Retirement	
8	Account--State Appropriation	\$140,128,000
9	TOTAL APPROPRIATION	((\$198,402,000))
10		<u>\$198,100,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations: The general fund appropriation is for
13 expenditure into the nondebt-limit general fund bond retirement
14 account. The entire general fund--state appropriation for fiscal year
15 2012 shall be expended into the nondebt-limit general fund bond
16 retirement account by June 30, 2012.

17 **Sec. 703.** 2011 1st sp.s. c 50 s 715 (uncodified) is amended to
18 read as follows:

19 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE**
20 **COSTS**

21	General Fund--State Appropriation (FY 2012)	((\$591,000))
22		<u>\$1,102,000</u>

23 The appropriation in this section is subject to the following
24 conditions and limitations: The director of financial management shall
25 distribute ((~~\$338,000~~)) \$501,000 to Franklin county, \$128,000 to
26 Jefferson county, ((and)) \$125,000 to Okanogan county, \$161,000 to
27 Yakima county, and \$187,000 to King county for extraordinary criminal
28 justice costs.

29 NEW SECTION. **Sec. 704.** 2011 2nd sp.s. c 9 s 705 (uncodified) is
30 repealed.

31 NEW SECTION. **Sec. 705.** 2011 2nd sp.s. c 9 s 707 (uncodified) is
32 repealed.

33 NEW SECTION. **Sec. 706.** A new section is added to 2011 1st sp.s.
34 c 50 (uncodified) to read as follows:

1 **FOR THE DEPARTMENT OF NATURAL RESOURCES--DISTRIBUTION OF EXCESS FUNDS**
2 **FROM THE FOREST DEVELOPMENT ACCOUNT**

3 Forest Development Account--State Appropriation \$10,000,000

4 The appropriation in this section is provided solely for
5 distribution of state forest land revenues to taxing authorities that
6 received such revenue from fiscal year 2002 through fiscal year 2011
7 and is subject to the following conditions and limitations:

8 (1) Within fifteen days of the effective date of this section, the
9 department shall transmit funds in the amounts specified in subsection
10 (3) of this section to the county treasurers of the counties receiving
11 the funds.

12 (2) The county treasurers of the counties listed in this section
13 shall distribute funds received from this appropriation to taxing
14 authorities in proportion to the state forest transfer land funds
15 distributed to the taxing authorities based on information available
16 for the fiscal years 2002 through 2011. Funds to be credited to the
17 state of Washington and funds credited to school district general
18 levies shall be remitted to the state of Washington within thirty days
19 after the effective date of this section for deposit into the state
20 general fund.

21 (3) Funds shall be distributed in the following amounts:

22	Clallam	\$848,854
23	Clark	\$630,368
24	Cowlitz	\$418,159
25	Grays Harbor	\$266,365
26	Jefferson	\$239,722
27	King	\$328,725
28	Kitsap	\$73,839
29	Klickitat	\$197,968
30	Lewis	\$887,679
31	Mason	\$425,935
32	Okanogan	\$4
33	Pacific	\$352,540
34	Pierce	\$334,179
35	Skagit	\$1,534,497

1 (b) The office of financial management will report to the
2 appropriate fiscal committees in both legislative chambers on the
3 income and tax burden of Washingtonians.

4 (c) The report must be delivered by September 1, 2012, and must
5 include:

6 (i) Estimates of the income and the wealth distribution of
7 Washingtonians by income quintile, or, if possible, by decile;

8 (ii) The combined state/local tax burden of Washingtonians by
9 income quintile, or, if possible, decile;

10 (iii) The tax burden of Washingtonians using longitudinal data:

11 (A) As a percentage of aggregate income;

12 (B) Using per capita data; and

13 (C) Using tax burden per \$1,000 of income;

14 (iv) The amount of state and local government revenue combined in
15 Washington state as a share of the gross state product using
16 longitudinal data; and

17 (v) Year-over-year estimates of real income gains (or losses) by
18 income quintile, or, if possible, decile.

19 (d) Where feasible, the office of financial management must use
20 established state and federal data sets to compile this report. The
21 office of financial management must make estimates or projections based
22 on historic data to fill in years if actual data is not yet available.

23 NEW SECTION. **Sec. 709.** A new section is added to 2011 1st sp.s.
24 c 50 (uncodified) to read as follows:

25 **FOR THE SAVINGS INCENTIVE ACCOUNT AND EDUCATION SAVINGS ACCOUNT**

26 For fiscal years 2012 and 2013, no appropriations are made for
27 deposit to the savings incentive account or the education savings
28 account under RCW 43.79.460 and 43.79.465.

29 The following acts or parts of acts are hereby repealed:

30 (1) 2011 1st sp.s. c 50 s 709 (uncodified); and

31 (2) 2011 1st sp.s. c 50 s 710 (uncodified).

32 NEW SECTION. **Sec. 710.** 2011 2nd sp.s. c 9 s 706 (uncodified) is
33 repealed.

34 NEW SECTION. **Sec. 711.** 2011 2nd sp.s. c 9 s 708 (uncodified) is
35 repealed.

1 NEW SECTION. **Sec. 712.** A new section is added to 2012 c 86 (ESHB
2 2190) (uncodified) to read as follows:

3 **FOR THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**

4 The legislature finds that it is critically important that highway
5 improvement project lists, incorporated by reference in the biennial
6 transportation appropriations act, accurately reflect the intent of the
7 legislature with respect to the identified projects and activities as
8 listed by fund, project, and amount in the list, including intended
9 future commitments. The legislature further finds that during the 2012
10 regular legislative session, Engrossed Substitute House Bill No. 2190,
11 as recommended by the conference committee, passed the legislature and
12 that it incorporated by reference a highway improvement project list
13 containing various technical drafting errors resulting in an inaccurate
14 reflection of the conference committee report as agreed to by the
15 conferees. The legislature further finds that a corrected version of
16 the list is necessary to conform with the recommendations of the
17 conference committee in a manner that does not change the funding
18 decisions or appropriations for the current 2011-2013 biennium as
19 agreed to by the conferees. Therefore, any reference in chapter 86
20 (ESHB 2190), Laws of 2012 to "LEAP Transportation Document 2012-2 as
21 developed March 8, 2012, Program - Highway Improvement Program (I)" is
22 superseded by the corrected version "LEAP Transportation Document 2012-
23 2C as developed March 14, 2012, Program - Highway Improvements Program
24 (I)".

25 NEW SECTION. **Sec. 713.** A new section is added to 2011 1st sp.s.
26 c 50 (uncodified) to read as follows:

27 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--LIFE SCIENCES DISCOVERY FUND**
28 General Fund--State Appropriation (FY 2013) \$4,000,000

29 The appropriation in this section is subject to the following
30 conditions and limitations: The general fund appropriation is for
31 expenditure into the life sciences discovery fund.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2011 1st sp.s. c 50 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions ((~~\$8,368,000~~)) \$8,289,000

General Fund Appropriation for public utility district excise tax distributions ((~~\$49,418,000~~)) \$44,078,000

General Fund Appropriation for prosecuting attorney distributions \$6,281,000

General Fund Appropriation for boating safety and education distributions \$4,000,000

General Fund Appropriation for other tax distributions \$58,000

General Fund Appropriation for habitat conservation program distributions \$3,000,000

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies \$2,960,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution \$160,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties ((~~\$40,421,000~~)) \$58,229,000

County Criminal Justice Assistance Appropriation ((~~\$69,801,000~~)) \$69,566,000

Municipal Criminal Justice Assistance Appropriation ((~~\$26,950,000~~)) \$26,843,000

City-County Assistance Account Appropriation for local government financial assistance distribution ((~~\$16,589,000~~)) \$12,159,000

Liquor Excise Tax Account Appropriation for liquor

1	excise tax distribution	((\$52,152,000))
2		<u>\$25,617,000</u>
3	Streamlined Sales and Use Tax Mitigation Account	
4	Appropriation for distribution to local taxing	
5	jurisdictions to mitigate the unintended revenue	
6	redistribution effect of the sourcing law	
7	changes	((\$49,635,000))
8		<u>\$49,309,000</u>
9	Columbia River Water Delivery Account Appropriation for	
10	the Confederated Tribes of the Colville	
11	Reservation	((\$7,441,000))
12		<u>\$7,478,000</u>
13	Columbia River Water Delivery Account Appropriation for	
14	the Spokane Tribe of Indians	((\$4,748,000))
15		<u>\$4,794,000</u>
16	Liquor Revolving Account Appropriation for liquor	
17	profits distribution	((\$69,318,000))
18		<u>\$85,132,000</u>
19	TOTAL APPROPRIATION	((\$411,301,000))
20		<u>\$407,953,000</u>

21 The total expenditures from the state treasury under the
22 appropriations in this section shall not exceed the funds available
23 under statutory distributions for the stated purposes.

24 **Sec. 802.** 2011 1st sp.s. c 50 s 802 (uncodified) is amended to
25 read as follows:

26 **FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE**
27 **ACCOUNT**

28	Impaired Driver Safety Account Appropriation	((\$2,501,000))
29		<u>\$2,439,000</u>

30 The appropriation in this section is subject to the following
31 conditions and limitations: The amount appropriated in this section
32 shall be distributed quarterly during the 2011-2013 fiscal biennium in
33 accordance with RCW 82.14.310. This funding is provided to counties
34 for the costs of implementing criminal justice legislation including,
35 but not limited to: Chapter 206, Laws of 1998 (drunk driving
36 penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208,
37 Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998

1 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock
2 violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212,
3 Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication
4 levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter
5 215, Laws of 1998 (DUI provisions).

6 **Sec. 803.** 2011 1st sp.s. c 50 s 803 (uncodified) is amended to
7 read as follows:

8 **FOR THE STATE TREASURER--MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT**
9 Impaired Driver Safety Account Appropriation (~~(\$1,666,000)~~)
10 \$1,626,000

11 The appropriation in this section is subject to the following
12 conditions and limitations: The amount appropriated in this section
13 shall be distributed quarterly during the 2011-2013 biennium to all
14 cities ratably based on population as last determined by the office of
15 financial management. The distributions to any city that substantially
16 decriminalizes or repeals its criminal code after July 1, 1990, and
17 that does not reimburse the county for costs associated with criminal
18 cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in
19 which the city is located. This funding is provided to cities for the
20 costs of implementing criminal justice legislation including, but not
21 limited to: Chapter 206, Laws of 1998 (drunk driving penalties);
22 chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998
23 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license
24 suspension); chapter 210, Laws of 1998 (ignition interlock violations);
25 chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998
26 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels
27 lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215,
28 Laws of 1998 (DUI provisions).

29 **Sec. 804.** 2011 2nd sp.s. c 9 s 801 (uncodified) is amended to read
30 as follows:

31 **FOR THE STATE TREASURER--TRANSFERS**
32 State Treasurer's Service Account: For transfer to
33 the state general fund, \$16,300,000
34 for fiscal year 2012 and (~~(\$21,300,000)~~)
35 \$24,800,000 for fiscal year 2013 (~~(\$37,600,000)~~)
36 \$41,100,000

1 Waste Reduction, Recycling, and Litter Control
2 Account: For transfer to the state general
3 fund, (~~(\$3,500,000)~~) \$4,847,000 for fiscal year
4 2012 and (~~(\$3,500,000)~~) \$4,847,000 for fiscal year
5 2013 (~~(\$7,000,000)~~)
6 \$9,694,000
7 Aquatics Lands Enhancement Account: For transfer to
8 the state general fund, \$3,500,000 for fiscal
9 year 2012 and \$3,500,000 for fiscal year 2013 \$7,000,000
10 Savings Incentive Account: For transfer to the state
11 general fund, \$44,618,000 for fiscal year 2012 \$44,618,000
12 Distinguished Professorship Trust Fund: For transfer to
13 the state general fund for fiscal year 2012, an amount
14 not to exceed the actual cash balance of the fund \$3,024,000
15 Washington Graduate Fellowship Trust Fund: For transfer
16 to the state general fund for fiscal year 2012, an
17 amount not to exceed the actual cash balance of
18 the fund \$1,028,000
19 College Faculty Awards Trust Fund: For transfer
20 to the state general fund for fiscal year 2012, an amount
21 not to exceed the actual cash balance of the fund \$1,996,000
22 Data Processing Revolving Account: For transfer
23 to the state general fund, \$5,960,000 for fiscal
24 year 2012 \$5,960,000
25 Drinking Water Assistance Account: For transfer to
26 the drinking water assistance repayment account \$38,000,000
27 Economic Development Strategic Reserve Account: For
28 transfer to the state general fund, \$2,100,000
29 for fiscal year 2012 and \$2,100,000 for fiscal
30 year 2013 \$4,200,000
31 General Fund: For transfer to the streamlined sales
32 and use tax account, (~~(\$24,846,000)~~) \$24,520,000
33 for fiscal year 2012 and \$24,789,000 for fiscal
34 year 2013 (~~(\$49,635,000)~~)
35 \$49,309,000
36 Public Works Assistance Account: For transfer to the
37 water pollution control revolving account,
38 \$7,750,000 for fiscal year 2012 and \$7,750,000 for

1 the home security fund, \$1,000,000 for fiscal year
2 2012 and \$1,000,000 for fiscal year 2013 \$2,000,000

3 Tobacco Settlement Account: For transfer to the state
4 general fund, in an amount not to exceed the actual
5 amount of the annual base payment to the tobacco
6 settlement account \$158,205,000

7 Tobacco Settlement Account: For transfer to the basic
8 health plan stabilization account from the amounts
9 deposited in the account that are attributable to the
10 annual strategic contribution payment received in
11 fiscal year 2012 \$22,000,000

12 Tobacco Settlement Account: For transfer to the basic
13 health plan stabilization account from the amounts
14 deposited in the account that are attributable to the
15 annual strategic contribution payment received in
16 fiscal year 2013 \$22,000,000

17 Tobacco Settlement Account: For transfer to the life
18 sciences discovery fund, in an amount not to exceed
19 the actual remaining amount of the annual strategic
20 contribution payment to the tobacco settlement account
21 for fiscal year 2012 \$6,000,000

22 Tobacco Settlement Account: For transfer to the life
23 sciences discovery fund, in an amount not to exceed
24 the actual remaining amount of the annual strategic
25 contribution payment to the tobacco settlement account
26 for fiscal year 2013 \$6,000,000

27 The transfer to the life sciences discovery fund is subject to the
28 following conditions: All new grants awarded during the 2011-2013
29 fiscal biennium shall support and accelerate the commercialization of
30 an identifiable product.

31 Financial Services Regulation Fund: For transfer to
32 the state general fund, \$4,000,000 for fiscal
33 year 2012 \$4,000,000

34 State Nursery Revolving Account: For transfer to the
35 state general fund, \$250,000 for fiscal year 2012 and
36 \$250,000 for fiscal year 2013 \$500,000

37 Washington State Heritage Center Account: For transfer
38 to the state general fund, \$2,000,000 for fiscal

1 year 2013 \$2,000,000
 2 Local Toxics Control Account: For transfer to the state
 3 toxics control account, \$15,000,000 for fiscal
 4 year 2012 and \$15,000,000 for fiscal year 2013 \$30,000,000
 5 Coastal Protection Account: For transfer to the state
 6 general fund, \$500,000 for fiscal year 2012 and
 7 \$500,000 for fiscal year 2013 \$1,000,000
 8 Oyster Reserve Land Account: For transfer to the state
 9 general fund, \$58,000 for fiscal year 2012 and
 10 \$58,000 for fiscal year 2013 \$116,000
 11 Multimodal Transportation Account--State: For transfer
 12 to the Public Transportation Grant Program Account
 13 for the purposes of distributions of \$3,000,000 on
 14 each of the last working days of December, March,
 15 and June in fiscal year 2013 \$9,000,000

(End of part)

1 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WPEA, WPEA CC**
2 **COALITION, WFSE CC COALITION, WFSE CWU, WFSE TESC**

3 Agreements have been reached between the governor and the following
4 unions: Washington public employees association, Washington public
5 employees association higher education community college coalition,
6 Washington federation of state employees higher education community
7 college coalition, Washington federation of state employees Central
8 Washington University, and Washington federation of state employees The
9 Evergreen State College, under the provisions of chapter 41.80 RCW for
10 fiscal year 2013. Funding is reduced to reflect a 3.0 percent
11 temporary salary reduction for all employees whose monthly full-time
12 equivalent salary is \$2,500 or more per month through June 29, 2013.
13 Effective June 30, 2013, the salary schedules effective July 1, 2009,
14 through June 30, 2011, will be reinstated. For employees entitled to
15 leave, temporary salary reduction leave is granted for fiscal year
16 2013.

17 NEW SECTION. **Sec. 903.** A new section is added to 2011 1st sp.s.
18 c 50 (uncodified) to read as follows:

19 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--YAKIMA VALLEY**
20 **COMMUNITY COLLEGE--WASHINGTON PUBLIC EMPLOYEES ASSOCIATION**

21 An agreement has been reached between Yakima Valley Community
22 College and Washington public employees association under the
23 provisions of chapter 41.80 RCW for fiscal year 2013. The agreement is
24 consistent with the funding reduction provided in the 2011-2013 omnibus
25 appropriations act, which reflected a 3.0 percent temporary salary
26 reduction to all employees whose monthly full-time equivalent salary is
27 \$2,500 or more per month through June 29, 2013.

28 NEW SECTION. **Sec. 904.** A new section is added to 2011 1st sp.s.
29 c 50 (uncodified) to read as follows:

30 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WESTERN WASHINGTON**
31 **UNIVERSITY--PUBLIC SCHOOL EMPLOYEES OF WASHINGTON**

32 An agreement has been reached between Western Washington University
33 and the Washington public school employees of Washington bargaining
34 units D and PTE under the provisions of chapter 41.80 RCW for fiscal
35 year 2013. The agreement is consistent with the funding reduction
36 provided in the 2011-2013 omnibus appropriations act, which reflected

1 a 3.0 percent temporary salary reduction to all employees whose monthly
2 full-time equivalent salary is \$2,500 or more per month through June
3 29, 2013. The reduction will be implemented according to the terms and
4 conditions of this agreement.

5 NEW SECTION. **Sec. 905.** A new section is added to 2011 1st sp.s.
6 c 50 (uncodified) to read as follows:

7 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--WESTERN WASHINGTON**
8 **UNIVERSITY--WFSE**

9 An agreement has been reached between Western Washington University
10 and the Washington federation of state employees bargaining units A, B,
11 and E under the provisions of chapter 41.80 RCW for fiscal year 2013.
12 The agreement is consistent with the funding reduction provided in the
13 2011-2013 omnibus appropriations act, which reflected a 3.0 percent
14 temporary salary reduction to all employees whose monthly full-time
15 equivalent salary is \$2,500 or more per month through June 29, 2013.
16 The reduction will be implemented according to the terms and conditions
17 of this agreement.

18 NEW SECTION. **Sec. 906.** A new section is added to 2011 1st sp.s.
19 c 50 (uncodified) to read as follows:

20 **COLLECTIVE BARGAINING AGREEMENT--FISCAL YEAR 2013--EASTERN WASHINGTON**
21 **UNIVERSITY--WFSE**

22 An agreement has been reached between Eastern Washington University
23 and the Washington federation of state employees under the provisions
24 of chapter 41.80 RCW for fiscal year 2013. The agreement is consistent
25 with the funding reduction provided in the 2011-2013 omnibus
26 appropriations act, which reflected a 3.0 percent temporary salary
27 reduction to all employees whose monthly full-time equivalent salary is
28 \$2,500 or more per month through June 29, 2013. The reduction will be
29 implemented according to the terms and conditions of this agreement.

30 NEW SECTION. **Sec. 907.** A new section is added to 2011 1st sp.s.
31 c 50 (uncodified) to read as follows:

32 **COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--SEIU**
33 **HEALTHCARE 775NW HOMECARE WORKERS**

34 If the governor and the service employees international union
35 healthcare 775nw under chapter 74.39A RCW reach agreement on the

1 state's contribution to the training partnership pursuant to the
2 appropriations in sections 205 and 206 of this act, the new
3 contribution amount shall become a part of the parties' existing
4 2011-2013 collective bargaining agreement.

5 NEW SECTION. **Sec. 908.** A new section is added to 2011 1st sp.s.
6 c 50 (uncodified) to read as follows:

7 **COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--WSRCC ADULT**
8 **FAMILY HOMES**

9 If the governor and the Washington state residential care council
10 under chapter 41.56 RCW reach agreement on a modification of the daily
11 rate for training and license fees pursuant to the appropriations in
12 sections 205 and 206 of this act, the new rate shall become a part of
13 the parties' existing 2011-2013 collective bargaining agreement.

14 **Sec. 909.** 2011 1st sp.s. c 50 s 920 (uncodified) is amended to
15 read as follows:

16 **COMPENSATION--NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS**

17 Appropriations for state agencies in this act are sufficient for
18 nonrepresented state employee health benefits for state agencies,
19 including institutions of higher education, and are subject to the
20 following conditions and limitations:

21 (1)(a) The monthly employer funding rate for insurance benefit
22 premiums, public employees' benefits board administration, and the
23 uniform medical plan, shall not exceed \$850 per eligible employee for
24 fiscal year 2012. For fiscal year 2013 the monthly employer funding
25 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

26 (b) In order to achieve the level of funding provided for health
27 benefits, the public employees' benefits board shall require any or all
28 of the following: Employee premium copayments, increases in point-of-
29 service cost sharing, the implementation of managed competition, or
30 make other changes to benefits consistent with RCW 41.05.065.

31 (c) The health care authority shall deposit any moneys received on
32 behalf of the uniform medical plan as a result of rebates on
33 prescription drugs, audits of hospitals, subrogation payments, or any
34 other moneys recovered as a result of prior uniform medical plan claims
35 payments, into the public employees' and retirees' insurance account to

1 be used for insurance benefits. Such receipts shall not be used for
2 administrative expenditures.

3 (2) The health care authority, subject to the approval of the
4 public employees' benefits board, shall provide subsidies for health
5 benefit premiums to eligible retired or disabled public employees and
6 school district employees who are eligible for medicare, pursuant to
7 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
8 \$150.00 per month.

9 (3) Technical colleges, school districts, and educational service
10 districts shall remit to the health care authority for deposit into the
11 public employees' and retirees' insurance account established in RCW
12 41.05.120 the following amounts:

13 (a) For each full-time employee, \$66.01 per month beginning
14 September 1, 2011, and (~~(\$67.91)~~) \$65.17 beginning September 1, 2012;

15 (b) For each part-time employee, who at the time of the remittance
16 is employed in an eligible position as defined in RCW 41.32.010 or
17 41.40.010 and is eligible for employer fringe benefit contributions for
18 basic benefits, \$66.01 each month beginning September 1, 2011, and
19 (~~(\$67.91)~~) \$65.17 beginning September 1, 2012, prorated by the
20 proportion of employer fringe benefit contributions for a full-time
21 employee that the part-time employee receives. The remittance
22 requirements specified in this subsection shall not apply to employees
23 of a technical college, school district, or educational service
24 district who purchase insurance benefits through contracts with the
25 health care authority.

26 **Sec. 910.** 2011 1st sp.s. c 50 s 921 (uncodified) is amended to
27 read as follows:

28 **COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE**
29 **BENEFITS**

30 Appropriations for state agencies in this act are sufficient for
31 represented employees outside the super coalition for health benefits,
32 and are subject to the following conditions and limitations:

33 (1)(a) The monthly employer funding rate for insurance benefit
34 premiums, public employees' benefits board administration, and the
35 uniform medical plan, shall not exceed \$850 per eligible employee for
36 fiscal year 2012. For fiscal year 2013 the monthly employer funding
37 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

1 (b) In order to achieve the level of funding provided for health
2 benefits, the public employees' benefits board shall require any or all
3 of the following: Employee premium copayments, increases in point-of-
4 service cost sharing, the implementation of managed competition, or
5 make other changes to benefits consistent with RCW 41.05.065.

6 (c) The health care authority shall deposit any moneys received on
7 behalf of the uniform medical plan as a result of rebates on
8 prescription drugs, audits of hospitals, subrogation payments, or any
9 other moneys recovered as a result of prior uniform medical plan claims
10 payments, into the public employees' and retirees' insurance account to
11 be used for insurance benefits. Such receipts shall not be used for
12 administrative expenditures.

13 (2) The health care authority, subject to the approval of the
14 public employees' benefits board, shall provide subsidies for health
15 benefit premiums to eligible retired or disabled public employees and
16 school district employees who are eligible for medicare, pursuant to
17 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
18 \$150.00 per month.

19 (3) Technical colleges, school districts, and educational service
20 districts shall remit to the health care authority for deposit into the
21 public employees' and retirees' insurance account established in RCW
22 41.05.120 the following amounts:

23 (a) For each full-time employee, \$66.01 per month beginning
24 September 1, 2011, and (~~(\$67.91)~~) \$65.17 beginning September 1, 2012;

25 (b) For each part-time employee, who at the time of the remittance
26 is employed in an eligible position as defined in RCW 41.32.010 or
27 41.40.010 and is eligible for employer fringe benefit contributions for
28 basic benefits, \$66.01 each month beginning September 1, 2011, and
29 (~~(\$67.91)~~) \$65.17 beginning September 1, 2012, prorated by the
30 proportion of employer fringe benefit contributions for a full-time
31 employee that the part-time employee receives. The remittance
32 requirements specified in this subsection shall not apply to employees
33 of a technical college, school district, or educational service
34 district who purchase insurance benefits through contracts with the
35 health care authority.

36 **Sec. 911.** 2011 1st sp.s. c 50 s 922 (uncodified) is amended to
37 read as follows:

1 **COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION--INSURANCE**
2 **BENEFITS**

3 The collective bargaining agreement negotiated with the super
4 coalition under chapter 41.80 RCW includes employer premiums at 85
5 percent of the total weighted average of the projected health care
6 premiums across all plans and tiers. Appropriations in this act for
7 state agencies, including institutions of higher education are
8 sufficient to fund state employees health benefits for employees
9 represented by the super coalition on health benefits, and are subject
10 to the following conditions and limitations:

11 (1)(a) The monthly employer funding rate for insurance benefit
12 premiums, public employees' benefits board administration, and the
13 uniform medical plan, shall not exceed \$850 per eligible employee for
14 fiscal year 2012. For fiscal year 2013 the monthly employer funding
15 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

16 (b) In order to achieve the level of funding provided for health
17 benefits, the public employees' benefits board shall require any or all
18 of the following: Employee premium copayments, increases in point-of-
19 service cost sharing, the implementation of managed competition, or
20 make other changes to benefits consistent with RCW 41.05.065.

21 (c) The health care authority shall deposit any moneys received on
22 behalf of the uniform medical plan as a result of rebates on
23 prescription drugs, audits of hospitals, subrogation payments, or any
24 other moneys recovered as a result of prior uniform medical plan claims
25 payments, into the public employees' and retirees' insurance account to
26 be used for insurance benefits. Such receipts shall not be used for
27 administrative expenditures.

28 (2) The health care authority, subject to the approval of the
29 public employees' benefits board, shall provide subsidies for health
30 benefit premiums to eligible retired or disabled public employees and
31 school district employees who are eligible for medicare, pursuant to
32 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
33 \$150.00 per month.

34 NEW SECTION. **Sec. 912.** A new section is added to 2011 1st sp.s.
35 c 50 (uncodified) to read as follows:

36 For purposes of RCW 43.88.110(7), any cash deficit in existence at

1 the close of fiscal year 2012 shall be liquidated over the remainder of
2 the 2011-2013 fiscal biennium.

3 **Sec. 913.** 2011 1st sp.s. c 7 s 11 (uncodified) is amended to read
4 as follows:

5 (1) For fiscal years 2012 and 2013 and subject to appropriation,
6 the department of social and health services shall do a comparative
7 analysis of the facility-based payment rates calculated on July 1,
8 ((2011)) 2012, using the payment methodology defined in chapter 74.46
9 RCW as modified by sections 1 through 9 of this act, to the
10 facility-based payment rates in effect June 30, 2010. If the facility-
11 based payment rate calculated on July 1, ((2011)) 2012, is smaller than
12 the facility-based payment rate on June 30, ((2011)) 2010, the
13 difference shall be provided to the individual nursing facilities as an
14 add-on payment per medicaid resident day.

15 (2) During the comparative analysis performed in subsection (1) of
16 this section, if it is found that the direct care rate for any facility
17 calculated on March 1, 2012, under sections 1 through 9 ((of this act))
18 chapter 7, Laws of 2011 1st sp. sess. is greater than the direct care
19 rate in effect on June 30, 2010, then the facility shall receive a ten
20 percent direct care rate add-on to compensate that facility for taking
21 on more acute clients than they have in the past.

22 (3) The rate add-ons provided in subsection (2) of this section are
23 subject to the reconciliation and settlement process provided in RCW
24 74.46.022(6).

25 **Sec. 914.** RCW 2.68.020 and 2009 c 564 s 1802 and 2009 c 564 s 918
26 are each reenacted and amended to read as follows:

27 There is created an account in the custody of the state treasurer
28 to be known as the judicial information system account. The
29 administrative office of the courts shall maintain and administer the
30 account, in which shall be deposited all moneys received from in-state
31 noncourt users and any out-of-state users of the judicial information
32 system and moneys as specified in RCW 2.68.040 for the purposes of
33 providing judicial information system access to noncourt users and
34 providing an adequate level of automated services to the judiciary.
35 The legislature shall appropriate the funds in the account for the
36 purposes of the judicial information system. The account shall be used

1 for the acquisition of equipment, software, supplies, services, and
2 other costs incidental to the acquisition, development, operation, and
3 administration of information services, telecommunications, systems,
4 software, supplies, and equipment, including the payment of principal
5 and interest on items paid in installments. (~~During the 2007-2009~~
6 ~~fiscal biennium, the legislature may transfer from the judicial~~
7 ~~information system account to the state general fund such amounts as~~
8 ~~reflect the excess fund balance of the account. During the 2009-2011~~
9 ~~fiscal biennium, the legislature may transfer from the judicial~~
10 ~~information system account to the state general fund such amounts as~~
11 ~~reflect the excess fund balance of the account.)) During the 2011-2013
12 fiscal biennium, the judicial information systems account may be
13 appropriated to support the state law library.~~

14 **Sec. 915.** RCW 28B.15.067 and 2011 1st sp.s. c 10 s 3 are each
15 amended to read as follows:

16 (1) Tuition fees shall be established under the provisions of this
17 chapter.

18 (2) Beginning in the 2011-12 academic year, reductions or increases
19 in full-time tuition fees shall be as provided in the omnibus
20 appropriations act for resident undergraduate students at community and
21 technical colleges. The governing boards of the state universities,
22 regional universities, and The Evergreen State College; and the state
23 board for community and technical colleges may reduce or increase full-
24 time tuition fees for all students other than resident undergraduates,
25 including nonresident students, summer school students, and students in
26 other self-supporting degree programs. Percentage increases in full-
27 time tuition may exceed the fiscal growth factor. Except during the
28 2011-2013 fiscal biennium, the state board for community and technical
29 colleges may pilot or institute differential tuition models. The board
30 may define scale, scope, and rationale for the models.

31 (3)(a) Beginning with the 2011-12 academic year and through the end
32 of the 2014-15 academic year, the governing boards of the state
33 universities, the regional universities, and The Evergreen State
34 College may reduce or increase full-time tuition fees for all students,
35 including summer school students and students in other self-supporting
36 degree programs. Percentage increases in full-time tuition fees may
37 exceed the fiscal growth factor. Reductions or increases may be made

1 for all or portions of an institution's programs, campuses, courses, or
2 students; however, during the 2011-2013 fiscal biennium, reductions or
3 increases in tuition must be uniform among resident undergraduate
4 students.

5 (b) Prior to reducing or increasing tuition for each academic year,
6 the governing boards of the state universities, the regional
7 universities, and The Evergreen State College shall consult with
8 existing student associations or organizations with student
9 undergraduate and graduate representatives regarding the impacts of
10 potential tuition increases. Governing boards shall be required to
11 provide data regarding the percentage of students receiving financial
12 aid, the sources of aid, and the percentage of total costs of
13 attendance paid for by aid.

14 (c) Prior to reducing or increasing tuition for each academic year,
15 the state board for community and technical college system shall
16 consult with existing student associations or organizations with
17 undergraduate student representation regarding the impacts of potential
18 tuition increases. The state board for community and technical
19 colleges shall provide data regarding the percentage of students
20 receiving financial aid, the sources of aid, and the percentage of
21 total costs of attendance paid for by aid.

22 (4) Beginning with the 2015-16 academic year through the 2018-19
23 academic year, the governing boards of the state universities, regional
24 universities, and The Evergreen State College may set tuition for
25 resident undergraduates as follows:

26 (a) If state funding for a college or university falls below the
27 state funding provided in the operating budget for fiscal year 2011,
28 the governing board may increase tuition up to the limits set in (d) of
29 this subsection, reduce enrollments, or both;

30 (b) If state funding for a college or university is at least at the
31 level of state funding provided in the operating budget for fiscal year
32 2011, the governing board may increase tuition up to the limits set in
33 (d) of this subsection and shall continue to at least maintain the
34 actual enrollment levels for fiscal year 2011 or increase enrollments
35 as required in the omnibus appropriations act; ~~((and))~~

36 (c) If state funding is increased so that combined with resident
37 undergraduate tuition the sixtieth percentile of the total per-student
38 funding at similar public institutions of higher education in the

1 global challenge states under RCW 28B.15.068 is exceeded, the governing
2 board shall decrease tuition by the amount needed for the total per-
3 student funding to be at the sixtieth percentile under RCW 28B.15.068;
4 and

5 (d) The amount of tuition set by the governing board for an
6 institution under this subsection (4) may not exceed the sixtieth
7 percentile of the resident undergraduate tuition of similar public
8 institutions of higher education in the global challenge states.

9 (5) The tuition fees established under this chapter shall not apply
10 to high school students enrolling in participating institutions of
11 higher education under RCW 28A.600.300 through 28A.600.400.

12 (6) The tuition fees established under this chapter shall not apply
13 to eligible students enrolling in a dropout reengagement program
14 through an interlocal agreement between a school district and a
15 community or technical college under RCW 28A.175.100 through
16 28A.175.110.

17 (7) The tuition fees established under this chapter shall not apply
18 to eligible students enrolling in a community or technical college
19 participating in the pilot program under RCW 28B.50.534 for the purpose
20 of obtaining a high school diploma.

21 (8) Beginning in the 2019-20 academic year, reductions or increases
22 in full-time tuition fees for resident undergraduates at four-year
23 institutions of higher education shall be as provided in the omnibus
24 appropriations act.

25 (9) The legislative advisory committee to the committee on advanced
26 tuition payment established in RCW 28B.95.170 shall:

27 (a) Review the impact of differential tuition rates on the funded
28 status and future unit price of the Washington advanced college tuition
29 payment program; and

30 (b) No later than January 14, 2013, make a recommendation to the
31 appropriate policy and fiscal committees of the legislature regarding
32 how differential tuition should be addressed in order to maintain the
33 ongoing solvency of the Washington advanced college tuition payment
34 program.

35 **Sec. 916.** RCW 38.52.540 and 2010 1st sp.s. c 19 s 18 are each
36 amended to read as follows:

37 (1) The enhanced 911 account is created in the state treasury. All

1 receipts from the state enhanced 911 excise taxes imposed by RCW
2 82.14B.030 must be deposited into the account. Moneys in the account
3 must be used only to support the statewide coordination and management
4 of the enhanced 911 system, for the implementation of wireless enhanced
5 911 statewide, for the modernization of enhanced 911 emergency
6 communications systems statewide, and to help supplement, within
7 available funds, the operational costs of the system, including
8 adequate funding of counties to enable implementation of wireless
9 enhanced 911 service and reimbursement of radio communications service
10 companies for costs incurred in providing wireless enhanced 911 service
11 pursuant to negotiated contracts between the counties or their agents
12 and the radio communications service companies. For the 2011-2013
13 fiscal biennium, the account may be used for modernizing narrowband
14 radio capability in the department of corrections. A county must show
15 just cause, including but not limited to a true and accurate accounting
16 of the funds expended, for any inability to provide reimbursement to
17 radio communications service companies of costs incurred in providing
18 enhanced 911 service.

19 (2) Funds generated by the enhanced 911 excise tax imposed by RCW
20 82.14B.030(5) may not be distributed to any county that has not imposed
21 the maximum county enhanced 911 excise tax allowed under RCW
22 82.14B.030(1). Funds generated by the enhanced 911 excise tax imposed
23 by RCW 82.14B.030(6) may not be distributed to any county that has not
24 imposed the maximum county enhanced 911 excise tax allowed under RCW
25 82.14B.030(2).

26 (3) The state enhanced 911 coordinator, with the advice and
27 assistance of the enhanced 911 advisory committee, is authorized to
28 enter into statewide agreements to improve the efficiency of enhanced
29 911 services for all counties and shall specify by rule the additional
30 purposes for which moneys, if available, may be expended from this
31 account.

32 **Sec. 917.** RCW 41.06.560 and 2011 1st sp.s. c 39 s 11 are each
33 amended to read as follows:

34 From February 15, 2010, until June 30, 2013, no monetary
35 performance-based awards or incentives may be granted by the director
36 or employers to employees covered by rules adopted under this section.
37 This section does not prohibit the payment of awards provided for in

1 chapter 41.60 RCW. For institutions of higher education, this section
2 does not prohibit the payment of specific cash awards from private
3 donations from individuals or businesses including, but not limited to,
4 endowments.

5 From July 1, 2011, until June 30, 2013, no performance-based awards
6 or incentives may be granted by the director or employers to employees
7 pursuant to a performance management confirmation granted by the
8 department of personnel under WAC 357-37-055.

9 **Sec. 918.** RCW 43.07.129 and 2011 1st sp.s. c 50 s 940 are each
10 amended to read as follows:

11 The Washington state heritage center account is created in the
12 custody of the state treasurer. All moneys received under RCW
13 36.18.010(11) and 43.07.128 must be deposited in the account.
14 Expenditures from the account may be made only for the following
15 purposes:

16 (1) Payment of the certificate of participation issued for the
17 Washington state heritage center;

18 (2) Capital maintenance of the Washington state heritage center;
19 and

20 (3) Program operations that serve the public, relate to the
21 collections and exhibits housed in the Washington state heritage
22 center, or fulfill the missions of the state archives, state library,
23 and capital museum.

24 Only the secretary of state or the secretary of state's designee
25 may authorize expenditures from the account. An appropriation is not
26 required for expenditures, but the account is subject to allotment
27 procedures under chapter 43.88 RCW. During the 2011-2013 fiscal
28 biennium, the legislature may appropriate from the Washington state
29 heritage center account for the purposes of state arts, historical, and
30 library programs. Additionally, during the 2011-2013 fiscal biennium,
31 the legislature may transfer from the Washington state heritage center
32 account to the state general fund such amounts as reflect the excess
33 fund balance of the fund.

34 **Sec. 919.** RCW 43.17.390 and 2009 c 564 s 931 are each amended to
35 read as follows:

36 Starting in ((2012)) 2014, and at least once every three years

1 thereafter, each agency shall apply to the Washington state quality
2 award, or similar organization, for an independent assessment of its
3 quality management, accountability, and performance system. The
4 assessment shall evaluate the effectiveness of all elements of its
5 management, accountability, and performance system, including:
6 Leadership, strategic planning, customer focus, analysis and
7 information, employee performance management, and process improvement.
8 The purpose of the assessment is to recognize best practice and
9 identify improvement opportunities.

10 **Sec. 920.** RCW 43.30.720 and 2003 1st sp.s. c 25 s 938 are each
11 amended to read as follows:

12 All receipts from the sale of stock or seed shall be deposited in
13 a state forest nursery revolving fund to be maintained by the
14 department, which is hereby authorized to use all money in said fund
15 for the maintenance of the state tree nursery or the planting of
16 denuded state owned lands.

17 During the ((2003-2005)) 2011-2013 fiscal biennium, the legislature
18 may transfer from the state forest nursery revolving fund to the state
19 general fund such amounts as reflect the excess fund balance of the
20 fund.

21 **Sec. 921.** RCW 43.88.110 and 2009 c 518 s 3 are each amended to
22 read as follows:

23 This section sets forth the expenditure programs and the allotment
24 and reserve procedures to be followed by the executive branch for
25 public funds.

26 (1) Allotments of an appropriation for any fiscal period shall
27 conform to the terms, limits, or conditions of the appropriation.

28 (2) The director of financial management shall provide all agencies
29 with a complete set of operating and capital instructions for preparing
30 a statement of proposed expenditures at least thirty days before the
31 beginning of a fiscal period. The set of instructions need not include
32 specific appropriation amounts for the agency.

33 (3) Within forty-five days after the beginning of the fiscal period
34 or within forty-five days after the governor signs the omnibus biennial
35 appropriations act, whichever is later, all agencies shall submit to

1 the governor a statement of proposed expenditures at such times and in
2 such form as may be required by the governor.

3 (4) The office of financial management shall develop a method for
4 monitoring capital appropriations and expenditures that will capture at
5 least the following elements:

6 (a) Appropriations made for capital projects including
7 transportation projects;

8 (b) Estimates of total project costs including past, current,
9 ensuing, and future biennial costs;

10 (c) Comparisons of actual costs to estimated costs;

11 (d) Comparisons of estimated construction start and completion
12 dates with actual dates;

13 (e) Documentation of fund shifts between projects.

14 This data may be incorporated into the existing accounting system
15 or into a separate project management system, as deemed appropriate by
16 the office of financial management.

17 (5) The office of financial management, prior to approving
18 allotments for major capital construction projects valued over five
19 million dollars, shall institute procedures for reviewing such projects
20 at the predesign stage that will reduce long-term costs and increase
21 facility efficiency. The procedures shall include, but not be limited
22 to, the following elements:

23 (a) Evaluation of facility program requirements and consistency
24 with long-range plans;

25 (b) Utilization of a system of cost, quality, and performance
26 standards to compare major capital construction projects; and

27 (c) A requirement to incorporate value-engineering analysis and
28 constructability review into the project schedule.

29 (6) No expenditure may be incurred or obligation entered into for
30 such major capital construction projects including, without exception,
31 land acquisition, site development, predesign, design, construction,
32 and equipment acquisition and installation, until the allotment of the
33 funds to be expended has been approved by the office of financial
34 management. This limitation does not prohibit the continuation of
35 expenditures and obligations into the succeeding biennium for projects
36 for which allotments have been approved in the immediate prior
37 biennium.

1 (7)(a) Beginning January 1, 2013, if at any time during the fiscal
2 period the governor projects a cash deficit in a particular fund or
3 account as defined by RCW 43.88.050, the governor shall make across-
4 the-board reductions in allotments for that particular fund or account
5 so as to prevent a cash deficit, unless the legislature has directed
6 the liquidation of the cash deficit over one or more fiscal periods.

7 (b)(i) From the effective date of this section until January 1,
8 2013, if at any time during the fiscal period the governor projects a
9 cash deficit in a particular fund or account as defined by RCW
10 43.88.050, then as set forth in (b) of this subsection the governor
11 shall make across-the-board reductions in the total amount allotted to
12 each agency from each appropriation from that fund or account so as to
13 prevent a cash deficit, unless the legislature has directed the
14 liquidation of the cash deficit over one or more fiscal periods.

15 (ii) The percentage reduction applied to individual allotments of
16 an agency's total allotments from each appropriation from that fund or
17 account may vary, but each agency's total allotments from each
18 appropriation from that fund or account must be uniformly reduced by
19 the percentage necessary to prevent a cash deficit. Where a portion of
20 an appropriation is provided solely for a particular purpose,
21 allotments of that portion of the appropriation may be reduced only by
22 the same percentage as the overall appropriation.

23 (iii) Allotments for the following programs may be reduced only by
24 a percentage equal to one-half of the percentage reduction applied to
25 total allotments of appropriations under (b)(ii) of this subsection:

26 (A) Direct custody in the department of corrections and the
27 juvenile rehabilitation administration; and

28 (B) The special commitment center of the department of social and
29 health services.

30 (iv) Basic education programs, debt service on state bonds, state
31 contributions to retirement systems, and programs for which a defined
32 benefit is specifically mandated in statute are exempt from across-the-
33 board allotment reductions under this subsection (7)(b) and allotments
34 for these purposes shall not be included when calculating the allotment
35 reductions.

36 (8) Except for the legislative and judicial branches and other
37 agencies headed by elective officials, the governor shall review the
38 statement of proposed operating expenditures for reasonableness and

1 conformance with legislative intent. The governor may request
2 corrections of proposed allotments submitted by the legislative and
3 judicial branches and agencies headed by elective officials if those
4 proposed allotments contain significant technical errors.

5 (9) Once the governor approves the proposed allotments, further
6 revisions may at the request of the office of financial management or
7 upon the agency's initiative be made on a quarterly basis and must be
8 accompanied by an explanation of the reasons for significant changes.
9 If the governor initiates across-the-board allotment revisions under
10 subsection (7)(b) of this section, the office of financial management
11 shall provide notice to the appropriate legislative fiscal committees
12 of the proposed revisions, including the explanation for the
13 significant changes, and the revisions may not take effect until ten
14 days after this notice is provided. However, changes in appropriation
15 level authorized by the legislature, changes required by across-the-
16 board reductions mandated by the governor, changes caused by executive
17 increases to spending authority, and changes caused by executive
18 decreases to spending authority for failure to comply with the
19 provisions of chapter 36.70A RCW may require additional revisions.
20 Revisions shall not be made retroactively. However, the governor may
21 assign to a reserve status any portion of an agency appropriation
22 withheld as part of across-the-board reductions made by the governor
23 and any portion of an agency appropriation conditioned on a contingent
24 event by the appropriations act. The governor may remove these amounts
25 from reserve status if the across-the-board reductions are subsequently
26 modified or if the contingent event occurs. The director of financial
27 management shall enter approved statements of proposed expenditures
28 into the state budgeting, accounting, and reporting system within
29 forty-five days after receipt of the proposed statements from the
30 agencies. If an agency or the director of financial management is
31 unable to meet these requirements, the director of financial management
32 shall provide a timely explanation in writing to the legislative fiscal
33 committees.

34 (8) It is expressly provided that all agencies shall be required to
35 maintain accounting records and to report thereon in the manner
36 prescribed in this chapter and under the regulations issued pursuant to
37 this chapter. Within ninety days of the end of the fiscal year, all
38 agencies shall submit to the director of financial management their

1 final adjustments to close their books for the fiscal year. Prior to
2 submitting fiscal data, written or oral, to committees of the
3 legislature, it is the responsibility of the agency submitting the data
4 to reconcile it with the budget and accounting data reported by the
5 agency to the director of financial management.

6 (9) The director of financial management may exempt certain public
7 funds from the allotment controls established under this chapter if it
8 is not practical or necessary to allot the funds. Allotment control
9 exemptions expire at the end of the fiscal biennium for which they are
10 granted. The director of financial management shall report any
11 exemptions granted under this subsection to the legislative fiscal
12 committees.

13 **Sec. 922.** RCW 70.105D.070 and 2011 1st sp.s. c 50 s 964 are each
14 reenacted and amended to read as follows:

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

17 (2) The following moneys shall be deposited into the state toxics
18 control account: (a) Those revenues which are raised by the tax
19 imposed under RCW 82.21.030 and which are attributable to that portion
20 of the rate equal to thirty-three one-hundredths of one percent; (b)
21 the costs of remedial actions recovered under this chapter or chapter
22 70.105A RCW; (c) penalties collected or recovered under this chapter;
23 and (d) any other money appropriated or transferred to the account by
24 the legislature. Moneys in the account may be used only to carry out
25 the purposes of this chapter, including but not limited to the
26 following activities:

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

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

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

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

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

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

4 (vii) Hazardous materials emergency response training;

5 (viii) Water and environmental health protection and monitoring
6 programs;

7 (ix) Programs authorized under chapter 70.146 RCW;

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

10 (xi) Public funding to assist potentially liable persons to pay for
11 the costs of remedial action in compliance with cleanup standards under
12 RCW 70.105D.030(2)(e) but only when the amount and terms of such
13 funding are established under a settlement agreement under RCW
14 70.105D.040(4) and when the director has found that the funding will
15 achieve both (A) a substantially more expeditious or enhanced cleanup
16 than would otherwise occur, and (B) the prevention or mitigation of
17 unfair economic hardship;

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

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

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

25 (xv) During the 2011-2013 fiscal biennium, actions for reducing
26 public exposure to toxic air pollution; and

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

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

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

38 (i) Remedial actions;

1 (ii) Hazardous waste plans and programs under chapter 70.105 RCW;
2 (iii) Solid waste plans and programs under chapters 70.95, 70.95C,
3 70.95I, and 70.105 RCW;

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

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

14 (b) Funds for plans and programs shall be allocated consistent with
15 the priorities and matching requirements established in chapters
16 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that
17 is a Puget Sound partner, as defined in RCW 90.71.010, along with any
18 project that is referenced in the action agenda developed by the Puget
19 Sound partnership under RCW 90.71.310, shall, except as conditioned by
20 RCW 70.105D.120, receive priority for any available funding for any
21 grant or funding programs or sources that use a competitive bidding
22 process. During the 2007-2009 fiscal biennium, moneys in the account
23 may also be used for grants to local governments to retrofit public
24 sector diesel equipment and for storm water planning and implementation
25 activities.

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

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

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

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

1 (C) Funding would create an opportunity for acquisition and
2 redevelopment of vacant, orphaned, or abandoned property under RCW
3 70.105D.040(5) that would not otherwise occur;

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

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

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

12 (4) Except for unanticipated receipts under RCW 43.79.260 through
13 43.79.282, moneys in the state and local toxics control accounts may be
14 spent only after appropriation by statute.

15 (5) Except during the (~~2009-2011~~) 2011-2013 fiscal biennium, one
16 percent of the moneys deposited into the state and local toxics control
17 accounts shall be allocated only for public participation grants to
18 persons who may be adversely affected by a release or threatened
19 release of a hazardous substance and to not-for-profit public interest
20 organizations. The primary purpose of these grants is to facilitate
21 the participation by persons and organizations in the investigation and
22 remedying of releases or threatened releases of hazardous substances
23 and to implement the state's solid and hazardous waste management
24 priorities. No grant may exceed sixty thousand dollars. Grants may be
25 renewed annually. Moneys appropriated for public participation from
26 either account which are not expended at the close of any biennium
27 shall revert to the state toxics control account.

28 (6) No moneys deposited into either the state or local toxics
29 control account may be used for solid waste incinerator feasibility
30 studies, construction, maintenance, or operation, or, after January 1,
31 2010, for projects designed to address the restoration of Puget Sound,
32 funded in a competitive grant process, that are in conflict with the
33 action agenda developed by the Puget Sound partnership under RCW
34 90.71.310.

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

37 (8) During the (~~2007-2009 and 2009-2011~~) 2011-2013 fiscal
38 (~~biennia~~) biennium, the legislature may transfer from the local

1 toxics control account to ((either)) the state ((~~general fund or the~~
2 ~~oil spill prevention account, or both~~)) toxics control account such
3 amounts as reflect excess fund balance in the account.

4 ((~~(9) During the 2009-2011 fiscal biennium, the local toxics~~
5 ~~control account may also be used for a standby rescue tug at Neah Bay,~~
6 ~~local government shoreline update grants, private and public sector~~
7 ~~diesel equipment retrofit, and oil spill prevention, preparedness, and~~
8 ~~response activities.~~

9 ~~(10) During the 2009-2011 fiscal biennium, the legislature may~~
10 ~~transfer from the state toxics control account to the state general~~
11 ~~fund such amounts as reflect the excess fund balance in the account.~~

12 ~~((11))~~ (9) During the 2011-2013 fiscal biennium, the local toxics
13 control account may also be used for local government shoreline update
14 grants and actions for reducing public exposure to toxic air pollution.

15 **Sec. 923.** RCW 74.48.090 and 2011 1st sp.s. c 7 s 21 are each
16 amended to read as follows:

17 (1) The department and the department of health, in consultation
18 with the Washington state health care association, and aging services
19 of Washington, shall design a system of skilled nursing facility
20 quality incentive payments. The design of the system shall be
21 submitted to the relevant policy and fiscal committees of the
22 legislature by ~~((December 15, 2011))~~ January 1, 2013. For the 2011-
23 2013 fiscal biennial budget period, the department shall not implement
24 a system of skilled nursing facility quality incentive payments
25 designed pursuant to this section. The system shall be based upon the
26 following principles:

27 (a) Evidence-based treatment and processes shall be used to improve
28 health care outcomes for skilled nursing facility residents;

29 (b) Effective purchasing strategies to improve the quality of
30 health care services should involve the use of common quality
31 improvement measures, while recognizing that some measures may not be
32 appropriate for application to facilities with high bariatric,
33 behaviorally challenged, or rehabilitation populations;

34 (c) Quality measures chosen for the system should be consistent
35 with the standards that have been developed by national quality
36 improvement organizations, such as the national quality forum, the
37 federal centers for medicare and medicaid services, or the federal

1 agency for healthcare research and quality. New reporting burdens to
2 skilled nursing facilities should be minimized by giving priority to
3 measures skilled nursing facilities that are currently required to
4 report to governmental agencies, such as the nursing home compare
5 measures collected by the federal centers for medicare and medicaid
6 services;

7 (d) Benchmarks for each quality improvement measure should be set
8 at levels that are feasible for skilled nursing facilities to achieve,
9 yet represent real improvements in quality and performance for a
10 majority of skilled nursing facilities in Washington state; and

11 (e) Skilled nursing facilities performance and incentive payments
12 should be designed in a manner such that all facilities in Washington
13 are able to receive the incentive payments if performance is at or
14 above the benchmark score set in the system established under this
15 section.

16 (2) Pursuant to an appropriation by the legislature, for state
17 fiscal year ((2013)) 2014 and each fiscal year thereafter, assessments
18 may be increased to support an additional one percent increase in
19 skilled nursing facility reimbursement rates for facilities that meet
20 the quality incentive benchmarks established under this section.

21 **Sec. 924.** RCW 76.04.610 and 2007 c 110 s 1 are each amended to
22 read as follows:

23 (1)(a) If any owner of forest land within a forest protection zone
24 neglects or fails to provide adequate fire protection as required by
25 RCW 76.04.600, the department shall provide such protection and shall
26 annually impose the following assessments on each parcel of such land:
27 (i) A flat fee assessment of seventeen dollars and fifty cents; and
28 (ii) twenty-seven cents on each acre exceeding fifty acres.

29 (b) Assessors may, at their option, collect the assessment on tax
30 exempt lands. If the assessor elects not to collect the assessment,
31 the department may bill the landowner directly.

32 (2) An owner who has paid assessments on two or more parcels, each
33 containing fewer than fifty acres and each within the same county, may
34 obtain the following refund:

35 (a) If all the parcels together contain less than fifty acres, then
36 the refund is equal to the flat fee assessments paid, reduced by the

1 total of (i) seventeen dollars and (ii) the total of the amounts
2 retained by the county from such assessments under subsection (5) of
3 this section.

4 (b) If all the parcels together contain fifty or more acres, then
5 the refund is equal to the flat fee assessments paid, reduced by the
6 total of (i) seventeen dollars, (ii) twenty-seven cents for each acre
7 exceeding fifty acres, and (iii) the total of the amounts retained by
8 the county from such assessments under subsection (5) of this section.

9 Applications for refunds shall be submitted to the department on a
10 form prescribed by the department and in the same year in which the
11 assessments were paid. The department may not provide refunds to
12 applicants who do not provide verification that all assessments and
13 property taxes on the property have been paid. Applications may be
14 made by mail.

15 In addition to the procedures under this subsection, property
16 owners with multiple parcels in a single county who qualify for a
17 refund under this section may apply to the department on an application
18 listing all the parcels owned in order to have the assessment computed
19 on all parcels but billed to a single parcel. Property owners with the
20 following number of parcels may apply to the department in the year
21 indicated:

22	Year	Number of Parcels
23	2002	10 or more parcels
24	2003	8 or more parcels
25	2004 and thereafter	6 or more parcels

26 The department must compute the correct assessment and allocate one
27 parcel in the county to use to collect the assessment. The county must
28 then bill the forest fire protection assessment on that one allocated
29 identified parcel. The landowner is responsible for notifying the
30 department of any changes in parcel ownership.

31 (3) Beginning January 1, 1991, under the administration and at the
32 discretion of the department up to two hundred thousand dollars per
33 year of this assessment shall be used in support of those rural fire
34 districts assisting the department in fire protection services on
35 forest lands.

1 (4) For the purpose of this chapter, the department may divide the
2 forest lands of the state, or any part thereof, into districts, for
3 fire protection and assessment purposes, may classify lands according
4 to the character of timber prevailing, and the fire hazard existing,
5 and place unprotected lands under the administration of the proper
6 district. Amounts paid or contracted to be paid by the department for
7 protection of forest lands from funds at its disposal shall be a lien
8 upon the property protected, unless reimbursed by the owner within ten
9 days after October 1st of the year in which they were incurred. The
10 department shall be prepared to make statement thereof, upon request,
11 to a forest owner whose own protection has not been previously approved
12 as to its adequacy, the department shall report the same to the
13 assessor of the county in which the property is situated. The assessor
14 shall extend the amounts upon the tax rolls covering the property, and
15 upon authorization from the department shall levy the forest protection
16 assessment against the amounts of unimproved land as shown in each
17 ownership on the county assessor's records. The assessor may then
18 segregate on the records to provide that the improved land and
19 improvements thereon carry the millage levy designed to support the
20 rural fire protection districts as provided for in RCW 52.16.170.

21 (5) The amounts assessed shall be collected at the time, in the
22 same manner, by the same procedure, and with the same penalties
23 attached that general state and county taxes on the same property are
24 collected, except that errors in assessments may be corrected at any
25 time by the department certifying them to the treasurer of the county
26 in which the land involved is situated. Assessments shall be known and
27 designated as assessments of the year in which the amounts became
28 reimbursable. Upon the collection of assessments the county treasurer
29 shall place fifty cents of the total assessments paid on a parcel for
30 fire protection into the county current expense fund to defray the
31 costs of listing, billing, and collecting these assessments. The
32 treasurer shall then transmit the balance to the department.
33 Collections shall be applied against expenses incurred in carrying out
34 the provisions of this section, including necessary and reasonable
35 administrative costs incurred by the department in the enforcement of
36 these provisions. The department may also expend sums collected from
37 owners of forest lands or received from any other source for necessary

1 administrative costs in connection with the enforcement of RCW
2 76.04.660.

3 (6) When land against which forest protection assessments are
4 outstanding is acquired for delinquent taxes and sold at public
5 auction, the state shall have a prior lien on the proceeds of sale over
6 and above the amount necessary to satisfy the county's delinquent tax
7 judgment. The county treasurer, in case the proceeds of sale exceed
8 the amount of the delinquent tax judgment, shall immediately remit to
9 the department the amount of the outstanding forest protection
10 assessments.

11 (7) All nonfederal public bodies owning or administering forest
12 land included in a forest protection zone shall pay the forest
13 protection assessments provided in this section and the special forest
14 fire suppression account assessments under RCW 76.04.630. The forest
15 protection assessments and special forest fire suppression account
16 assessments shall be payable by nonfederal public bodies from available
17 funds within thirty days following receipt of the written notice from
18 the department which is given after October 1st of the year in which
19 the protection was provided. Unpaid assessments are not a lien against
20 the nonfederal publicly owned land but shall constitute a debt by the
21 nonfederal public body to the department and are subject to interest
22 charges at the legal rate. During the 2011-2013 fiscal biennium, the
23 forest fire protection assessment account may be appropriated to the
24 joint legislative audit review committee for analysis and
25 recommendations to improve the efficiency and effectiveness of the
26 state's mechanisms for funding fire prevention and suppression
27 activities.

28 (8) A public body, having failed to previously pay the forest
29 protection assessments required of it by this section, which fails to
30 suppress a fire on or originating from forest lands owned or
31 administered by it, is liable for the costs of suppression incurred by
32 the department or its agent and is not entitled to reimbursement of
33 costs incurred by the public body in the suppression activities.

34 (9) The department may adopt rules to implement this section,
35 including, but not limited to, rules on levying and collecting forest
36 protection assessments.

1 **Sec. 925.** RCW 77.12.201 and 2009 c 479 s 63 are each amended to
2 read as follows:

3 The legislative authority of a county may elect, by giving written
4 notice to the director and the treasurer prior to January 1st of any
5 year, to obtain for the following year an amount in lieu of real
6 property taxes on game lands as provided in RCW 77.12.203. Upon the
7 election, the county shall keep a record of all fines, forfeitures,
8 reimbursements, and costs assessed and collected, in whole or in part,
9 under this title for violations of law or rules adopted pursuant to
10 this title, with the exception of the 2011-2013 fiscal biennium, and
11 shall monthly remit an amount equal to the amount collected to the
12 state treasurer for deposit in the state general fund. The election
13 shall continue until the department is notified differently prior to
14 January 1st of any year.

15 **Sec. 926.** RCW 77.12.203 and 2005 c 303 s 14 are each amended to
16 read as follows:

17 (1) Except as provided in subsection (5) of this section and
18 notwithstanding RCW 84.36.010 or other statutes to the contrary, the
19 director shall pay by April 30th of each year on game lands in each
20 county, if requested by an election under RCW 77.12.201, an amount in
21 lieu of real property taxes equal to that amount paid on similar
22 parcels of open space land taxable under chapter 84.34 RCW or the
23 greater of seventy cents per acre per year or the amount paid in 1984
24 plus an additional amount for control of noxious weeds equal to that
25 which would be paid if such lands were privately owned. This amount
26 shall not be assessed or paid on department buildings, structures,
27 facilities, game farms, fish hatcheries, tidelands, or public fishing
28 areas of less than one hundred acres.

29 (2) "Game lands," as used in this section and RCW 77.12.201, means
30 those tracts one hundred acres or larger owned in fee by the department
31 and used for wildlife habitat and public recreational purposes. All
32 lands purchased for wildlife habitat, public access or recreation
33 purposes with federal funds in the Snake River drainage basin shall be
34 considered game lands regardless of acreage.

35 (3) This section shall not apply to lands transferred after April
36 23, 1990, to the department from other state agencies.

1 (4) The county shall distribute the amount received under this
2 section in lieu of real property taxes to all property taxing districts
3 except the state in appropriate tax code areas the same way it would
4 distribute local property taxes from private property. The county
5 shall distribute the amount received under this section for weed
6 control to the appropriate weed district.

7 (5) For the 2011-2013 fiscal biennium, the director shall pay by
8 April 30th of each year on game lands in each county, if requested by
9 an election under RCW 77.12.201, an amount in lieu of real property
10 taxes and shall be distributed as follows:

11 **County**

12	
13	<u>Adams.....1,909</u>
14	<u>Asotin.....36,123</u>
15	<u>Chelan..... 24,757</u>
16	<u>Columbia..... 7,795</u>
17	<u>Ferry..... 6,781</u>
18	<u>Garfield..... 4,840</u>
19	<u>Grant.....37,443</u>
20	<u>Grays Harbor.....7,264</u>
21	<u>Kittitas.....143,974</u>
22	<u>Klickitat.....21,906</u>
23	<u>Lincoln.....13,535</u>
24	<u>Okanogan..... 151,402</u>
25	<u>Pend Oreille.....3,309</u>
26	<u>Yakima..... 126,225</u>

27 These amounts shall not be assessed or paid on department buildings,
28 structures, facilities, game farms, fish hatcheries, tidelands, or
29 public fishing areas of less than one hundred acres.

30 **Sec. 927.** RCW 77.95.090 and 2009 c 340 s 4 are each amended to
31 read as follows:

32 The dedicated regional fisheries enhancement group account is
33 created in the custody of the state treasurer. Only the commission or

1 the commission's designee may authorize expenditures from the account.
2 The account is subject to allotment procedures under chapter 43.88 RCW,
3 but no appropriation is required for expenditures.

4 A portion of each recreational fishing license fee shall be used as
5 provided in RCW 77.32.440. A surcharge of one hundred dollars shall be
6 collected on each commercial salmon fishery license, each salmon
7 delivery license, and each salmon charter license sold in the state.
8 All receipts shall be placed in the regional fisheries enhancement
9 group account and shall be used exclusively for regional fisheries
10 enhancement group projects for the purposes of RCW 77.95.110. For the
11 2011-2013 fiscal biennium, the regional fisheries enhancement group
12 account may be used for the purposes of RCW 77.95.070 and hatcheries.
13 Except as provided in RCW 77.95.320, funds from the regional fisheries
14 enhancement group account shall not serve as replacement funding for
15 department operated salmon projects that exist on January 1, 1991.

16 All revenue from the department's sale of salmon carcasses and eggs
17 that return to group facilities shall be deposited in the regional
18 fisheries enhancement group account for use by the regional fisheries
19 enhancement group that produced the surplus. The commission shall
20 adopt rules to implement this section pursuant to chapter 34.05 RCW.

21 **Sec. 928.** RCW 79.22.010 and 2003 c 334 s 205 are each amended to
22 read as follows:

23 (1) The department has the power to accept gifts and bequests of
24 money or other property, made in its own name, or made in the name of
25 the state, to promote generally the interests of reforestation or for
26 a specific named purpose in connection with reforestation, and to
27 acquire in the name of the state, by purchase or gift, any lands which
28 by reason of their location, topography, or geological formation, are
29 chiefly valuable for purpose of developing and growing timber, and to
30 designate such lands and any lands of the same character belonging to
31 the state as state forest lands; and may acquire by gift or purchase
32 any lands of the same character.

33 (2) The department has the power to seed, plant, and develop
34 forests on any lands, purchased, acquired, or designated by it as state
35 forest lands, and shall furnish such care and fire protection for such
36 lands as it shall deem advisable.

1 (3) Upon approval of the board of county commissioners of the
2 county in which the land is located such gift or donation of land may
3 be accepted subject to delinquent general taxes thereon, and upon such
4 acceptance of such gift or donation subject to such taxes, the
5 department shall record the deed of conveyance thereof and file with
6 the assessor and treasurer of the county wherein such land is situated,
7 written notice of acquisition of such land, and that all delinquent
8 general taxes thereon, except state taxes, shall be canceled, and the
9 county treasurer shall thereupon proceed to make such cancellation in
10 the records of the county treasurer. ((Thereafter, such lands))

11 (4)(a) Lands acquired under this section shall be held in trust,
12 protected, managed, and administered upon, and the proceeds therefrom
13 disposed of, under RCW 79.22.040.

14 (b) During the 2011-2013 fiscal biennium, the legislature may
15 appropriate moneys derived subject to this section from the forest
16 development account consistent with RCW 79.64.100.

17 **Sec. 929.** RCW 79.22.040 and 2003 c 334 s 206 are each amended to
18 read as follows:

19 (1) If any land acquired by a county through foreclosure of tax
20 liens, or otherwise, comes within the classification of land described
21 in RCW 79.22.010 and can be used as state forest land and if the
22 department deems such land necessary for the purposes of this chapter,
23 the county shall, upon demand by the department, deed such land to the
24 department and the land shall become a part of the state forest lands.

25 (2) Such land shall be held in trust and administered and protected
26 by the department in the same manner as other state forest lands.

27 (3)(a) In the event that the department sells logs using the
28 contract harvesting process described in RCW 79.15.500 through
29 79.15.530, the moneys derived subject to this section are the net
30 proceeds from the contract harvesting sale.

31 (b) During the 2011-2013 fiscal biennium, the legislature may
32 appropriate moneys derived subject to this section from the forest
33 development account consistent with RCW 79.64.100.

34 **Sec. 930.** RCW 79.64.040 and 2011 1st sp.s. c 50 s 966 and 2011 c
35 216 s 16 are each reenacted and amended to read as follows:

36 (1) The board shall determine the amount deemed necessary in order

1 to achieve the purposes of this chapter and shall provide by rule for
2 the deduction of this amount from the moneys received from all leases,
3 sales, contracts, licenses, permits, easements, and rights-of-way
4 issued by the department and affecting state lands, community forest
5 trust lands, and aquatic lands, provided that no deduction shall be
6 made from the proceeds from agricultural college lands.

7 (2) Moneys received as deposits from successful bidders, advance
8 payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150
9 prior to December 1, 1981, which have not been subjected to deduction
10 under this section are not subject to deduction under this section.

11 (3) Except as otherwise provided in subsections (4) and (6) of this
12 section, the deductions authorized under this section shall not exceed
13 twenty-five percent of the moneys received by the department in
14 connection with any one transaction pertaining to state lands and
15 aquatic lands other than second-class tide and shore lands and the beds
16 of navigable waters, and fifty percent of the moneys received by the
17 department pertaining to second-class tide and shore lands and the beds
18 of navigable waters.

19 (4) Deductions authorized under this section for transactions
20 pertaining to community forest trust lands must be established at a
21 level sufficient to defray over time the management costs for
22 activities prescribed in a parcel's management plan adopted pursuant to
23 RCW 79.155.080, and, if deemed appropriate by the board consistent with
24 RCW 79.155.090, to reimburse the state and any local entities' eligible
25 financial contributions for acquisition of the parcel.

26 (5) In the event that the department sells logs using the contract
27 harvesting process described in RCW 79.15.500 through 79.15.530, the
28 moneys received subject to this section are the net proceeds from the
29 contract harvesting sale.

30 (6) During the ((2009-2011)) 2011-2013 fiscal biennium ((and fiscal
31 year-2012)), the twenty-five percent limitation on deductions set in
32 subsection (3) of this section may be increased up to thirty percent by
33 the board.

34 **Sec. 931.** RCW 79.64.100 and 2003 c 334 s 219 are each amended to
35 read as follows:

36 There is created a forest development account in the state
37 treasury. The state treasurer shall keep an account of all sums

1 deposited therein and expended or withdrawn therefrom. Any sums placed
2 in the forest development account shall be pledged for the purpose of
3 paying interest and principal on the bonds issued by the department
4 under RCW 79.22.080 and 79.22.090 and the provisions of this chapter,
5 and for the purchase of land for growing timber. Any bonds issued
6 shall constitute a first and prior claim and lien against the account
7 for the payment of principal and interest. No sums for the above
8 purposes shall be withdrawn or paid out of the account except upon
9 approval of the department.

10 Appropriations may be made by the legislature from the forest
11 development account to the department for the purpose of carrying on
12 the activities of the department on state forest lands, lands managed
13 on a sustained yield basis as provided for in RCW 79.10.320, and for
14 reimbursement of expenditures that have been made or may be made from
15 the resource management cost account in the management of state forest
16 lands. For the 2011-2013 fiscal biennium, moneys from the forest
17 development account shall be distributed as directed in section 706 of
18 this act to the beneficiaries of the revenues derived from state forest
19 lands. During the 2011-2013 fiscal biennium, the legislature may
20 appropriate moneys in the forest development account to support
21 emergency fire suppression activities in a manner that, at a maximum,
22 represents the proportion of land that the department manages in
23 comparison to the total land the department conducts emergency fire
24 suppression activities on.

25 **Sec. 932.** RCW 79.105.150 and 2011 2nd sp.s. c 9 s 911 are each
26 amended to read as follows:

27 (1) After deduction for management costs as provided in RCW
28 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys
29 received by the state from the sale or lease of state-owned aquatic
30 lands and from the sale of valuable material from state-owned aquatic
31 lands shall be deposited in the aquatic lands enhancement account which
32 is hereby created in the state treasury. After appropriation, these
33 funds shall be used solely for aquatic lands enhancement projects; for
34 the purchase, improvement, or protection of aquatic lands for public
35 purposes; for providing and improving access to the lands; and for
36 volunteer cooperative fish and game projects. During the ((2009-2011
37 and)) 2011-2013 fiscal ((biennia)) biennium, the aquatic lands

1 enhancement account may also be used for scientific research as part of
2 the adaptive management process and for developing a planning report
3 for McNeil Island. During the ((2009-2011-and)) 2011-2013 fiscal
4 ((biennia)) biennium, the legislature may transfer from the aquatic
5 lands enhancement account to the state general fund such amounts as
6 reflect excess fund balance of the account. During the 2011-2013
7 fiscal biennium, the aquatic lands enhancement account may be used to
8 support the shellfish program, the ballast water program, parks,
9 hatcheries, and the Puget Sound toxic sampling program at the
10 department of fish and wildlife, and the knotweed program at the
11 department of agriculture.

12 (2) In providing grants for aquatic lands enhancement projects, the
13 recreation and conservation funding board shall:

14 (a) Require grant recipients to incorporate the environmental
15 benefits of the project into their grant applications;

16 (b) Utilize the statement of environmental benefits, consideration,
17 except as provided in RCW 79.105.610, of whether the applicant is a
18 Puget Sound partner, as defined in RCW 90.71.010, whether a project is
19 referenced in the action agenda developed by the Puget Sound
20 partnership under RCW 90.71.310, and except as otherwise provided in
21 RCW 79.105.630, and effective one calendar year following the
22 development and statewide availability of model evergreen community
23 management plans and ordinances under RCW 35.105.050, whether the
24 applicant is an entity that has been recognized, and what gradation of
25 recognition was received, in the evergreen community recognition
26 program created in RCW 35.105.030 in its prioritization and selection
27 process; and

28 (c) Develop appropriate outcome-focused performance measures to be
29 used both for management and performance assessment of the grants.

30 (3) To the extent possible, the department should coordinate its
31 performance measure system with other natural resource-related agencies
32 as defined in RCW 43.41.270.

33 (4) The department shall consult with affected interest groups in
34 implementing this section.

35 (5) After January 1, 2010, any project designed to address the
36 restoration of Puget Sound may be funded under this chapter only if the
37 project is not in conflict with the action agenda developed by the
38 Puget Sound partnership under RCW 90.71.310.

1 **Sec. 933.** RCW 79A.25.200 and 2007 c 241 s 53 are each amended to
2 read as follows:

3 The recreation resource account is created in the state treasury.
4 Moneys in this account are subject to legislative appropriation. The
5 board shall administer the account in accordance with this chapter and
6 chapter 79A.35 RCW and shall hold it separate and apart from all other
7 money, funds, and accounts of the board. Moneys received from the
8 marine fuel tax refund account under RCW 79A.25.070 shall be deposited
9 into the account. Grants, gifts, or other financial assistance,
10 proceeds received from public bodies as administrative cost
11 contributions, and moneys made available to the state of Washington by
12 the federal government for outdoor recreation may be deposited into the
13 account. During the 2011-2013 fiscal biennia, the recreation resource
14 account may be used by the department of fish and wildlife for the
15 purposes of activities related to aquatic and marine enforcement.

16 **Sec. 934.** RCW 86.26.007 and 2011 1st sp.s. c 50 s 976 are each
17 amended to read as follows:

18 The flood control assistance account is hereby established in the
19 state treasury. At the beginning of the 2005-2007 fiscal biennium, the
20 state treasurer shall transfer three million dollars from the general
21 fund to the flood control assistance account. Each biennium thereafter
22 the state treasurer shall transfer four million dollars from the
23 general fund to the flood control assistance account, except that
24 during the ((2009-2011 and)) 2011-2013 fiscal ((biennia)) biennium, the
25 state treasurer shall transfer ((two)) one million dollars from the
26 general fund to the flood control assistance account. Moneys in the
27 flood control assistance account may be spent only after appropriation
28 for purposes specified under this chapter.

29 **Sec. 935.** RCW 90.48.390 and 2008 c 329 s 925 are each amended to
30 read as follows:

31 The coastal protection fund is established to be used by the
32 department as a revolving fund for carrying out the purposes of
33 restoration of natural resources under this chapter and chapter 90.56
34 RCW. To this fund there shall be credited penalties, fees, damages,
35 charges received pursuant to the provisions of this chapter and chapter

1 90.56 RCW, compensation for damages received under this chapter and
2 chapter 90.56 RCW, and an amount equivalent to one cent per gallon from
3 each marine use refund claim under RCW 82.36.330.

4 Moneys in the fund not needed currently to meet the obligations of
5 the department in the exercise of its powers, duties, and functions
6 under RCW 90.48.142, 90.48.366, 90.48.367, and 90.48.368 shall be
7 deposited with the state treasurer to the credit of the fund. During
8 the 2007-2009 fiscal biennium, the coastal protection fund may also be
9 used for a standby rescue tug at Neah Bay. During the 2011-2013 fiscal
10 biennium, the legislature may transfer from the coastal protection fund
11 to the state general fund such amounts as reflect excess fund balance
12 derived from penalties, forfeits, and seizures.

13 **Sec. 936.** 2010 c 23 s 205 (uncodified) is amended to read as
14 follows:

15 (1) The legislature finds that this state's tax policy with respect
16 to the taxation of transactions between affiliated entities and the
17 income derived from such transactions (intercompany transactions) has
18 motivated some taxpayers to engage in transactions designed solely or
19 primarily to minimize the tax effects of intercompany transactions.
20 The legislature further finds that some intercompany transactions
21 result from taxpayers that are required to establish affiliated
22 entities to comply with regulatory mandates and that transactions
23 between such affiliates effectively increases the tax burden in this
24 state on the affiliated group of entities.

25 (2) Therefore, as existing resources allow, the department of
26 revenue is directed to conduct a review of the state's tax policy with
27 respect to the taxation of intercompany transactions. The review must
28 include the impacts of such transactions under the state's business and
29 occupation tax and state and local sales and use taxes. The department
30 may include other taxes in the review as it deems appropriate.

31 (3) In conducting the review, the department must examine how this
32 state's tax policy compares to the tax policy of other states with
33 respect to the taxation of intercompany transactions. The department's
34 review must include an analysis of potential alternatives to the
35 current policy of taxing intercompany transactions, including their
36 estimated revenue impacts if practicable.

1 (4) In conducting this review, the department may seek input from
2 members of the business community and others as it deems appropriate.

3 (5) The department must report its findings to the fiscal
4 committees of the house of representatives and senate by December 1,
5 2010. However, if the department has not completed its review by
6 December 1, 2010, the department must provide the fiscal committees of
7 the legislature with a brief status report by December 1, 2010, and the
8 final report by December 1, (~~2011~~) 2012.

9 NEW SECTION. Sec. 937. A new section is added to 2011 1st sp.s.
10 c 50 (uncodified) to read as follows:

11 It is the intent of the legislature that regulatory agencies
12 receiving appropriations in this act work with the office of regulatory
13 assistance to:

14 (1) Establish a small business liaison team to assist small
15 businesses with permitting and regulatory issues.

16 (2) Take action to assure that additional violations or corrective
17 actions that could have been discovered and noted in the original
18 violation or correction notice are not subsequently added and to
19 provide a single list of any violations discovered during the
20 regulatory visit or inspection;

21 (3) Provide notice about when the business may expect the results
22 of a technical assistance or regulatory visit;

23 (4) Provide information about how the business may provide
24 anonymous feedback regarding a technical assistance or other regulatory
25 visit; and

26 (5) Provide information regarding the role of the agency's small
27 business liaison as a neutral party within the agency, as well as
28 contact information for the liaison.

29 NEW SECTION. Sec. 938. A new section is added to 2011 1st sp.s.
30 c 50 (uncodified) to read as follows:

31 Chapter 50, Laws of 2011 1st sp. sess. (the biennial operating
32 budget) included funding for the pension system cost of legislation
33 adopted during the 2011 session of the legislature. No supplemental
34 rates are authorized for funding that legislation during the remainder
35 of the 2011-2013 fiscal biennium. Pension contribution rates for the

1 public employees' retirement system, the public safety employees'
2 retirement system, the school employees' retirement systems, and the
3 teachers' retirement system are established.

4 (1) For the public employees' retirement system:

5 (a) Beginning April 1, 2012, an employer contribution rate of 7.08
6 percent shall be charged;

7 (b) Beginning July 1, 2012, an employer contribution rate of 7.21
8 percent shall be charged.

9 (2) For the public safety employees' retirement system:

10 (a) Beginning April 1, 2012, an employer contribution rate of 8.74
11 percent shall be charged;

12 (b) Beginning July 1, 2012, an employer contribution rate of 8.87
13 percent shall be charged.

14 (3) For the school employees' retirement system:

15 (a) Beginning April 1, 2012, an employer contribution rate of 7.58
16 percent shall be charged;

17 (b) Beginning September 1, 2012, an employer contribution rate of
18 7.59 percent shall be charged.

19 (4) For the teachers' retirement system:

20 (a) Beginning April 1, 2012, an employer contribution rate of 8.04
21 percent shall be charged; and

22 (b) Beginning September 21, 2012, an employer contribution rate of
23 8.05 percent shall be charged.

24 These rates are inclusive of a department of retirement systems
25 expense charge of 0.16 percent. The department of retirement systems
26 shall collect employee contributions as provided in chapter 41.45 RCW.

27 NEW SECTION. **Sec. 939.** If any provision of this act or its
28 application to any person or circumstance is held invalid, the
29 remainder of the act or the application of the provision to other
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 940.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of the
33 state government and its existing public institutions, and takes effect
34 immediately.

(End of Bill)

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1 Correct the title.

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