

ESB 5967 - H AMD
By Representative

ADOPTED AND ENGROSSED 3/8/12

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>\$29,721,000</u>
10	General Fund--State Appropriation (FY 2013)	((\$30,465,000))
11		<u>\$28,153,000</u>
12	Motor Vehicle Account--State Appropriation	((\$1,316,000))
13		<u>\$1,491,000</u>
14	TOTAL APPROPRIATION	((\$61,715,000))
15		<u>\$59,365,000</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 and local government
20 finance. The joint select committee will be composed of two members
21 from each caucus from the house of representatives and from the senate.
22 The joint select committee shall review junior taxing districts for the
23 purpose of evaluating their provided services and making
24 recommendations on the appropriateness of consolidating services into
25 a general purpose local government. The joint select committee shall
26 also examine new revenue options for local governments. In completing
27 its review and recommendations, the joint select committee shall seek
28 pertinent information and advice from: (1) Organizations representing

1 counties, cities, and junior taxing districts; (2) counties, cities,
2 and junior taxing districts; (3) the department of revenue; and (4) the
3 state 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>\$21,446,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$23,864,000))
10		<u>\$21,753,000</u>
11	Motor Vehicle Account--State Appropriation	((\$1,400,000))
12		<u>\$1,421,000</u>
13	TOTAL APPROPRIATION	((\$47,034,000))
14		<u>\$44,620,000</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 and local government
19 finance. The joint select committee will be composed of two members
20 from each caucus from the house of representatives and from the senate.
21 The joint select committee shall review junior taxing districts for the
22 purpose of evaluating their provided services and making
23 recommendations on the appropriateness of consolidating services into
24 a general purpose local government. The joint select committee shall
25 also examine new revenue options for local governments. In completing
26 its review and recommendations, the joint select committee shall seek
27 pertinent information and advice from: (1) Organizations representing
28 counties, cities, and junior taxing districts; (2) counties, cities,
29 and junior taxing districts; (3) the department of revenue; and (4) the
30 state auditor.

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

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

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

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

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

12 (6)(a) \$250,000 of the forest fire protection assessment account--
13 state appropriation is provided solely for the joint legislative audit
14 and review committee to provide analysis and recommendations to improve
15 the efficiency and effectiveness of the state's mechanisms for funding
16 fire prevention and suppression activities.

17 (b) The analysis must provide for: (i) Consultation with the
18 appropriate committees of the legislature, the office of financial
19 management, the department of natural resources, and appropriate
20 stakeholders at the onset of the analysis regarding the scope of and
21 timeline for the analysis and recommendations; (ii) by September 1,
22 2012, development of initial analysis of potential means to improve the
23 efficiency and effectiveness of the state's mechanisms for funding fire
24 prevention and suppression activities, including analysis of such
25 options as the use of private or state insurance, the increased use of
26 revolving accounts, and any examples where those mechanisms have been
27 previously utilized; (iii) following development of the initial
28 analysis under (b)(ii) of this subsection, distribution of the analysis
29 and solicitation of input from the entities identified in (b)(i) of
30 this subsection; and (iv) based on the input under (b)(iii) of this
31 subsection, development of recommendations for implementation of select
32 potential means to improve the efficiency and effectiveness of the
33 state's mechanisms for funding fire prevention and suppression
34 activities, including the necessary steps for implementation and
35 opportunities and risks associated with the identified mechanisms.

36 (c) By June 30, 2013, and consistent with RCW 43.01.036, the joint
37 legislative audit and review committee must provide a report to the

1 appropriate committees of the legislature, including the analysis and
2 recommendations developed under this subsection.

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

9 (a) The total costs to the department for producing trout at
10 department trout production facilities, by category of trout
11 production, to achieve the department's desired freshwater stocking
12 objectives;

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

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

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

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

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

23	General Fund--State Appropriation (FY 2012)	(((\$2,027,000))
24		<u>\$2,025,000</u>
25	General Fund--State Appropriation (FY 2013)	(((\$2,193,000))
26		<u>\$1,720,000</u>
27	TOTAL APPROPRIATION	(((\$4,220,000))
28		<u>\$3,745,000</u>

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

31 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

32	General Fund--State Appropriation (FY 2012)	(((\$8,016,000))
33		<u>\$8,013,000</u>
34	General Fund--State Appropriation (FY 2013)	(((\$7,911,000))
35		<u>\$7,676,000</u>
36	TOTAL APPROPRIATION	(((\$15,927,000))

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

4 **FOR THE OFFICE OF THE STATE ACTUARY**

5	((General Fund--State Appropriation (FY 2012)	\$24,000
6	General Fund--State Appropriation (FY 2013)	\$24,000))
7	Department of Retirement Systems Expense	
8	Account--State Appropriation	((\$3,344,000))
9		<u>\$3,323,000</u>
10	((TOTAL APPROPRIATION \$3,392,000))	

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

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

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

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

35 (2) The state actuary shall solicit the input of the law
36 enforcement officers' and fire fighters' retirement system plan 2
37 retirement board and organizations representing members and retirees of

1 the law enforcement officers' and fire fighters' retirement system plan
2 1 on the issue of the merger of the two plans, and include
3 representative submissions of the input of the organizations along with
4 the report.

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

7 **FOR THE STATUTE LAW COMMITTEE**

8	General Fund--State Appropriation (FY 2012)	((\$4,248,000))
9		<u>\$4,245,000</u>
10	General Fund--State Appropriation (FY 2013)	((\$4,689,000))
11		<u>\$4,523,000</u>
12	TOTAL APPROPRIATION	((\$8,937,000))
13		<u>\$8,768,000</u>

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

16 **FOR THE REDISTRICTING COMMISSION**

17	General Fund--State Appropriation (FY 2012)	\$1,627,000
18	General Fund--State Appropriation (FY 2013)	\$154,000
19	TOTAL APPROPRIATION	\$1,781,000

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

22 (1) \$443,000 of the general fund--state appropriation for fiscal
23 year 2012 is provided solely for the support of legislative
24 redistricting efforts. The commission shall enter into an interagency
25 agreement with the house of representatives and the senate for the
26 expenditure of these funds.

27 (2) The entire general fund--state appropriation for fiscal year
28 2013 is provided solely for the payment of expenses associated with the
29 cessation of the commission's operations. The secretary of the senate
30 and chief clerk of the house of representatives may jointly authorize
31 the expenditure of these funds.

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

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

35	General Fund--State Appropriation (FY 2013)	\$3,016,000
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1 determine the most effective delivery model for providing library
2 services.

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

5 **FOR THE COMMISSION ON JUDICIAL CONDUCT**

6	General Fund--State Appropriation (FY 2012)	((\$1,057,000))
7		<u>\$1,053,000</u>
8	General Fund--State Appropriation (FY 2013)	((\$991,000))
9		<u>\$975,000</u>
10	TOTAL APPROPRIATION	((\$2,048,000))
11		<u>\$2,028,000</u>

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

14 **FOR THE COURT OF APPEALS**

15	General Fund--State Appropriation (FY 2012)	((\$15,285,000))
16		<u>\$15,275,000</u>
17	General Fund--State Appropriation (FY 2013)	((\$15,290,000))
18		<u>\$15,168,000</u>
19	TOTAL APPROPRIATION	((\$30,575,000))
20		<u>\$30,443,000</u>

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

23 **FOR THE ADMINISTRATOR FOR THE COURTS**

24	General Fund--State Appropriation (FY 2012)	((\$50,692,000))
25		<u>\$50,725,000</u>
26	General Fund--State Appropriation (FY 2013)	((\$50,235,000))
27		<u>\$48,434,000</u>
28	General Fund--Federal Appropriation	\$2,532,000
29	General Fund--Private/Local Appropriation	\$390,000
30	Judicial Information Systems Account--State	
31	Appropriation	((\$42,414,000))
32		<u>\$42,362,000</u>
33	Judicial Stabilization Trust Account--State	
34	Appropriation	((\$5,414,000))
35		<u>\$5,954,000</u>

1 TOTAL APPROPRIATION ((~~\$151,677,000~~))
2 \$150,397,000

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

5 (1) \$1,800,000 of the general fund--state appropriation for fiscal
6 year 2012 and ((~~\$1,800,000~~)) \$1,399,000 of the general fund--state
7 appropriation for fiscal year 2013 are provided solely for school
8 districts for petitions to juvenile court for truant students as
9 provided in RCW 28A.225.030 and 28A.225.035. The office of the
10 administrator for the courts shall develop an interagency agreement
11 with the superintendent of public instruction to allocate the funding
12 provided in this subsection. Allocation of this money to school
13 districts shall be based on the number of petitions filed. This
14 funding includes amounts school districts may expend on the cost of
15 serving petitions filed under RCW 28A.225.030 by certified mail or by
16 personal service or for the performance of service of process for any
17 hearing associated with RCW 28A.225.030.

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

28 (b) Each fiscal year during the 2011-2013 fiscal biennium, each
29 county shall report the number of petitions processed and the total
30 actual costs of processing truancy, children in need of services, and
31 at-risk youth petitions. Counties shall submit the reports to the
32 administrator for the courts no later than 45 days after the end of the
33 fiscal year. The administrator for the courts shall electronically
34 transmit this information to the chairs and ranking minority members of
35 the house of representatives and senate ways and means committees no
36 later than 60 days after a fiscal year ends. These reports are deemed
37 informational in nature and are not for the purpose of distributing
38 funds.

1 (3) The distributions made under this subsection and distributions
2 from the county criminal justice assistance account made pursuant to
3 section 801 of this act constitute appropriate reimbursement for costs
4 for any new programs or increased level of service for purposes of RCW
5 43.135.060.

6 (4) \$265,000 of the general fund--state appropriation for fiscal
7 year 2012 is provided solely for the office of public guardianship to
8 provide guardianship services for low-income incapacitated persons.

9 (5) \$1,178,000 of the judicial information systems account--state
10 appropriation is provided solely for replacing computer equipment at
11 state courts and state judicial agencies.

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

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

35 (8) \$540,000 of the judicial stabilization trust account--state
36 appropriation is provided solely for the office of public guardianship
37 to continue guardianship services for those low-income incapacitated
38 persons who were receiving services on June 30, 2012.

1 public defender, the Washington defender association, the Washington
2 association of criminal defense lawyers, the administrative office of
3 the courts, the superior court judges association, the office of the
4 attorney general, the King county prosecuting attorney, the Washington
5 association of counties, and the department of social and health
6 services. At a minimum, the proposal should identify:

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

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

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

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

20 (3) \$6,065,000 of the general fund--state appropriation for fiscal
21 year 2013 is provided solely to implement Substitute Senate Bill No.
22 6493 (sexual predator commitment). If the bill is not enacted by June
23 30, 2012, the amount provided in this subsection shall lapse.

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

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

27	General Fund--State Appropriation (FY 2012)	((\$11,038,000))
28		<u>\$11,037,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$11,048,000))
30		<u>\$10,555,000</u>
31	Judicial Stabilization Trust Account--State	
32	Appropriation	((\$1,093,000))
33		<u>\$2,073,000</u>
34	TOTAL APPROPRIATION	((\$23,179,000))
35		<u>\$23,665,000</u>

36 The appropriations in this section are subject to the following
37 conditions and limitations: An amount not to exceed \$40,000 of the

1 general fund--state appropriation for fiscal year 2012 and an amount
2 not to exceed \$40,000 of the general fund--state appropriation for
3 fiscal year 2013 may be used to provide telephonic legal advice and
4 assistance to otherwise eligible persons who are sixty years of age or
5 older on matters authorized by RCW 2.53.030(2) (a) through (k)
6 regardless of household income or asset level.

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

9 **FOR THE OFFICE OF THE GOVERNOR**

10	General Fund--State Appropriation (FY 2012)	((\$5,311,000))
11		<u>\$5,102,000</u>
12	General Fund--State Appropriation (FY 2013)	((\$5,292,000))
13		<u>\$5,247,000</u>
14	Economic Development Strategic Reserve Account--State	
15	Appropriation	\$1,500,000
16	TOTAL APPROPRIATION	((\$12,103,000))
17		<u>\$11,849,000</u>

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

20 (1) \$1,500,000 of the economic development strategic reserve
21 account appropriation is provided solely for efforts to assist with
22 currently active industrial recruitment efforts that will bring new
23 jobs to the state or will retain headquarter locations of major
24 companies currently housed in the state.

25 (2) ((~~\$547,000~~)) \$540,000 of the general fund--state appropriation
26 for fiscal year 2012 and ((~~\$547,000~~)) \$526,000 of the general fund--
27 state appropriation for fiscal year 2013 are provided solely for the
28 office of the education ombudsman.

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

31 **FOR THE LIEUTENANT GOVERNOR**

32	General Fund--State Appropriation (FY 2012)	((\$687,000))
33		<u>\$650,000</u>
34	General Fund--State Appropriation (FY 2013)	((\$698,000))
35		<u>\$651,000</u>
36	General Fund--Private/Local Appropriation	\$90,000

1 TOTAL APPROPRIATION ((~~\$1,475,000~~))
2 \$1,391,000

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

5 **FOR THE PUBLIC DISCLOSURE COMMISSION**
6 General Fund--State Appropriation (FY 2012) ((~~\$2,106,000~~))
7 \$2,009,000
8 General Fund--State Appropriation (FY 2013) ((~~\$2,129,000~~))
9 \$1,948,000
10 TOTAL APPROPRIATION ((~~\$4,235,000~~))
11 \$3,957,000

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

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

20 **FOR THE SECRETARY OF STATE**
21 General Fund--State Appropriation (FY 2012) ((~~\$16,014,000~~))
22 \$16,047,000
23 General Fund--State Appropriation (FY 2013) ((~~\$12,862,000~~))
24 \$8,613,000
25 General Fund--Federal Appropriation ((~~\$7,338,000~~))
26 \$7,326,000
27 Public Records Efficiency, Preservation, and Access
28 Account--State Appropriation ((~~\$7,950,000~~))
29 \$7,077,000
30 Charitable Organization Education Account--State
31 Appropriation ((~~\$452,000~~))
32 \$362,000
33 Local Government Archives Account--State
34 Appropriation ((~~\$10,557,000~~))
35 \$8,516,000
36 Election Account--Federal Appropriation ((~~\$17,288,000~~))

1		<u>\$17,284,000</u>
2	Washington State Heritage Center Account--State	
3	Appropriation	((<u>\$1,028,000</u>))
4		<u>\$5,028,000</u>
5	TOTAL APPROPRIATION	((<u>\$73,489,000</u>))
6		<u>\$70,253,000</u>

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

9 (1) \$3,898,000 of the general fund--state appropriation for fiscal
10 year 2012 is provided solely to reimburse counties for the state's
11 share of primary and general election costs and the costs of conducting
12 mandatory recounts on state measures. Counties shall be reimbursed
13 only for those odd-year election costs that the secretary of state
14 validates as eligible for reimbursement.

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

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

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

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

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

7 (ii) Making contributions reportable under chapter 42.17 RCW; or
8 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
9 lodging, meals, or entertainment to a public officer or employee.

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

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

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

16	General Fund--State Appropriation (FY 2012)	(((\$259,000))
17		<u>\$247,000</u>
18	General Fund--State Appropriation (FY 2013)	(((\$267,000))
19		<u>\$250,000</u>
20	TOTAL APPROPRIATION	(((\$526,000))
21		<u>\$497,000</u>

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

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

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

36	General Fund--State Appropriation (FY 2012)	(((\$236,000))
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1 and to assist the state special education safety net committee when
2 requested.

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

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

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

14	General Fund--State Appropriation (FY 2012)	(((\$158,000))
15		<u>\$143,000</u>
16	General Fund--State Appropriation (FY 2013)	(((\$195,000))
17		<u>\$184,000</u>
18	TOTAL APPROPRIATION	(((\$353,000))
19		<u>\$327,000</u>

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

22 **FOR THE ATTORNEY GENERAL**

23	General Fund--State Appropriation (FY 2012)	\$4,758,000
24	General Fund--State Appropriation (FY 2013)	(((\$2,727,000))
25		<u>\$7,690,000</u>
26	General Fund--Federal Appropriation	(((\$8,819,000))
27		<u>\$10,015,000</u>
28	New Motor Vehicle Arbitration Account--State	
29	Appropriation	(((\$972,000))
30		<u>\$968,000</u>
31	Legal Services Revolving Account--State	
32	Appropriation	(((\$206,617,000))
33		<u>\$194,494,000</u>
34	Tobacco Prevention and Control Account--State	
35	Appropriation	\$270,000
36	<u>Medicaid Fraud Penalty Account--State Appropriation</u>	<u>\$1,129,000</u>

1 TOTAL APPROPRIATION ((~~\$224,163,000~~))
2 \$219,324,000

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

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

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

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

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

32 (5) \$62,000 of the legal services revolving fund--state
33 appropriation is provided solely to implement House Bill No. 1770
34 (state purchasing). If the bill is not enacted by June 30, 2011, the
35 amount provided in this subsection shall lapse.

36 (6) \$5,924,000 of the legal services revolving account--state
37 appropriation is provided solely to implement House Bill No. 2123

1 (workers' compensation). If the bill is not enacted by June 30, 2011,
2 the amount provided in this subsection shall lapse.

3 (7) The office of the attorney general is authorized to expend
4 \$2,100,000 from the Zyprexa and other *cy pres* awards towards consumer
5 protection costs in accordance with uses authorized in the court
6 orders.

7 (8) \$96,000 of the legal services revolving fund--state
8 appropriation is provided solely to implement Senate Bill No. 5076
9 (financial institutions). If the bill is not enacted by June 30, 2011,
10 the amount provided in this subsection shall lapse.

11 (9) \$99,000 of the legal services revolving fund--state
12 appropriation is provided solely to implement Engrossed Second
13 Substitute Senate Bill No. 5769 (coal-fired generation). If the bill
14 is not enacted by June 30, 2011, the amount provided in this subsection
15 shall lapse.

16 (10) \$416,000 of the legal services revolving fund--state
17 appropriation is provided solely to implement Substitute Senate Bill
18 No. 5801 (industrial insurance system). If the bill is not enacted by
19 June 30, 2011, the amount provided in this subsection shall lapse.

20 (11) \$31,000 of the legal services revolving fund--state
21 appropriation is provided solely to implement Engrossed Substitute
22 Senate Bill No. 5021 (election campaign disclosure). If the bill is
23 not enacted by June 30, 2011, the amount provided in this subsection
24 shall lapse.

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

37 (13) \$11,000 of the legal services revolving fund--state

1 appropriation is provided solely to implement House Bill No. 2301
2 (boxing, martial arts, wrestling). If the bill is not enacted by June
3 30, 2012, the amount provided in this subsection shall lapse.

4 (14) \$28,000 of the legal services revolving fund--state
5 appropriation is provided solely to implement House Bill No. 2253
6 (state environmental policy act). If the bill is not enacted by June
7 30, 2012, the amount provided in this subsection shall lapse.

8 (15) \$56,000 of the legal services revolving fund--state
9 appropriation is provided solely to implement House Bill No. 2319
10 (affordable care act). If the bill is not enacted by June 30, 2012,
11 the amount provided in this subsection shall lapse.

12 (16) \$5,743,000 of the general fund--state appropriation for fiscal
13 year 2013 is provided solely for the legal costs associated with the
14 evaluation, filing, prosecution, response to petitions for release, and
15 appeal of sexually violent predator civil commitment cases, as provided
16 in chapter 71.09 RCW. Within the amount provided in this subsection,
17 the attorney general may enter into an interagency agreement with a
18 county prosecutor to perform prosecution services pursuant to chapter
19 71.09 RCW.

20 (17) \$94,000 of the legal services revolving fund--state
21 appropriation is provided solely to implement Senate Bill No. 6103
22 (reflexology and massage therapy). If the bill is not enacted by June
23 30, 2012, the amount provided in this subsection shall lapse.

24 (18) \$47,000 of the legal services revolving fund--state
25 appropriation is provided solely for implementation of Engrossed
26 Substitute Senate Bill No. 6406 (state natural resources). If the bill
27 is not enacted by June 30, 2012, the amount provided in this subsection
28 shall lapse.

29 (19) \$57,000 of the legal services revolving fund--state
30 appropriation is provided solely for implementation of Engrossed
31 Substitute Senate Bill No. 6237 (medical assistants). If the bill is
32 not enacted by June 30, 2012, the amount provided in this subsection
33 shall lapse.

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

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

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

6 **FOR THE CASELOAD FORECAST COUNCIL**

7	General Fund--State Appropriation (FY 2012)	((\$1,310,000))
8		<u>\$1,238,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$1,309,000))
10		<u>\$1,219,000</u>
11	TOTAL APPROPRIATION	((\$2,619,000))
12		<u>\$2,457,000</u>

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

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

24 (2) \$57,000 of the general fund--state appropriation for fiscal
25 year 2012 and \$57,000 of the general fund--state appropriation for
26 fiscal year 2013 are provided solely for the implementation of Senate
27 Bill No. 5304 (college bound scholarship).

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

30 **FOR THE DEPARTMENT OF COMMERCE**

31	General Fund--State Appropriation (FY 2012)	((\$57,261,000))
32		<u>\$56,811,000</u>
33	General Fund--State Appropriation (FY 2013)	((\$72,459,000))
34		<u>\$73,379,000</u>
35	General Fund--Federal Appropriation	((\$282,185,000))
36		<u>\$338,592,000</u>

1	General Fund--Private/Local Appropriation	((\$4,989,000))
2		<u>\$4,936,000</u>
3	Public Works Assistance Account--State	
4	Appropriation	((\$2,764,000))
5		<u>\$2,733,000</u>
6	Drinking Water Assistance Administrative	
7	Account--State Appropriation	\$437,000
8	Lead Paint Account--State Appropriation	\$65,000
9	Building Code Council Account--State Appropriation	\$13,000
10	Home Security Fund Account--State Appropriation	((\$16,652,000))
11		<u>\$21,007,000</u>
12	Affordable Housing for All Account--State	
13	Appropriation	((\$11,902,000))
14		<u>\$11,899,000</u>
15	County Research Services Account--State	
16	Appropriation	((\$1,081,000))
17		<u>\$541,000</u>
18	Financial Fraud and Identity Theft Crimes Investigation	
19	and Prosecution Account--State Appropriation	\$1,166,000
20	Low-Income Weatherization Assistance Account--State	
21	Appropriation	((\$5,778,000))
22		<u>\$2,427,000</u>
23	City and Town Research Services Account--State	
24	Appropriation	((\$5,166,000))
25		<u>\$2,579,000</u>
26	(Manufacturing Innovation and Modernization	
27	Account--State Appropriation	\$61,000)
28	Community and Economic Development Fee Account--State	
29	Appropriation	((\$6,488,000))
30		<u>\$6,781,000</u>
31	Washington Housing Trust Account--State	
32	Appropriation	((\$17,498,000))
33		<u>\$17,444,000</u>
34	Prostitution Prevention and Intervention Account--	
35	State Appropriation	\$86,000
36	Public Facility Construction Loan Revolving	
37	Account--State Appropriation	((\$755,000))
38		<u>\$748,000</u>

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

5 (9) \$127,000 of the general fund--federal appropriation is provided
6 solely for implementation of Substitute House Bill No. 1886
7 (Ruckelshaus center process). If the bill is not enacted by June 30,
8 2011, the amount provided in this subsection shall lapse.

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

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

28 (12) \$2,000,000 of the community and economic development fee
29 account appropriation is provided solely for the department of commerce
30 for services to homeless families through the Washington families fund.

31 (13) (~~(\$260,000)~~) \$234,000 of the general fund--state appropriation
32 for fiscal year 2012 and (~~(\$259,000)~~) \$233,000 of the general fund--
33 state appropriation for fiscal year 2013 are provided solely for the
34 Washington asset building coalitions.

35 (14) \$1,859,000 of the general fund--state appropriation for fiscal
36 year 2012 and \$1,859,000 of the general fund--state appropriation for
37 fiscal year 2013 are provided solely for innovative research teams,
38 also known as entrepreneurial STARS, at higher education research

1 institutions, and for entrepreneurs-in-residence programs at higher
2 education research institutions and entrepreneurial assistance
3 organizations. Of these amounts no more than \$50,000 in fiscal year
4 2012 and no more than \$50,000 in fiscal year 2013 may be provided for
5 the operation of entrepreneurs-in-residence programs at entrepreneurial
6 assistance organizations external to higher education research
7 institutions.

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

13 (16) \$16,000 of the general fund--state appropriation for fiscal
14 year 2012 is provided solely to implement section 503 of Substitute
15 House Bill No. 1277 (licensed settings for vulnerable adults). The
16 long-term care ombudsman shall convene an adult family home quality
17 assurance panel to review problems concerning the quality of care for
18 residents in adult family homes. If Substitute House Bill No. 1277
19 (licensed settings for vulnerable adults) is not enacted by June 30,
20 2011, the amount provided in this subsection shall lapse.

21 (17) \$24,605,000 of the general fund--state appropriation for
22 fiscal year 2012 and \$39,527,000 of the general fund--state
23 appropriation for fiscal year 2013 are provided solely for
24 establishment of the essential needs and housing support program
25 created in Engrossed Substitute House Bill No. 2082 (essential needs
26 and assistance program). The department of commerce shall contract for
27 these services with counties or community-based organizations involved
28 in providing essential needs and housing supports to low-income persons
29 who meet eligibility pursuant to Engrossed Substitute House Bill No.
30 2082. The department shall limit the funding used for administration
31 of the program to no more than five percent. Counties and community
32 providers shall limit the funding used for administration of the
33 program to no more than seven percent.

34 (a) Of the amounts provided in this subsection, \$4,000,000 is
35 provided solely for essential needs to clients who meet the eligibility
36 established in Engrossed Substitute House Bill No. 2082. Counties and
37 community-based organizations shall distribute basic essential products
38 in a manner that prevents abuse. To the greatest extent possible, the

1 counties or community-based organizations shall leverage local or
2 private funds, and volunteer support to acquire and distribute the
3 basic essential products.

4 (b) Of the amounts provided in this subsection, (~~(\$30,000,000)~~)
5 \$60,000,000 is provided solely for housing support services to
6 individuals who are homeless or who may become homeless, and are
7 eligible for services under this program pursuant to Engrossed
8 Substitute House Bill No. 2082.

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

14 (18) \$4,380,000 of the home security fund--state appropriation is
15 provided solely for the department to provide homeless housing services
16 in accordance with Engrossed Substitute House Bill No. 2048 (housing
17 assistance surcharges). If Engrossed Substitute House Bill No. 2048
18 (housing assistance surcharges) is not enacted by June 30, 2012, the
19 amounts provided in this subsection shall lapse.

20 (19) \$85,000 of the general fund--state appropriation for fiscal
21 year 2013 is provided solely for the developmental disabilities council
22 to contract for a family-to-family mentor program to provide
23 information and support to families and guardians of persons who are
24 transitioning out of residential habilitation centers. To the maximum
25 extent allowable under federal law, these funds shall be matched under
26 medicaid through the department of social and health services and
27 federal funds shall be transferred to the department for the purposes
28 stated in this subsection.

29 (20) \$484,000 of the general fund--state appropriation for fiscal
30 year 2013 and \$2,315,000 of the liquor revolving account--state
31 appropriation are provided solely for the department to contract with
32 the municipal research and services center of Washington.

33 (21) \$1,000,000 of the general fund--state appropriation for fiscal
34 year 2013 is provided solely for deposit in the shelter to housing
35 project account, hereby created in the custody of the state treasurer
36 as a nonappropriated account. The department may expend funds from the
37 account solely for a two-year pilot project to enable young adults to
38 move from temporary emergency shelter housing to transitional and

1 permanent housing throughout King county. The pilot project will be
 2 administered under contract with the YMCA of greater Seattle in
 3 collaboration with the rising out of the shadows young adult shelter.
 4 Funding may be used for case management, housing subsidy,
 5 transportation, shelter services, training and evaluation. The pilot
 6 project and the shelter to housing project account expire December 31,
 7 2014.

8 (22) \$12,000 of the general fund--state appropriation for fiscal
 9 year 2013 is provided solely to implement Engrossed Second Substitute
 10 Senate Bill No. 5292 (irrigation and port districts). If the bill is
 11 not enacted by June 30, 2012, the amount provided in this subsection
 12 shall lapse.

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

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

16	General Fund--State Appropriation (FY 2012)	(((\$674,000))
17		<u>\$648,000</u>
18	General Fund--State Appropriation (FY 2013)	(((\$728,000))
19		<u>\$699,000</u>
20	Lottery Administrative Account--State Appropriation	\$50,000
21	TOTAL APPROPRIATION	(((\$1,452,000))
22		<u>\$1,397,000</u>

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

25 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

26	General Fund--State Appropriation (FY 2012)	(((\$18,627,000))
27		<u>\$18,344,000</u>
28	General Fund--State Appropriation (FY 2013)	(((\$18,851,000))
29		<u>\$18,367,000</u>
30	General Fund--Federal Appropriation	(((\$31,534,000))
31		<u>\$31,530,000</u>
32	General Fund--Private/Local Appropriation	(((\$1,270,000))
33		<u>\$1,370,000</u>
34	Performance Audits of Government Account--State	
35	Appropriation	(((\$25,000))
36		<u>\$198,000</u>

1 to prepare a report to be used to initiate a comprehensive, long-range
2 planning process for the future of McNeil Island during the 2013-2015
3 fiscal biennium.

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

5 (i) Ownership issues, including consultation with the federal
6 government about its current legal requirements associated with the
7 island;

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

10 (iii) Tribal treaty interests;

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

12 (v) Land use and public safety needs;

13 (vi) Recreational opportunities for the general public;

14 (vii) Historic and archaeological resources; and

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

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

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

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

26 (i) Federal agencies with relevant responsibilities;

27 (ii) Tribal governments;

28 (iii) State agencies;

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

31 (v) Interested private organizations and individuals.

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

34 (4) The appropriations in this section include funding for
35 activities transferred from the sentencing guidelines commission to the
36 office of financial management pursuant to Engrossed Substitute Senate
37 Bill No. 5891 (criminal justice cost savings). Prior to the effective
38 date of Engrossed Substitute Senate Bill No. 5891, the appropriations

1 in this section may be expended for the continued operations and
2 expenses of the sentencing guidelines commission pursuant to the
3 expenditure authority schedule produced by the office of financial
4 management in accordance with chapter 43.88 RCW.

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

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

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

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

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

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

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

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

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

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

25 (i) How agencies currently procure interpreter services;

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

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

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

36 (c) The office of financial management, in consultation with the
37 department of labor and industries, must determine the impact that any

1 alternative approach to procuring interpreter services will have on
2 medical providers.

- 3 (d) The report must include:
- 4 (i) Analysis of the current process for procuring interpreter
- 5 services;
- 6 (ii) Recommendations regarding options to make obtaining
- 7 interpreter services more consistent and cost-effective; and
- 8 (iii) Estimates for potential cost savings.
- 9 (e) The office of financial management must report to the fiscal
- 10 committees of the legislature by December 1, 2012.

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

13 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

14 Administrative Hearings Revolving Account--State

15 Appropriation	((\$34,043,000))
16	<u>\$35,703,000</u>

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

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

25 **FOR THE WASHINGTON STATE LOTTERY**

26 Lottery Administrative Account--State

27 Appropriation	((\$25,709,000))
28	<u>\$24,691,000</u>

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

31 **FOR THE COMMISSION ON HISPANIC AFFAIRS**

32 General Fund--State Appropriation (FY 2012)	((\$246,000))
33	<u>\$233,000</u>
34 General Fund--State Appropriation (FY 2013)	((\$250,000))
35	<u>\$234,000</u>

1 TOTAL APPROPRIATION ((~~\$496,000~~))
2 \$467,000

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

5 **FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**
6 General Fund--State Appropriation (FY 2012) ((~~\$239,000~~))
7 \$219,000
8 General Fund--State Appropriation (FY 2013) ((~~\$238,000~~))
9 \$226,000
10 TOTAL APPROPRIATION ((~~\$477,000~~))
11 \$445,000

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

14 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS**
15 Department of Retirement Systems Expense
16 Account--State Appropriation ((~~\$47,049,000~~))
17 \$46,511,000

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

20 (1) \$146,000 of the department of retirement systems--state
21 appropriation is provided solely for the administrative costs
22 associated with implementation of House Bill No. 2070 (state and local
23 government employees). If the bill is not enacted by June 30, 2011,
24 the amount provided in this subsection shall lapse.

25 (2) \$65,000 of the department of retirement systems--state
26 appropriation is provided solely for the administrative costs
27 associated with implementation of House Bill No. 1625 (plan 3 default
28 investment option). If the bill is not enacted by June 30, 2011, the
29 amount provided in this subsection shall lapse.

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

35 (4) \$15,000 of the department of retirement systems expense
36 account--state appropriation is provided solely for the administrative

1 costs associated with implementation of Substitute House Bill No. 2021
2 (plan 1 annual increase amounts). If the bill is not enacted by June
3 30, 2011, the amount provided in this section shall lapse.

4 (5) \$32,000 of the department of retirement systems--state
5 appropriation is provided solely for the administrative costs
6 associated with implementation of Engrossed Senate Bill No. 5159 (state
7 patrol retirement system service credit). If the bill is not enacted
8 by June 30, 2012, the amount provided in this subsection shall lapse.

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

11 **FOR THE DEPARTMENT OF REVENUE**

12	General Fund--State Appropriation (FY 2012)	((\$100,927,000))
13		<u>\$100,694,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$100,801,000))
15		<u>\$99,220,000</u>
16	Timber Tax Distribution Account--State Appropriation . .	((\$5,940,000))
17		<u>\$5,900,000</u>
18	Waste Reduction/Recycling/Litter Control--State	
19	Appropriation	\$129,000
20	Waste Tire Removal Account--State Appropriation	\$2,000
21	State Toxics Control Account--State Appropriation	\$87,000
22	Oil Spill Prevention Account--State Appropriation	\$19,000
23	Master License Fund--State Appropriation	((\$14,012,000))
24		<u>\$13,922,000</u>
25	Vehicle License Fraud Account--State Appropriation	\$5,000
26	Performance Audits of Government Account--State	
27	Appropriation	\$3,188,000
28	TOTAL APPROPRIATION	((\$225,110,000))
29		<u>\$223,166,000</u>

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

32 **FOR THE BOARD OF TAX APPEALS**

33	General Fund--State Appropriation (FY 2012)	((\$1,241,000))
34		<u>\$1,200,000</u>
35	General Fund--State Appropriation (FY 2013)	((\$1,219,000))
36		<u>\$1,139,000</u>

1 TOTAL APPROPRIATION ((~~\$2,460,000~~))
2 \$2,339,000

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

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

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

10 **FOR THE INSURANCE COMMISSIONER**
11 General Fund--Federal Appropriation ((~~\$4,452,000~~))
12 \$4,450,000
13 Insurance Commissioners Regulatory Account--State
14 Appropriation ((~~\$47,514,000~~))
15 \$48,015,000
16 TOTAL APPROPRIATION ((~~\$51,966,000~~))
17 \$52,465,000

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

- 20 (1) \$75,000 of the insurance commissioner's regulatory
21 account--state appropriation is provided solely for the implementation
22 of Substitute Senate Bill No. 5445 (health benefit exchange).
23 (2) \$42,000 of the insurance commissioner's regulatory
24 account--state appropriation is provided solely for the implementation
25 of Senate Bill No. 5213 (insurance statutes).
26 (3) \$758,000 of the insurance commissioners regulatory account--
27 state appropriation is provided solely to implement Engrossed Second
28 Substitute House Bill No. 2319 (affordable care act). If the bill is
29 not enacted by June 30, 2012, the amount provided in this subsection
30 shall lapse.

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

33 **FOR THE STATE INVESTMENT BOARD**
34 State Investment Board Expense Account--State
35 Appropriation ((~~\$29,256,000~~))

1 \$29,076,000

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

4 **FOR THE LIQUOR CONTROL BOARD**

5	Liquor Control Board Construction and Maintenance	
6	Account--State Appropriation	((\$10,081,000))
7		<u>\$3,063,000</u>
8	Liquor Revolving Account--State Appropriation	((\$176,238,000))
9		<u>\$171,974,000</u>
10	General Fund--Federal Appropriation	((\$120,000))
11		<u>\$945,000</u>
12	<u>General Fund--Private/Local Appropriation</u>	<u>\$25,000</u>
13	TOTAL APPROPRIATION	((\$186,439,000))
14		<u>\$176,007,000</u>

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

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

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

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

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

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

4 (c) The following job classifications are eligible:

5 (i) Liquor store clerk;

6 (ii) Retail assistant store manager 1;

7 (iii) Retail assistant store manager 2;

8 (iv) Retail store manager 3;

9 (v) Retail store manager 4;

10 (vi) Retail district manager;

11 (vii) Retail operations manager;

12 (viii) Director of retail services;

13 (ix) Director of distribution center;

14 (x) Director of purchasing;

15 (xi) Director of business enterprise;

16 (xii) Warehouse operator 1;

17 (xiii) Warehouse operator 2;

18 (xiv) Warehouse operator 3; and

19 (xv) Warehouse operator 4; and

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

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

25 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

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

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

28 \$11,166,000

29 Public Service Revolving Account--State

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

31 \$30,873,000

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

33 \$3,183,000

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

35 \$2,844,000

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

37 \$48,568,000

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

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

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

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

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

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

19 **FOR THE MILITARY DEPARTMENT**

20	General Fund--State Appropriation (FY 2012)	(((\$7,175,000))
21		<u>\$7,122,000</u>
22	General Fund--State Appropriation (FY 2013)	(((\$7,175,000))
23		<u>\$6,971,000</u>
24	General Fund--Federal Appropriation	(((\$159,181,000))
25		<u>\$159,075,000</u>
26	Enhanced 911 Account--State Appropriation	(((\$46,556,000))
27		<u>\$48,620,000</u>
28	Disaster Response Account--State Appropriation	(((\$17,933,000))
29		<u>\$23,119,000</u>
30	Disaster Response Account--Federal Appropriation	(((\$66,266,000))
31		<u>\$91,368,000</u>
32	Military Department Rent and Lease Account--State	
33	Appropriation	\$615,000
34	Worker and Community Right-to-Know Account--State	
35	Appropriation	(((\$2,165,000))
36		<u>\$2,163,000</u>
37	TOTAL APPROPRIATION	(((\$307,066,000))

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

(1) \$18,018,000 of the disaster response account--state appropriation and \$66,266,000 of the disaster response account--federal appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall submit a report to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2011-2013 biennium based on current revenue and expenditure patterns.

(2) \$75,000,000 of the general fund--federal appropriation is provided solely for homeland security, subject to the following conditions:

(a) Any communications equipment purchased by local jurisdictions or state agencies shall be consistent with standards set by the Washington state interoperability executive committee; and

(b) The department shall submit an annual report to the office of financial management and the legislative fiscal committees detailing the governor's domestic security advisory group recommendations; homeland security revenues and expenditures, including estimates of total federal funding for the state; and incremental changes from the previous estimate.

Sec. 145. 2011 2nd sp.s. c 9 s 131 (uncodified) is amended to read as follows:

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2012)	((\$2,346,000))
	<u>\$2,104,000</u>
General Fund--State Appropriation (FY 2013)	((\$2,400,000))
	<u>\$2,133,000</u>
Higher Education Personnel Services Account--State	
Appropriation	((\$251,000))
	<u>\$276,000</u>
Department of Personnel Service Account--State	

1 this subsection shall continue to enjoy all of the same rights of
2 occupancy and space use on the capitol campus as historically
3 established.

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

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

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

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

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

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

28 **FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS**

29 Volunteer Firefighters' and Reserve Officers'

30 Administrative Account--State Appropriation ((\$1,064,000))
31 \$1,039,000

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

34 **FOR INNOVATE WASHINGTON**

35 General Fund--State Appropriation (FY 2012) ((\$2,999,000))
36 \$2,879,000

1 General Fund--State Appropriation (FY 2013) ((~~\$3,011,000~~))
 2 \$2,773,000
 3 TOTAL APPROPRIATION ((~~\$6,010,000~~))
 4 \$5,652,000

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

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

13 **FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION**
 14 Washington State Heritage Center Account--State
 15 Appropriation ((~~\$2,517,000~~))
 16 \$2,487,000
 17 General Fund--Federal Appropriation ((~~\$1,908,000~~))
 18 \$1,904,000
 19 General Fund--Private/Local Appropriation \$14,000
 20 TOTAL APPROPRIATION ((~~\$4,439,000~~))
 21 \$4,405,000

(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 MICP 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.

37 (4) The legislature finds that medicaid payment rates, as
38 calculated by the department pursuant to the appropriations in this

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

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

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

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

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

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

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

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

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

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

34 (2) \$668,000 of the general fund--state appropriation for fiscal
35 year 2012 and \$668,000 of the general fund--state appropriation for
36 fiscal year 2013 are provided solely to contract for the operation of
37 one pediatric interim care center. The center shall provide

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

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

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

35 (4) \$176,000 of the general fund--state appropriation for fiscal
36 year 2012, \$177,000 of the general fund--state appropriation for fiscal
37 year 2013, \$656,000 of the general fund--private/local appropriation,
38 \$253,000 of the general fund--federal appropriation, and \$725,000 of

1 the education legacy trust account--state appropriation are provided
2 solely for children's administration to contract with an educational
3 advocacy provider with expertise in foster care educational outreach.
4 The amounts in this subsection are provided solely for contracted
5 education coordinators to assist foster children in succeeding in K-12
6 and higher education systems and to assure a focus on education during
7 the transition to performance based contracts. Funding shall be
8 prioritized to regions with high numbers of foster care youth and/or
9 regions where backlogs of youth that have formerly requested
10 educational outreach services exist. The department shall utilize
11 private matching funds to maintain educational advocacy services.

12 (5) \$670,000 of the general fund--state appropriation for fiscal
13 year 2012 and \$670,000 of the general fund--state appropriation for
14 fiscal year 2013 are provided solely for services provided through
15 children's advocacy centers.

16 (6) To ensure expenditures remain within available funds
17 appropriated in this section as required by RCW 74.13A.005 and
18 74.13A.020, the secretary shall not set the amount of any adoption
19 assistance payment or payments, made pursuant to RCW 26.33.320 and
20 74.13A.005 through 74.13A.080, to more than ninety percent of the
21 foster care maintenance payment for that child had he or she remained
22 in a foster family home during the same period. This subsection does
23 not apply to adoption assistance agreements in existence on the
24 effective date of this section.

25 (7) \$10,741,000 of the home security fund--state appropriation is
26 provided solely for the department to contract for services pursuant to
27 RCW 13.32A.030 and 74.15.220. The department shall contract and
28 collaborate with service providers in a manner that maintains the
29 availability and geographic representation of secure and semi-secure
30 crisis residential centers and HOPE centers. To achieve efficiencies
31 and increase utilization, the department shall allow the co-location of
32 these centers, except that a youth may not be placed in a secure
33 facility or the secure portion of a co-located facility except as
34 specifically authorized by chapter 13.32A RCW. The reductions to
35 appropriations in this subsection related to semi-secure crisis
36 residential centers reflect a reduction to the number of beds for semi-
37 secure crisis residential centers and not a reduction in rates. Any
38 secure crisis residential center or semi-secure crisis residential

1 center bed reduction shall not be based solely upon bed utilization.
2 The department is to exercise its discretion in reducing the number of
3 beds but to do so in a manner that maintains availability and
4 geographic representation of semi-secure and secure crisis residential
5 centers.

6 (8) \$47,000 of the general fund--state appropriation for fiscal
7 year 2012, \$14,000 of the general fund--state appropriation for fiscal
8 year 2013, and \$40,000 of the general fund--federal appropriation are
9 provided solely to implement Substitute House Bill No. 1697 (dependency
10 system). If the bill is not enacted by June 30, 2011, the amounts
11 provided in this subsection shall lapse.

12 (9) \$564,000 of the general fund--federal appropriation is provided
13 solely to implement Second Substitute House Bill No. 1128 (extended
14 foster care). If the bill is not enacted by June 30, 2011, the amount
15 provided in this subsection shall lapse.

16 (10) \$799,000 of the general fund--state appropriation for fiscal
17 year 2013 and \$799,000 of the general fund--federal appropriation are
18 provided solely for the implementation of Engrossed Second Substitute
19 House Bill No. 2264 (child welfare/contracting). If the bill is not
20 enacted by June 30, 2012, the amounts provided in this subsection shall
21 lapse.

22 (11) \$178,000 of the general fund--federal appropriation is
23 provided solely for the implementation of Engrossed Second Substitute
24 House Bill No. 2592 (extended foster care). If the bill is not enacted
25 by June 30, 2012, the amount provided in this subsection shall lapse.

26 (12) \$616,000 of the general fund--state appropriation for fiscal
27 year 2013 and \$616,000 of the general fund--federal appropriation are
28 provided solely for the implementation of Engrossed Substitute Senate
29 Bill No. 6555 (child protective services). If the bill is not enacted
30 by June 30, 2012, the amounts provided in this subsection shall lapse.

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

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

35	General Fund--State Appropriation (FY 2012)	((\$86,684,000))
36		<u>\$85,731,000</u>
37	General Fund--State Appropriation (FY 2013)	((\$86,505,000))

1		<u>\$85,274,000</u>
2	General Fund--Federal Appropriation	((\$3,758,000))
3		<u>\$3,809,000</u>
4	General Fund--Private/Local Appropriation	\$1,903,000
5	Washington Auto Theft Prevention Authority Account--	
6	State Appropriation	\$196,000
7	Juvenile Accountability Incentive Account--Federal	
8	Appropriation	\$2,801,000
9	TOTAL APPROPRIATION	((\$181,847,000))
10		<u>\$179,714,000</u>

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

13 (1) \$331,000 of the general fund--state appropriation for fiscal
14 year 2012 and \$331,000 of the general fund--state appropriation for
15 fiscal year 2013 are provided solely for deposit in the county criminal
16 justice assistance account for costs to the criminal justice system
17 associated with the implementation of chapter 338, Laws of 1997
18 (juvenile code revisions). The amounts provided in this subsection are
19 intended to provide funding for county adult court costs associated
20 with the implementation of chapter 338, Laws of 1997 and shall be
21 distributed in accordance with RCW 82.14.310.

22 (2) \$2,716,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$2,716,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for the implementation of chapter
25 338, Laws of 1997 (juvenile code revisions). The amounts provided in
26 this subsection are intended to provide funding for county impacts
27 associated with the implementation of chapter 338, Laws of 1997 and
28 shall be distributed to counties as prescribed in the current
29 consolidated juvenile services (CJS) formula.

30 (3) \$3,482,000 of the general fund--state appropriation for fiscal
31 year 2012 and \$3,482,000 of the general fund--state appropriation for
32 fiscal year 2013 are provided solely to implement community juvenile
33 accountability grants pursuant to chapter 338, Laws of 1997 (juvenile
34 code revisions). Funds provided in this subsection may be used solely
35 for community juvenile accountability grants, administration of the
36 grants, and evaluations of programs funded by the grants.

37 (4) \$1,130,000 of the general fund--state appropriation for fiscal
38 year 2012 and \$1,130,000 of the general fund--state appropriation for

1 fiscal year 2013 are provided solely to implement alcohol and substance
2 abuse treatment programs for locally committed offenders. The juvenile
3 rehabilitation administration shall award these moneys on a competitive
4 basis to counties that submitted a plan for the provision of services
5 approved by the division of alcohol and substance abuse. The juvenile
6 rehabilitation administration shall develop criteria for evaluation of
7 plans submitted and a timeline for awarding funding and shall assist
8 counties in creating and submitting plans for evaluation.

9 (5) \$3,123,000 of the general fund--state appropriation for fiscal
10 year 2012 and \$3,123,000 of the general fund--state appropriation for
11 fiscal year 2013 are provided solely for grants to county juvenile
12 courts for the following programs identified by the Washington state
13 institute for public policy (institute) in its October 2006 report:
14 "Evidence-Based Public Policy Options to Reduce Future Prison
15 Construction, Criminal Justice Costs and Crime Rates": Functional
16 family therapy, multi-systemic therapy, aggression replacement training
17 and interagency coordination programs, or other programs with a
18 positive benefit-cost finding in the institute's report. County
19 juvenile courts shall apply to the juvenile rehabilitation
20 administration for funding for program-specific participation and the
21 administration shall provide grants to the courts consistent with the
22 per-participant treatment costs identified by the institute.

23 (6) \$1,537,000 of the general fund--state appropriation for fiscal
24 year 2012 and \$1,537,000 of the general fund--state appropriation for
25 fiscal year 2013 are provided solely for expansion of the following
26 treatments and therapies in juvenile rehabilitation administration
27 programs identified by the Washington state institute for public policy
28 in its October 2006 report: "Evidence-Based Public Policy Options to
29 Reduce Future Prison Construction, Criminal Justice Costs and Crime
30 Rates": Multidimensional treatment foster care, family integrated
31 transitions, and aggression replacement training, or other programs
32 with a positive benefit-cost finding in the institute's report. The
33 administration may concentrate delivery of these treatments and
34 therapies at a limited number of programs to deliver the treatments in
35 a cost-effective manner.

36 (7)(a) The juvenile rehabilitation administration shall administer
37 a block grant, rather than categorical funding, of consolidated
38 juvenile service funds, community juvenile accountability act grants,

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

25 (b) The juvenile rehabilitation administration shall phase the
26 implementation of the formula provided in subsection (1) of this
27 section by including a stop-loss formula of five percent in fiscal year
28 2012 and five percent in fiscal year 2013.

29 (c) The juvenile rehabilitation administration and the juvenile
30 courts shall establish a block grant funding formula oversight
31 committee with equal representation from the juvenile rehabilitation
32 administration and the juvenile courts. The purpose of this committee
33 is to assess the ongoing implementation of the block grant funding
34 formula, utilizing data-driven decision making and the most current
35 available information. The committee will be cochaired by the juvenile
36 rehabilitation administration and the juvenile courts, who will also
37 have the ability to change members of the committee as needed to
38 achieve its purpose. Initial members will include one juvenile court

1 representative from the finance committee, the community juvenile
2 accountability act committee, the risk assessment quality assurance
3 committee, the executive board of the Washington association of
4 juvenile court administrators, the Washington state center for court
5 research, and a representative of the superior court judges
6 association; two representatives from the juvenile rehabilitation
7 administration headquarters program oversight staff, two
8 representatives of the juvenile rehabilitation administration regional
9 office staff, one representative of the juvenile rehabilitation
10 administration fiscal staff and a juvenile rehabilitation
11 administration division director. The committee may make changes to
12 the formula categories other than the evidence-based program and
13 disposition alternative categories if it is determined the changes will
14 increase statewide service delivery or effectiveness of evidence-based
15 program or disposition alternative resulting in increased cost benefit
16 savings to the state. Long-term cost benefit must be considered.
17 Percentage changes may occur in the evidence-based program or
18 disposition alternative categories of the formula should it be
19 determined the changes will increase evidence-based program or
20 disposition alternative delivery and increase the cost benefit to the
21 state. These outcomes will also be considered in determining when
22 evidence-based expansion or special sex offender disposition
23 alternative funds should be included in the block grant or left
24 separate.

25 (d) The juvenile courts and administrative office of the courts
26 shall be responsible for collecting and distributing information and
27 providing access to the data systems to the juvenile rehabilitation
28 administration and the Washington state institute for public policy
29 related to program and outcome data. The juvenile rehabilitation
30 administration and the juvenile courts will work collaboratively to
31 develop program outcomes that reinforce the greatest cost benefit to
32 the state in the implementation of evidence-based practices and
33 disposition alternatives.

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

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

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

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

35 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
36 **PROGRAM**

37 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

1 are not reimbursable under medicaid. The department may allow regional
2 support networks which have nonmedicaid reimbursable costs that are
3 higher than the nonmedicaid allocation they receive under this section
4 to supplement these funds with local dollars or funds received under
5 section 204(1)(a) of this act. The department and regional support
6 networks shall maintain consistency with all essential elements of the
7 PACT evidence-based practice model in programs funded under this
8 section.

9 (c) \$5,850,000 of the general fund--state appropriation for fiscal
10 year 2012, \$5,850,000 of the general fund--state appropriation for
11 fiscal year 2013, and \$1,300,000 of the general fund--federal
12 appropriation are provided solely for the western Washington regional
13 support networks to provide either community- or hospital campus-based
14 services for persons who require the level of care previously provided
15 by the program for adaptive living skills (PALS) at western state
16 hospital.

17 (d) The number of nonforensic beds allocated for use by regional
18 support networks at eastern state hospital shall be 192 per day. The
19 number of nonforensic beds allocated for use by regional support
20 networks at western state hospital shall be 557 per day through June
21 2012, 527 per day from July 2012 through September 2012, and 497 per
22 day from October 2012 through the remainder of fiscal year 2013.

23 (e) From the general fund--state appropriations in this subsection,
24 the secretary of social and health services shall assure that regional
25 support networks reimburse the aging and disability services
26 administration for the general fund--state cost of medicaid personal
27 care services that enrolled regional support network consumers use
28 because of their psychiatric disability.

29 (f) \$4,582,000 of the general fund--state appropriation for fiscal
30 year 2012 and \$4,582,000 of the general fund--state appropriation for
31 fiscal year 2013 are provided solely for mental health services for
32 mentally ill offenders while confined in a county or city jail and for
33 facilitating access to programs that offer mental health services upon
34 release from confinement. Beginning in fiscal year 2013, the
35 department shall report regional outcome data on individuals in jail
36 who are referred for regional support network services. By December 1,
37 2012, the department shall provide a report to the relevant fiscal and
38 policy committees of the legislature on the number of individuals

1 referred to the program who had an evaluation for regional support
2 network services either during incarceration or within 30 and 60 days
3 of release from jail; and the number who were made newly eligible or
4 reinstated to eligibility for medical assistance services either during
5 incarceration or within 30 and 60 days of release from jail. In
6 addition, the report shall identify how many of the individuals who
7 were determined to be eligible for regional support network services
8 received additional outpatient services within 30 and 60 days of
9 release from incarceration.

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

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

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

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

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

33 (iii) Mental health services provided in nursing facilities to
34 individuals with dementia, and consultation to facility staff treating
35 those individuals; and

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

37 At least annually, the Spokane regional support network shall

1 assess the effectiveness of these services in reducing utilization at
2 eastern state hospital, identify services that are not optimally
3 effective, and modify those services to improve their effectiveness.

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

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

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

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

34 (n) The appropriations in this section reflect efficiencies to be
35 achieved through voluntary consolidation of regional support networks
36 in accordance with House Bill No. 2139 (regional support networks).
37 Voluntary consolidation of regional support networks is expected to

1 result in administrative efficiencies and maximize dollars available
2 for direct services to individuals with mental illnesses without
3 corresponding increases in state appropriations.

4 (2) INSTITUTIONAL SERVICES

5	General Fund--State Appropriation (FY 2012)	((\$115,317,000))
6		<u>\$115,030,000</u>
7	General Fund--State Appropriation (FY 2013)	((\$114,111,000))
8		<u>\$106,705,000</u>
9	General Fund--Federal Appropriation	((\$153,324,000))
10		<u>\$153,618,000</u>
11	General Fund--Private/Local Appropriation	\$67,325,000
12	TOTAL APPROPRIATION	((\$450,077,000))
13		<u>\$442,678,000</u>

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

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

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

28 (c) \$45,000 of the general fund--state appropriation for fiscal
29 year 2012 and \$45,000 of the general fund--state appropriation for
30 fiscal year 2013 are provided solely for payment to the city of
31 Lakewood for police services provided by the city at western state
32 hospital and adjacent areas.

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

1 (3) SPECIAL PROJECTS

2	General Fund--State Appropriation (FY 2012)	((\$1,168,000))
3		<u>\$1,148,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$1,164,000))
5		<u>\$1,705,000</u>
6	General Fund--Federal Appropriation	\$4,109,000
7	General Fund--Private/Local Appropriation	\$700,000
8	TOTAL APPROPRIATION	((\$7,141,000))
9		<u>\$7,662,000</u>

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

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

17 (b) \$700,000 of the general fund--private/local appropriation is
18 provided solely for the University of Washington's evidence-based
19 practice institute which supports the identification, evaluation, and
20 implementation of evidence-based or promising practices for serving
21 children and youth with mental health disorders. The department shall
22 enter into an interagency agreement with the office of the attorney
23 general for expenditure of \$700,000 of the state's proceeds of the *cy*
24 *pres* settlement in *State of Washington v. AstraZeneca (Seroquel)* for
25 this purpose.

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

37 (d) \$509,000 of the general fund--state appropriation for fiscal
38 year 2013 is provided solely for training costs associated with

1 implementation of Engrossed Second Substitute House Bill No. 2536
2 (children services/delivery). The amounts provided in this subsection
3 must be used for coordinated evidence-based practice training to
4 programs providing mental health, child welfare, and juvenile justice
5 services to children. If Engrossed Second Substitute House Bill No.
6 2536 (children services/delivery) is not enacted by June 30, 2012, the
7 amount provided in this subsection shall lapse.

8 (4) PROGRAM SUPPORT

9	General Fund--State Appropriation (FY 2012)	((\$4,476,000))
10		<u>\$4,485,000</u>
11	General Fund--State Appropriation (FY 2013)	((\$4,261,000))
12		<u>\$4,357,000</u>
13	General Fund--Federal Appropriation	((\$7,227,000))
14		<u>\$7,292,000</u>
15	General Fund--Private/Local Appropriation	\$446,000
16	TOTAL APPROPRIATION	((\$16,410,000))
17		<u>\$16,580,000</u>

18 (a) The appropriations in this subsection are subject to the
19 following conditions and limitations: In accordance with RCW
20 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to
21 increase license and certification fees in fiscal years 2012 and 2013
22 to support the costs of the regulatory program. The fee schedule
23 increases must be developed so that the maximum amount of additional
24 fees paid by providers statewide in the 2011-2013 fiscal biennium is
25 \$446,000. The department's fee schedule shall have differential rates
26 for providers with proof of accreditation from organizations that the
27 department has determined to have substantially equivalent standards to
28 those of the department, including but not limited to the joint
29 commission on accreditation of health care organizations, the
30 commission on accreditation of rehabilitation facilities, and the
31 council on accreditation. To reflect the reduced costs associated with
32 regulation of accredited programs, the department's fees for
33 organizations with such proof of accreditation must reflect the lower
34 costs of licensing for these programs than for other organizations
35 which are not accredited.

36 (b) \$19,000 of the general fund--state appropriation for fiscal
37 year 2012, \$17,000 of the general fund--state appropriation for fiscal
38 year 2013, and \$34,000 of the general fund--federal appropriation are

1 provided solely to support a partnership among the department of social
 2 and health services, the department of health, and agencies that
 3 deliver medical care and behavioral health services in Cowlitz county.
 4 The partnership shall identify and recommend strategies for resolving
 5 regulatory, licensing, data management, reporting, and funding barriers
 6 to more effective integration of primary medical and behavioral health
 7 care services in the county.

8 (c) \$105,000 of the general fund--state appropriation for fiscal
 9 year 2013 and \$68,000 of the general fund--federal appropriation are
 10 provided solely for staffing costs associated with implementation of
 11 Engrossed Second Substitute House Bill No. 2536 (children
 12 services/delivery). The amounts provided in this subsection must be
 13 used for coordinated evidence-based practice implementation amongst the
 14 department's programs providing mental health, child welfare, and
 15 juvenile justice services to children. If Engrossed Second Substitute
 16 House Bill No. 2536 (children services/delivery) is not enacted by June
 17 30, 2012, the amounts provided in this subsection shall lapse.

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

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

22 (1) COMMUNITY SERVICES

23	General Fund--State Appropriation (FY 2012)	((\$418,815,000))
24		<u>\$405,467,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$422,854,000))
26		<u>\$416,229,000</u>
27	General Fund--Federal Appropriation	((\$743,532,000))
28		<u>\$751,116,000</u>
29	General Fund--Private/Local Appropriation	((\$184,000))
30		<u>\$226,000</u>
31	TOTAL APPROPRIATION	((\$1,585,385,000))
32		<u>\$1,573,038,000</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 of the general fund--state appropriation for
17 fiscal year 2012, \$1,199,000 of the general fund--state appropriation
18 for fiscal year 2013, and \$2,322,000 of the general fund--federal
19 appropriation are provided solely for the state's contribution to the
20 training partnership, as provided in RCW 74.39A.360, for instructional
21 costs associated with the training of individual providers. ((House
22 Bill No. 1548 and Senate Bill No. 5473 (long term care worker
23 requirements) make statutory changes to the increased training
24 requirements and therefore the state shall contribute to the
25 partnership \$0.17 per paid hour worked by all home care workers. This
26 amount is pursuant to the collective bargaining agreement negotiated
27 with the exclusive bargaining representative of individual providers
28 established under RCW 74.39A.270.)) Contributions are funded at \$0.17
29 per benefit-eligible paid hour worked by all home care workers and are
30 sufficient to provide training as required by Initiative Measure No.
31 1163. Expenditures for the purposes specified in this subsection shall
32 not exceed the amounts provided in this subsection.

33 (f) \$104,669,000 of the general fund--state appropriation for
34 fiscal year 2013 and \$104,669,000 of the general fund--federal
35 appropriation are provided solely for the department to provide
36 personal care services to waiver and nonwaiver in-home clients. The
37 department shall provide the legislature with a report by December 5,
38 2012, on the feasibility of converting the medicaid personal care

1 program for in-home adults to a medicaid program as found in section
2 1915(i) of the federal social security act that utilizes the option for
3 self-direction of individualized budgets. The department shall operate
4 the personal care program within the amounts specifically provided.

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

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

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

32 (h) \$75,000 of the general fund--state appropriation for fiscal
33 year 2012 and \$75,000 of the general fund--state appropriation for
34 fiscal year 2013 are provided solely for the restoration of direct
35 support to local organizations that utilize parent-to-parent networks
36 and communication to promote access and quality of care for individuals
37 with developmental disabilities and their families.

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

5 (i) The current annual renewal license fee for adult family homes
6 shall be increased to \$100 per bed beginning in fiscal year 2012 and
7 (~~(\$175)~~) \$250 per bed beginning in fiscal year 2013. Adult family
8 homes shall receive a corresponding vendor rate increase per medicaid
9 patient day of \$0.22 in fiscal year 2012 and (~~(\$0.43)~~) \$0.59 in fiscal
10 year 2013 to cover the cost of the license fee increase for publicly
11 funded beds.

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

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

24 The department shall work with legislators and stakeholders to
25 develop a new approach to employment and day services. The objective
26 of this plan is to ensure that adults with developmental disabilities
27 have optimum choices, and that employment and day offerings are
28 comprehensive enough to meet the needs of all clients currently served
29 on a home and community based waiver. The proposal shall be submitted
30 to the 2012 legislature for consideration and shall be constructed such
31 that a client ultimately receives employment, community access, or the
32 community day option but not more than one service at a time. The
33 proposal shall include options for program efficiencies within the
34 current employment and day structure and shall provide details on the
35 plan to implement a consistent, statewide outcome-based vendor contract
36 for employment and day services as specified in (c) of this subsection.

37 (2) INSTITUTIONAL SERVICES

38 General Fund--State Appropriation (FY 2012) (~~(\$80,815,000)~~)

1		<u>\$75,461,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$79,939,000))
3		<u>\$80,405,000</u>
4	General Fund--Federal Appropriation	((\$154,388,000))
5		<u>\$153,570,000</u>
6	General Fund--Private/Local Appropriation	\$22,043,000
7	TOTAL APPROPRIATION	((\$337,185,000))
8		<u>\$331,479,000</u>

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

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

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

22 (c) \$250,000 of the general fund--state appropriation for fiscal
23 year 2013 is provided solely for allocation under contract to a school
24 district in which a residential habilitation center (RHC) is located.
25 The department must provide the school district with an allocation of
26 \$25,000 for each person under the age of 21 who between July 1, 2011,
27 and June 30, 2013, is newly admitted to the RHC and newly enrolled in
28 the district in which the RHC is located. The purpose of the
29 allocation is to provide supplemental funding for robust supports and
30 extraordinary costs for students who are newly admitted to the RHC and
31 may be experiencing distress while transitioning to a new school
32 environment.

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

37 (i) The committee shall consist of:

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

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

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

24	General Fund--State Appropriation (FY 2012)	((\$781,995,000))
25		<u>\$792,059,000</u>
26	General Fund--State Appropriation (FY 2013)	((\$804,465,000))
27		<u>\$796,549,000</u>
28	General Fund--Federal Appropriation	((\$1,680,450,000))
29		<u>\$1,700,522,000</u>
30	General Fund--Private/Local Appropriation	((\$27,517,000))
31		<u>\$28,871,000</u>
32	Traumatic Brain Injury Account--State Appropriation	\$3,388,000
33	Nursing Facility Quality Assurance Account--State	
34	Appropriation	((\$88,071,000))
35		<u>\$108,511,000</u>
36	TOTAL APPROPRIATION	((\$3,385,886,000))
37		<u>\$3,429,900,000</u>

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

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

25 ~~(a) ((Within the funds provided, the department shall continue to
26 provide an add-on per medicaid resident day per facility not to exceed
27 \$1.57. The add-on shall be used to increase wages, benefits, and/or
28 staffing levels for certified nurse aides; or to increase wages and/or
29 benefits for dietary aides, housekeepers, laundry aides, or any other
30 category of worker whose statewide average dollars per hour wage was
31 less than \$15 in calendar year 2008, according to cost report data.
32 The add-on may also be used to address resulting wage compression for
33 related job classes immediately affected by wage increases to low-wage
34 workers. The department shall continue reporting requirements and a
35 settlement process to ensure that the funds are spent according to this
36 subsection.~~

37 ~~(b))~~) The department shall do a comparative analysis of the
38 facility-based payment rates calculated on July 1, (~~2011~~) 2012, using

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

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

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

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

30 (2) After examining actual nursing facility cost information, the
31 legislature finds that the medicaid nursing facility rates calculated
32 pursuant to Engrossed Substitute Senate Bill No. 5581 (nursing home
33 payments) provide sufficient reimbursement to efficiently and
34 economically operating nursing facilities and bear a reasonable
35 relationship to costs.

36 (3) In accordance with chapter 74.46 RCW, the department shall
37 issue no additional certificates of capital authorization for fiscal
38 year 2012 and no new certificates of capital authorization for fiscal

1 year 2013 and shall grant no rate add-ons to payment rates for capital
2 improvements not requiring a certificate of need and a certificate of
3 capital authorization for fiscal years 2012 and 2013.

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

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

16 (6) \$1,883,000 of the general fund--state appropriation for fiscal
17 year 2012, \$1,883,000 of the general fund--state appropriation for
18 fiscal year 2013, and \$3,766,000 of the general fund--federal
19 appropriation are provided solely for state contributions for
20 individual provider health care benefits. Pursuant to the collective
21 bargaining agreement negotiated with the exclusive bargaining
22 representative of individual providers established under RCW
23 74.39A.270, the state shall contribute to the multiemployer health
24 benefits trust fund ((~~\$1.96~~)) \$2.21 per paid hour worked by individual
25 providers.

26 (7) (~~(\$16,835,000 of the general fund--state appropriation for~~
27 ~~fiscal year 2012, \$17,952,000 of the general fund--state appropriation~~
28 ~~for fiscal year 2013, and \$34,786,000 of the general fund--federal~~
29 ~~appropriation are provided solely for home care agencies to purchase~~
30 ~~health coverage for home care providers. The department shall~~
31 ~~calculate and distribute payments for health care benefits to home care~~
32 ~~agencies at \$558 per month for each worker who cares for publicly~~
33 ~~funded clients at 86 hours or more per month. In order to negotiate~~
34 ~~the most comprehensive health benefits package for its employees, each~~
35 ~~agency may determine benefit levels according to the hours an employee~~
36 ~~works providing state-funded personal care. Health benefits shall be~~
37 ~~offered to all employees who care for publicly funded clients for 86~~
38 ~~hours per month or more. At a minimum, employees who care for publicly~~

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

14 ~~(8))~~ \$2,063,000 of the general fund--state appropriation for
15 fiscal year 2012, \$2,195,000 of the general fund--state appropriation
16 for fiscal year 2013, and \$4,260,000 of the general fund--federal
17 appropriation are provided solely for the state's contribution to the
18 training partnership, as provided in RCW 74.39A.360, for instructional
19 costs associated with the training of individual providers. ((House
20 Bill No. 1548 and Senate Bill No. 5473 (long term care worker
21 requirements) make statutory changes to the increased training
22 requirements and therefore the state shall contribute to the
23 partnership \$0.17 per paid hour worked by all home care workers. This
24 amount is pursuant to the collective bargaining agreement negotiated
25 with the exclusive bargaining representative of individual providers
26 established under RCW 74.39A.270.)) Contributions are funded at \$0.17
27 per benefit-eligible paid hour worked by all home care workers and are
28 sufficient to provide training as required by Initiative Measure No.
29 1163. Expenditures for the purposes specified in this subsection shall
30 not exceed the amounts provided in this subsection.

31 (8) \$338,550,000 of the general fund--state appropriation for
32 fiscal year 2013 and \$338,550,000 of the general fund--federal
33 appropriation are provided solely for the department to provide
34 personal care services to waiver and nonwaiver in-home clients. The
35 department shall provide the legislature with a report by December 5,
36 2012, on the feasibility of converting the medicaid personal care
37 program for in-home adults to a medicaid program as found in section

1 1915(i) of the federal social security act that utilizes the option for
2 self-direction of individualized budgets. The department shall operate
3 the personal care program within the amounts specifically provided.

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

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

11 (11) (~~(\$4,588,000)~~) \$4,823,000 of the general fund--state
12 appropriation for fiscal year 2012, (~~(\$4,559,000)~~) \$6,474,000 of the
13 general fund--state appropriation for fiscal year 2013, and
14 (~~(\$9,237,000)~~) \$11,387,000 of the general fund--federal appropriation
15 are provided solely for the continued operation of community
16 residential and support services for persons who are older adults or
17 who have co-occurring medical and behavioral disorders and who have
18 been discharged or diverted from a state psychiatric hospital. These
19 funds shall be used to serve individuals whose treatment needs
20 constitute substantial barriers to community placement, who no longer
21 require active psychiatric treatment at an inpatient hospital level of
22 care, and who no longer meet the criteria for inpatient involuntary
23 commitment. The department shall prioritize services in order to
24 reduce utilization and maintain a reduction of 60 beds at western state
25 hospital that were previously used for long term placements for clients
26 with dementia, traumatic brain injuries, or other organic brain
27 disorders. The department shall ensure that a sufficient number of
28 individuals have been transitioned and diverted from western state
29 hospital to enable closure of a 30 bed ward on July 1, 2012, and of
30 another 30 bed ward on October 1, 2012. Coordination of these services
31 must be done in partnership between the mental health program and the
32 aging and disability services administration.

33 (12) \$1,840,000 of the general fund--state appropriation for fiscal
34 year 2012 and \$1,877,000 of the general fund--state appropriation for
35 fiscal year 2013 are provided solely for operation of the volunteer
36 services program. Funding shall be prioritized towards serving
37 populations traditionally served by long-term care services to include
38 senior citizens and persons with disabilities.

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

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

12 (b) The current annual renewal license fee for adult family homes
13 shall be increased to \$100 per bed beginning in fiscal year 2012 and
14 assumes \$1,449,000 of the general fund--private/local appropriation;
15 and (~~(\$175)~~) \$250 per bed beginning in fiscal year 2013 and assumes
16 (~~(\$2,463,000)~~) \$3,485,000 of the general fund--private/local
17 appropriation. Adult family homes shall receive a corresponding vendor
18 rate increase per medicaid patient day of \$0.22 in fiscal year 2012 and
19 (~~(\$0.43)~~) \$0.59 in fiscal year 2013 to cover the license fee increase
20 for publicly funded beds.

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

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

37 (14) \$3,316,000 of the traumatic brain injury account-- state

1 appropriation is provided solely to continue services for persons with
2 traumatic brain injury (TBI) as defined in chapter 143, Laws of 2011
3 (traumatic brain injury strategic partnership).

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

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

10 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
11 **PROGRAM**

12	General Fund--State Appropriation (FY 2012)	((\$487,305,000))
13		<u>\$415,570,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$503,362,000))
15		<u>\$452,250,000</u>
16	General Fund--Federal Appropriation	((\$1,167,467,000))
17		<u>\$1,179,451,000</u>
18	General Fund--Private/Local Appropriation	\$30,592,000
19	TOTAL APPROPRIATION	((\$2,188,726,000))
20		<u>\$2,077,863,000</u>

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

23 (1) ((~~\$258,880,000~~)) \$107,000,000 of the general fund--state
24 appropriation for fiscal year 2012, ((~~\$297,296,000~~)) \$157,919,000 of
25 the general fund--state appropriation for fiscal year 2013, and
26 ((~~\$710,173,000~~)) \$250,601,000 of the general fund--federal
27 appropriation are provided solely for ((~~all components of the WorkFirst~~
28 ~~program~~)) assistance to clients including grants and diversion cash
29 assistance under RCW 74.08A.210. Under section 2 of Engrossed
30 Substitute Senate Bill No. 5921 (social services programs), the amounts
31 in this subsection assume that any participant in the temporary
32 assistance for needy families where their participation is suspended
33 and does not volunteer to participate in WorkFirst services or
34 unsubsidized employment does not receive child care subsidies or
35 WorkFirst subsidies as a condition of the suspension. Within the
36 amounts provided ((~~for the WorkFirst program~~)) in this subsection, the

1 department may provide assistance using state-only funds for families
2 eligible for temporary assistance for needy families.

3 (2)(a) \$16,500,000 of the general fund--state appropriation for
4 fiscal year 2012, \$16,500,000 of the general fund--state appropriation
5 for fiscal year 2013, and \$137,340,000 of the general fund--federal
6 appropriation are provided solely for WorkFirst job search, education
7 and training activities, barrier removal services, and tribal
8 assistance under RCW 74.08A.040. Funding appropriated in this
9 subsection (2)(a) must be allocated using a formula that accounts for
10 client caseload and client outcomes, including outcome and
11 accountability measures adopted by the legislative-executive WorkFirst
12 oversight task force under RCW 74.08A.260 and outcomes under RCW
13 74.08A.410. Funding must be allocated using this formula beginning
14 July 1, 2012. The department shall present this formula, including
15 outcome data, to the legislative-executive WorkFirst oversight task
16 force by July 1, 2012.

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

21 ~~((b))~~ (c) The department may establish a career services work
22 transition program.

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

31 (d) Within amounts appropriated in this ((section)) subsection,
32 the legislature expressly mandates that the department exercise its
33 authority, granted in 1997 under RCW 74.08A.290, to contract for work
34 activities services pursuant to that statutory authority and RCW
35 41.06.142(3).

36 ~~((e))~~ (3) \$45,754,000 of the general fund--state appropriation
37 for fiscal year 2012, \$48,967,000 of the general fund--state

1 appropriation for fiscal year 2013, and \$245,895,000 of the general
2 fund--federal appropriation are provided solely for the working
3 connection child care program under RCW 43.215.135.

4 (4) The department shall create a temporary assistance for needy
5 families budget structure that allows for more transparent tracking of
6 budget units and subunits of expenditures where these units and
7 subunits are mutually exclusive from other department budget units.
8 The budget structure shall include budget units for the following:
9 Grants, child care, WorkFirst activities, and administration of the
10 program. The department shall make quarterly expenditure reports to
11 the legislative-executive WorkFirst oversight task force and
12 legislative fiscal committees.

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

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

25 ~~(3) \$23,494,000))~~ (5) The amounts in subsections (1) through (3) of
26 this section shall be expended for the programs and in the amounts
27 specified. However, the department may transfer funding between
28 subsections (1), (2), or (3) of this section, but only if the funding
29 is available to transfer solely due to utilization or caseload changes
30 or to respond to federal law or regulation changes. The approval of
31 the director of the office of financial management is required prior to
32 any transfer under this subsection. The department shall provide
33 notification prior to any transfer to the appropriate legislative
34 committees and the legislative-executive WorkFirst oversight task
35 force.

36 (6) \$23,679,000 of the general fund--state appropriation for fiscal
37 year 2012, in addition to supplemental security income recoveries, is

1 provided solely for financial assistance and other services to
2 recipients in the program established in section 4, chapter 8, Laws of
3 2010 1st sp. sess., until the program terminates on October 31, 2011.

4 ((+4)) (7)(a) (~~(\$13,086,000)~~) \$12,457,000 of the general fund--
5 state appropriation for fiscal year 2012 and (~~(\$24,788,000)~~)
6 \$21,959,000 of the general fund--state appropriation for fiscal year
7 2013, in addition to supplemental security income recoveries, are
8 provided solely for the programs created in Engrossed Substitute House
9 Bill No. 2082 (essential needs and assistance program) beginning
10 November 1, 2011.

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

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

23 ((+5)) (8) \$1,657,000 of the general fund--state appropriation for
24 fiscal year 2012 and \$1,657,000 of the general fund--state
25 appropriation for fiscal year 2013 are provided solely for
26 naturalization services.

27 ((+6)) (9) \$2,366,000 of the general fund--state appropriation for
28 fiscal year 2012 is provided solely for refugee employment services, of
29 which \$1,774,000 is provided solely for the department to pass through
30 to statewide refugee assistance organizations for limited English
31 proficiency pathway services; and \$2,366,000 of the general fund--state
32 appropriation for fiscal year 2013 is provided solely for refugee
33 employment services, of which \$1,774,000 is provided solely for the
34 department to pass through to statewide refugee assistance
35 organizations for limited English proficiency pathway services.

36 ((+7)) (10) On December 1, 2011, and annually thereafter, the
37 department must report to the legislature on all sources of funding
38 available for both refugee and immigrant services and naturalization

1 services during the current fiscal year and the amounts expended to
2 date by service type and funding source. The report must also include
3 the number of clients served and outcome data for the clients.

4 ((+8)) (11) To ensure expenditures remain within available funds
5 appropriated in this section, the legislature establishes the benefit
6 under the state food assistance program, pursuant to RCW 74.08A.120, to
7 be fifty percent of the federal supplemental nutrition assistance
8 program benefit amount.

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

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

13	General Fund--State Appropriation (FY 2012)	((\$74,287,000))
14		<u>\$73,742,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$74,422,000))
16		<u>\$71,218,000</u>
17	General Fund--Federal Appropriation	((\$141,514,000))
18		<u>\$184,401,000</u>
19	General Fund--Private/Local Appropriation	((\$2,086,000))
20		<u>\$13,486,000</u>
21	Criminal Justice Treatment Account--State	
22	Appropriation	\$20,748,000
23	Problem Gambling Account--State Appropriation	\$1,448,000
24	TOTAL APPROPRIATION	((\$314,505,000))
25		<u>\$365,043,000</u>

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

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

33 (2) Within the amounts appropriated in this section, the department
34 shall continue to provide for chemical dependency treatment services
35 for adult medicaid eligible, pregnant and parenting women, disability
36 lifeline, and alcoholism and drug addiction treatment and support act,
37 and medical care services clients.

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

15 (4) \$3,500,000 of the general fund--federal appropriation (from the
16 substance abuse prevention and treatment federal block grant) is
17 provided solely for the continued funding of existing county drug and
18 alcohol use prevention programs.

19 (5) Within amounts appropriated in this section, the department is
20 required to increase federal match available for intensive inpatient
21 services. During fiscal year 2013, the department shall shift
22 contracts for a minimum of 32 intensive inpatient beds currently
23 provided in settings that are considered institutions for mental
24 diseases to two or more facilities with fewer than 16 beds that are
25 able to claim federal match for services provided to medicaid clients
26 or individuals covered under the department's section 1115 medicaid
27 waiver. The department is authorized to conduct a request for proposal
28 process to fulfill this requirement. By December 1, 2012, the
29 department shall provide a plan to the office of financial management
30 and to the relevant fiscal and policy committees of the legislature for
31 transitioning all remaining intensive inpatient beds currently provided
32 in settings that are considered institutions for mental diseases into
33 facilities with fewer than 16 beds by June 2017. The plan shall
34 identify the maximum number of additional beds that can be transitioned
35 into facilities with fewer than 16 beds during the 2013-2015 fiscal
36 biennium and the remaining number that will be transitioned during the
37 2015-2017 fiscal biennium, a timeline and process for accomplishing

1 this, and a projection of the related general fund--state savings for
2 each biennium.

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

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

7	General Fund--State Appropriation (FY 2012)	((\$10,874,000))
8		<u>\$10,629,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$10,861,000))
10		<u>\$10,401,000</u>
11	General Fund--Federal Appropriation	((\$105,091,000))
12		<u>\$105,069,000</u>
13	Telecommunications Devices for the Hearing and	
14	Speech Impaired--State Appropriation	\$2,766,000
15	TOTAL APPROPRIATION	((\$129,592,000))
16		<u>\$128,865,000</u>

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

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

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

27	General Fund--State Appropriation (FY 2012)	((\$47,719,000))
28		<u>\$48,170,000</u>
29	General Fund--State Appropriation (FY 2013)	((\$46,292,000))
30		<u>\$36,133,000</u>
31	TOTAL APPROPRIATION	((\$94,011,000))
32		<u>\$84,303,000</u>

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

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
2 **SUPPORTING SERVICES PROGRAM**

3	General Fund--State Appropriation (FY 2012)	((\$26,125,000))
4		<u>\$26,070,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$24,586,000))
6		<u>\$24,364,000</u>
7	General Fund--Federal Appropriation	((\$39,223,000))
8		<u>\$39,451,000</u>
9	General Fund--Private/Local Appropriation	\$2,116,000
10	Performance Audits of State Government--State	
11	Appropriation	\$4,812,000
12	TOTAL APPROPRIATION	((\$96,862,000))
13		<u>\$96,813,000</u>

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

16 (1) \$300,000 of the general fund--state appropriation for fiscal
17 year 2012 and \$300,000 of the general fund--state appropriation for
18 fiscal year 2013 are provided solely for the Washington state mentors
19 program to continue its public-private partnerships to provide
20 technical assistance and training to mentoring programs that serve
21 at-risk youth.

22 (2) \$445,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$445,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for funding of the teamchild
25 project.

26 (3) \$178,000 of the general fund--state appropriation for fiscal
27 year 2012 and \$178,000 of the general fund--state appropriation for
28 fiscal year 2013 are provided solely for the juvenile detention
29 alternatives initiative.

30 (4) \$4,812,000 of the performance audits of state government--state
31 appropriation is provided solely for support and expansion of the
32 division of fraud investigation. The division shall conduct
33 investigatory and enforcement activities for all department programs,
34 including the child support and TANF programs.

35 (5) \$1,400,000 of the general fund--state appropriation for fiscal
36 year 2012 is provided solely for the department to distribute as
37 support to community public health and safety networks that have a
38 history of providing training and services related to adverse childhood

1 experiences. Distribution of these funds is contingent upon securing
2 funding from a private entity or entities to provide one dollar in
3 matching funds for each dollar in state funds received by a network so
4 that the funding received by a community public health and safety
5 network will be equal portions of state and private funding.

6 (6) \$250,000 of the general fund--state appropriation for fiscal
7 year 2013 is provided solely for a grant program focused on criminal
8 street gang prevention and intervention. The Washington state
9 partnership council on juvenile justice may award grants under this
10 subsection. The council shall give priority to applicants who have
11 demonstrated the greatest problems with criminal street gangs.
12 Applicants composed of, at a minimum, one or more local governmental
13 entities and one or more nonprofit, nongovernmental organizations that
14 have a documented history of creating and administering effective
15 criminal street gang prevention and intervention programs may apply for
16 funding under this subsection.

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

19 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
20 **AGENCIES PROGRAM**

21	General Fund--State Appropriation (FY 2012)	((\$62,778,000))
22		<u>\$62,140,000</u>
23	General Fund--State Appropriation (FY 2013)	((\$61,927,000))
24		<u>\$55,653,000</u>
25	General Fund--Federal Appropriation	((\$58,400,000))
26		<u>\$57,054,000</u>
27	TOTAL APPROPRIATION	((\$183,105,000))
28		<u>\$174,847,000</u>

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

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

1 appropriate fiscal committees of the senate and house of
2 representatives in writing seven days prior to approving any allotment
3 modifications or transfers under this subsection. The written
4 notification shall include a narrative explanation and justification of
5 the changes, along with expenditures and allotments by budget unit and
6 appropriation, both before and after any allotment modifications or
7 transfers.

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

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

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

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

32 To further this legislative intent, the state health care authority
33 shall develop a plan to implement a consolidated health benefits'
34 system for K-12 employees for the 2013-14 school year. The health care
35 authority shall deliver a report to the legislature by December 15,
36 2011, that sets forth the implementation plan to the ways and means
37 committees of the house of representatives and the senate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 (A) Approaches for implementing the transition to a statewide pool,
37 including administrative and statutory changes necessary to ensure a

1 successful transition, and whether the pool should be separate from, or
2 combined with, the public employees' benefits pool;

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

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

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

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

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

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

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

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

1 records cannot be obtained to document their current income at least
2 once every six months; (e) not reduce gross family income for self-
3 employed persons by noncash-flow expenses such as, but not limited to,
4 depreciation, amortization, and home office deductions, as defined by
5 the United States internal revenue service; and (f) pursue repayment
6 and civil penalties from persons who have received excessive subsidies,
7 as provided in RCW 70.47.060(9).

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

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

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

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

31 ~~((+9))~~ (10) The legislature affirms that it is in the state's
32 interest for Harborview medical center to remain an economically viable
33 component of the state's health care system.

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

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

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

12 ~~(13) \$665,000 of the general fund--state appropriation for fiscal
13 year 2012, \$665,000 of the general fund--state appropriation for fiscal
14 year 2013, and \$1,330,000 of the general fund--federal appropriation
15 are provided solely for small rural indigent assistance
16 disproportionate share hospital payments in accordance with RCW
17 74.09.730(1)).~~

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

1 health care authority shall apply federal rules for identifying the
2 eligible incurred medicaid costs and the medicare upper payment limit.

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

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

23 (~~(+16)~~) (15) The health care authority shall seek public-private
24 partnerships and federal funds that are or may become available to
25 provide on-going support for outreach and education efforts under the
26 federal children's health insurance program reauthorization act of
27 2009.

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

1 maternity support services by leveraging local public funding for those
2 services.

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

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

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

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

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

1 atypical antipsychotic medications to adults enrolled in state medical
2 assistance programs, and psychiatrists, pharmacists, and other
3 specialists at the University of Washington department of psychiatry
4 and/or other research universities. The collaboration shall include
5 patient-specific prescriber consultations by psychiatrists and
6 pharmacists specializing in treatment of severe and persistent mental
7 illnesses among adults; production of profiles to assist prescribers
8 and clinics in tracking their prescriptive practices and their
9 patients' medication use and adherence relative to evidence-based
10 practices guidelines, other prescribers, and patients at other clinics;
11 and in-service seminars at which participants can share and increase
12 their knowledge of evidence-based and other effective prescriptive
13 practices. The health care authority shall enter into an interagency
14 agreement with the office of the attorney general for expenditure of
15 \$300,000 of the state's proceeds of the *cy pres* settlement in *State of*
16 *Washington v. AstraZeneca* (Seroquel) for this purpose.

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

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

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

1 physicians, hospitals, advanced registered nurse practitioners, and
2 organizations concerned with maternal and child health.

3 ~~((26) \$2,400,000 of the general fund state appropriation for~~
4 ~~fiscal year 2012, \$2,435,000 of the general fund state appropriation~~
5 ~~for fiscal year 2013, \$7,253,000 of the general fund private/local~~
6 ~~appropriation, and \$12,455,000 of the general fund federal~~
7 ~~appropriation are provided solely for continued provision of)) (25)~~
8 Within the amounts appropriated in this section, the health care
9 authority shall continue to provide school-based medical services by
10 means of an intergovernmental transfer arrangement. Under the
11 arrangement, the state shall provide forty percent and school districts
12 sixty percent of the nonfederal matching funds required for receipt of
13 federal medicaid funding for the service.

14 ~~((27))~~ (26) \$263,000 of the general fund--state appropriation for
15 fiscal year 2012, \$88,000 of the general fund--state appropriation for
16 fiscal year 2013, and \$351,000 of the general fund--federal
17 appropriation are provided solely for development and submission to the
18 federal government by October 1, 2011, of a demonstration project
19 proposal as provided in Substitute Senate Bill No. 5596 (medicaid
20 demonstration waiver).

21 ~~((28) \$5,600,000 of the general fund state appropriation for~~
22 ~~fiscal year 2012, \$4,094,000 of the general fund state appropriation~~
23 ~~for fiscal year 2013, and \$11,332,000 of the general fund federal~~
24 ~~appropriation are provided solely for)) (27) Within the amounts~~
25 appropriated in this section, the health care authority shall provide
26 spoken-language interpreter services. The authority shall develop and
27 implement a new model for delivery of such services no later than
28 January 1, 2012. The model shall include:

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

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

1 foreign language agencies, may use a provider with other certifications
2 or qualifications deemed to meet state standards, including
3 interpreters in other states; and

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

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

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

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

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

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

1 fiscal year 2013, and \$140,000 of the general fund--federal
2 appropriation are provided solely to continue operation by a nonprofit
3 organization of a toll-free hotline that assists families to learn
4 about and enroll in the apple health for kids program.

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

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

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

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

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

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

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

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

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

31 (40) The authority, in collaboration with the department of social
32 and health services, the department of health, the Washington state
33 hospital association, the Puget Sound health alliance, the Washington
34 association of community and migrant health centers, and the forum, a
35 collaboration of health carriers, physicians, and hospitals in
36 Washington state, shall design a system of rural health system access
37 and quality incentive payments. The incentive payments must be linked
38 to explicit performance measures that consider not only services

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

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

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

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

1 medicaid fee-for-service clients in fiscal year 2010. The best
2 practices shall consist of the following items:

3 (a) Adoption of a system to exchange patient information among
4 emergency departments;

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

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

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

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

24 (f) Physician enrollment in the state's prescription monitoring
25 program; and

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

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

36 The components of the best practices and list of participating
37 hospitals shall be submitted to the relevant policy and fiscal
38 committees of the legislature by May 1, 2012. By July 1, 2012, the

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

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

37 (45) Prior to entering into a contract for medicaid managed care
38 services for the period commencing July 1, 2012, the director of the

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

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

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

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

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

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

6 **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>\$19,602,000</u>
24	Medical Aid Account--State Appropriation	((\$19,689,000))
25		<u>\$19,602,000</u>
26	TOTAL APPROPRIATION	((\$39,389,000))
27		<u>\$39,214,000</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>\$14,590,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$14,711,000))
15		<u>\$14,158,000</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>\$42,457,000</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)))
26		<u>\$1,829,000</u>
27	General Fund--State Appropriation (FY 2013)	(((\$1,826,000)))
28		<u>\$1,804,000</u>
29	Charitable, Educational, Penal, and Reformatory	
30	Institutions Account--State Appropriation	\$10,000
31	TOTAL APPROPRIATION	(((\$3,668,000)))
32		<u>\$3,643,000</u>

33 (2) FIELD SERVICES

34	General Fund--State Appropriation (FY 2012)	(((\$5,006,000)))
35		<u>\$5,002,000</u>
36	General Fund--State Appropriation (FY 2013)	(((\$5,001,000)))
37		<u>\$4,969,000</u>

1		<u>\$553,200,000</u>
2	General Fund--Private/Local Appropriation	((\$148,362,000))
3		<u>\$148,101,000</u>
4	Hospital Data Collection Account--State Appropriation	\$214,000
5	Health Professions Account--State Appropriation	((\$94,469,000))
6		<u>\$99,017,000</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>\$4,466,000</u>
13	Drinking Water Assistance Account--Federal	
14	Appropriation	((\$22,875,000))
15		<u>\$21,979,000</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>\$3,631,000</u>
25	Medical Test Site Licensure Account--State	
26	Appropriation	((\$2,321,000))
27		<u>\$2,313,000</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 \$1,013,767,000

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) \$95,000 of the general fund--private/local appropriation is
8 provided solely for implementation of Second Substitute House Bill No.
9 2211 (adoptee information access). If the bill is not enacted by June
10 30, 2012, the amount provided in this subsection shall lapse.

11 (18) \$162,000 of the hospital data collection account--state
12 appropriation is provided solely for implementation of Engrossed
13 Substitute House Bill No. 2341 (hospitals/community benefits). If the
14 bill is not enacted by June 30, 2012, the amount provided in this
15 subsection shall lapse.

16 (19) \$30,000 of the health professions account--state appropriation
17 is provided solely for implementation of Engrossed Substitute House
18 Bill No. 2473 (medication assistant endorsement). If the bill is not
19 enacted by June 30, 2012, the amount provided in this subsection shall
20 lapse.

21 (20) \$19,000 of the health professions account--state appropriation
22 is provided solely for implementation of Senate Bill No. 6290 (military
23 spouses and partners). If the bill is not enacted by June 30, 2012,
24 the amount provided in this subsection shall lapse.

25 (21) \$50,000 of the health professions account--state appropriation
26 is provided solely for implementation of Engrossed Substitute Senate
27 Bill No. 6237 (career pathway/medical assistants). If the bill is not
28 enacted by June 30, 2012, the amount provided in this subsection shall
29 lapse.

30 (22) \$21,000 of the health professions account--state appropriation
31 is provided solely for implementation of Substitute Senate Bill No.
32 6328 (mental health professionals). If the bill is not enacted by June
33 30, 2012, the amount provided in this subsection shall lapse.

34 (23) \$148,000 of the health professions account--state
35 appropriation is provided solely for implementation of Engrossed
36 Substitute Senate Bill No. 6103 (reflexologists). If the bill is not
37 enacted by June 30, 2012, the amount provided in this subsection shall
38 lapse.

1 (24) \$28,000 of the health professions account--state appropriation
2 is provided solely for implementation of Engrossed Second Substitute
3 Senate Bill No. 5620 (dental anesthesia assistants). If the bill is
4 not enacted by June 30, 2012, the amount provided in this subsection
5 shall lapse.

6 (25) Appropriations for fiscal year 2013 include funding for
7 consolidation of the department of ecology's low-level radioactive
8 waste site use permit program in the department of health.

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

14 (27) \$15,000 of the health professions account--state appropriation
15 is provided solely to implement Substitute House Bill No. 2056
16 (assisted living facilities). If the bill is not enacted by June 30,
17 2012, the amount provided in this subsection shall lapse.

18 (28) \$11,000 of the health professions account--state appropriation
19 is provided solely to implement Engrossed House Bill No. 2186 (licensed
20 midwives). If the bill is not enacted by June 30, 2012, the amount
21 provided in this subsection 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. 2229 (hospital employees). If the bill is not enacted by June
25 30, 2012, the amount provided in this subsection shall lapse.

26 (30) \$48,000 of the health professions account--state appropriation
27 is provided solely to implement Engrossed Substitute House Bill No.
28 2314 (long-term care workers). If the bill is not enacted by June 30,
29 2012, the amount provided in this subsection shall lapse.

30 (31) \$15,000 of the general fund--state appropriation for fiscal
31 year 2013 and \$178,000 of the health professions account--state
32 appropriation are provided solely to implement Engrossed Substitute
33 House Bill No. 2366 (suicide assessment and training). If the bill is
34 not enacted by June 30, 2012, the amounts provided in this subsection
35 shall lapse.

36 (32) \$11,000 of the general fund--state appropriation for fiscal
37 year 2013 is provided solely to implement Engrossed Substitute House

1 Bill No. 2582 (health care services billing). If the bill is not
2 enacted by June 30, 2012, the amount provided in this subsection shall
3 lapse.

4 (33) \$22,000 of the general fund--state appropriation for fiscal
5 year 2013 is provided solely to implement Substitute Senate Bill No.
6 6105 (prescription monitoring program). If the bill is not enacted by
7 June 30, 2012, the amount provided in this subsection shall lapse.

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

10 **FOR THE DEPARTMENT OF CORRECTIONS**

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

27 (1) ADMINISTRATION AND SUPPORT SERVICES

28	General Fund--State Appropriation (FY 2012)	((\$54,529,000))
29		<u>\$52,529,000</u>
30	General Fund--State Appropriation (FY 2013)	((\$53,210,000))
31		<u>\$52,981,000</u>
32	TOTAL APPROPRIATION	((\$107,739,000))
33		<u>\$105,510,000</u>

34 The appropriations in this subsection are subject to the following
35 conditions and limitations: \$35,000 of the general fund--state
36 appropriation for fiscal year 2012 and \$35,000 of the general fund--
37 state appropriation for fiscal year 2013 are provided solely for the

1 support of a statewide council on mentally ill offenders that includes
2 as its members representatives of community-based mental health
3 treatment programs, current or former judicial officers, and directors
4 and commanders of city and county jails and state prison facilities.
5 The council will investigate and promote cost-effective approaches to
6 meeting the long-term needs of adults and juveniles with mental
7 disorders who have a history of offending or who are at-risk of
8 offending, including their mental health, physiological, housing,
9 employment, and job training needs.

10 (2) CORRECTIONAL OPERATIONS

11	General Fund--State Appropriation (FY 2012)	((\$609,105,000))
12		<u>\$596,916,000</u>
13	General Fund--State Appropriation (FY 2013)	((\$602,804,000))
14		<u>\$576,545,000</u>
15	General Fund--Federal Appropriation	\$3,324,000
16	Washington Auto Theft Prevention Authority Account--	
17	State Appropriation	\$14,079,000
18	<u>Enhanced 911 Account--State Appropriation</u>	<u>\$2,000,000</u>
19	TOTAL APPROPRIATION	((\$1,229,312,000))
20		<u>\$1,192,864,000</u>

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

23 (a) During the 2011-13 biennium, when contracts are established or
24 renewed for offender pay phone and other telephone services provided to
25 inmates, the department shall select the contractor or contractors
26 primarily based on the following factors: (i) The lowest rate charged
27 to both the inmate and the person paying for the telephone call; and
28 (ii) the lowest commission rates paid to the department, while
29 providing reasonable compensation to cover the costs of the department
30 to provide the telephone services to inmates and provide sufficient
31 revenues for the activities funded from the institutional welfare
32 betterment account.

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

1 (c) \$102,000 of the general fund--state appropriation for fiscal
2 year 2012 and \$102,000 of the general fund--state appropriation for
3 fiscal year 2013 are provided solely to implement House Bill No. 1290
4 (health care employee overtime). If the bill is not enacted by June
5 30, 2011, the amounts provided in this subsection shall lapse.

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

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

22 (f) \$311,000 of the general fund--state appropriation for fiscal
23 year 2013 is provided solely for implementation of House Bill No. 2346
24 (correctional officer uniforms). If the bill is not enacted by June
25 30, 2012, the amount provided in this subsection shall lapse.

26 (g) \$41,000 of the general fund--state appropriation for fiscal
27 year 2012 and \$165,000 of the general fund--state appropriation for
28 fiscal year 2013 are provided solely for the department to maintain the
29 facility, property, and assets at the institution formerly known as the
30 maple lane school in Rochester. The department may not house
31 incarcerated offenders at the maple lane site until specifically
32 directed by the legislature. By November 1, 2012, the department shall
33 report to the appropriate fiscal committees of the house of
34 representatives and the senate with a plan for the future use of the
35 facility.

36 (h) By December 1, 2012, the department shall provide to the
37 legislative fiscal committees a report that evaluates health care
38 expenditures in Washington state correctional institutions and makes

1 recommendations for controlling health care costs. The report shall
2 evaluate the source of health care costs, including offender health
3 issues, use of pharmaceuticals, offsite and specialist medical care,
4 chronic disease costs, and mental health issues. The department may
5 include information from other states on cost control in offender
6 health care, trends in offender health care that indicate potential
7 cost increases, and management of high-cost diagnoses.

8 (i) The department shall convene a work group to develop health
9 care cost containment strategies at local jail facilities. The work
10 group shall identify cost containment strategies in place at the
11 department and at local jail facilities, identify the costs and
12 benefits of implementing strategies in jail health-care facilities, and
13 make recommendations on implementing beneficial strategies. The work
14 group shall submit a report on its findings and recommendations to the
15 fiscal committees of the legislature by October 1, 2013. The work
16 group shall include jail administrators, representatives from health
17 care facilities at the local jail level and the state prisons level,
18 and other representatives as deemed necessary.

19 (3) COMMUNITY SUPERVISION

20	General Fund--State Appropriation (FY 2012)	((\$129,635,000))
21		<u>\$127,625,000</u>
22	General Fund--State Appropriation (FY 2013)	((\$128,049,000))
23		<u>\$128,571,000</u>
24	Federal Narcotics Forfeiture Account--Federal	
25	Appropriation	\$372,000
26	Controlled Substances Account--State	
27	Appropriation	\$32,000
28	TOTAL APPROPRIATION	((\$258,088,000))
29		<u>\$256,600,000</u>

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

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

37 (b) \$6,362,000 of the general fund--state appropriation for fiscal

1 year 2013 is provided solely to implement an evidence-based risk-needs-
2 responsivity model for community supervision of offenders.

3 (4) CORRECTIONAL INDUSTRIES

4	General Fund--State Appropriation (FY 2012)	((\$3,535,000))
5		<u>\$2,513,000</u>
6	General Fund--State Appropriation (FY 2013)	((\$3,458,000))
7		<u>\$2,431,000</u>
8	TOTAL APPROPRIATION	((\$6,993,000))
9		<u>\$4,944,000</u>

10 The appropriations in this subsection are subject to the following
11 conditions and limitations: \$66,000 of the general fund--state
12 appropriation for fiscal year 2012 is provided solely for transfer to
13 the jail industries board. The board shall use the amounts provided
14 only for administrative expenses, equipment purchases, and technical
15 assistance associated with advising cities and counties in developing,
16 promoting, and implementing consistent, safe, and efficient offender
17 work programs.

18 (5) INTERAGENCY PAYMENTS

19	General Fund--State Appropriation (FY 2012)	((\$37,053,000))
20		<u>\$36,045,000</u>
21	General Fund--State Appropriation (FY 2013)	((\$35,549,000))
22		<u>\$32,322,000</u>
23	TOTAL APPROPRIATION	((\$72,602,000))
24		<u>\$68,367,000</u>

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

27 (a) The state prison institutions may use funds appropriated in
28 this subsection to rent uniforms from correctional industries in
29 accordance with existing legislative mandates. If House Bill No. 2346
30 is enacted by June 30, 2012, this subsection (5)(a) is null and void as
31 of June 30, 2012.

32 (b) The state prison medical facilities may use funds appropriated
33 in this subsection to purchase goods and supplies through hospital or
34 other group purchasing organizations when it is cost effective to do
35 so.

36 (c) The department shall reduce payments to the department of
37 information services or its successor by \$213,000 in fiscal year 2012

1 and by \$1,150,000 in fiscal year 2013. The reduction in payment shall
2 be related to the elimination of the offender base tracking system,
3 including moving remaining portions of the offender base tracking
4 system into the offender management network information system.

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

7 **FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

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

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

19 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

20	General Fund--Federal Appropriation	(((\$267,301,000))
21		<u>\$267,084,000</u>
22	General Fund--Private/Local Appropriation	(((\$33,931,000))
23		<u>\$33,860,000</u>
24	Unemployment Compensation Administration Account--	
25	Federal Appropriation	(((\$350,622,000))
26		<u>\$349,401,000</u>
27	Administrative Contingency Account--State	
28	Appropriation	(((\$20,948,000))
29		<u>\$20,942,000</u>
30	Employment Service Administrative Account--State	
31	Appropriation	(((\$33,721,000))
32		<u>\$33,618,000</u>
33	TOTAL APPROPRIATION	(((\$706,523,000))
34		<u>\$704,905,000</u>

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

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

7 (2) \$35,584,000 of the unemployment compensation administration
8 account--federal appropriation is from amounts made available to the
9 state by section 903 (d), (f), and (g) of the social security act (Reed
10 act). This amount is provided solely for the replacement of the
11 unemployment insurance tax information system for the employment
12 security department. The employment security department shall support
13 the department of revenue and department of labor and industries to
14 develop a common vision to ensure technological compatibility between
15 the three agencies to facilitate a coordinated business tax system for
16 the future that improves services to business customers. The amounts
17 provided in this subsection are conditioned on the department
18 satisfying the requirements of the project management oversight
19 standards and policies established by the office of the chief
20 information officer created in Engrossed Substitute Senate Bill No.
21 5931 (information technology management).

22 (3) \$25,000 of the unemployment compensation administration
23 account--federal appropriation is from amounts made available to the
24 state by section 903 (d), (f), and (g) of the social security act (Reed
25 act). This amount is provided solely for implementation of system
26 changes to the unemployment insurance tax information system required
27 under chapter 4, Laws of 2011 (unemployment insurance program).

28 (4) \$1,459,000 of the unemployment compensation administration
29 account--federal appropriation is from amounts available to the state
30 by section 903 (d), (f), and (g) of the social security act (Reed act).
31 This amount is provided solely for implementation of chapter 4, Laws of
32 2011 (unemployment insurance program).

33 (5) (~~(\$60,000)~~) \$80,000 of the unemployment compensation
34 administration account--federal appropriation is provided solely for
35 costs associated with the initial review and evaluation of the training
36 benefits program as directed in section 15(2), chapter 4, Laws of 2011
37 (unemployment insurance program). The initial review shall be

1 developed by the joint legislative audit and review committee. This
2 appropriation is provided from funds made available to the state by
3 section 903 (d), (f), and (g) of the social security act (Reed act).

(End of part)

PART III
NATURAL RESOURCES

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

FOR THE COLUMBIA RIVER GORGE COMMISSION

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

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

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2012)	(\$47,630,000)
	<u>\$32,972,000</u>
General Fund--State Appropriation (FY 2013)	(\$46,226,000)
	<u>\$28,735,000</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>\$4,633,000</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 \$9,715,000
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 \$140,117,000
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 \$26,160,000
30 Water Quality Permit Account--State Appropriation . . . ((~~\$37,748,000~~))
31 \$38,833,000
32 Underground Storage Tank Account--State
33 Appropriation ((~~\$3,254,000~~))
34 \$3,214,000
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 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) \$2,000,000 of the state toxics control account--state
15 appropriation is provided solely for the replacement of uncertified
16 solid fuel burning devices and solid fuel burning devices manufactured
17 prior to 1995 for low and middle-income families in air quality
18 nonattainment areas under the federal clean air act (42 U.S.C. Sec.
19 7401 et seq.). The replacement heating device may include certified
20 solid fuel burning devices, pellet stoves, or a cleaner natural gas or
21 electric home heating device.

22 (13) \$188,000 of the general fund--state appropriation for fiscal
23 year 2013 is provided solely for the implementation of Engrossed
24 Substitute Senate Bill No. 6406 (state natural resources). If the bill
25 is not enacted by June 30, 2012, the amount provided in this subsection
26 shall lapse.

27 (14) \$50,000 of the state toxics control account--state
28 appropriation is provided solely to fulfill technical assistances
29 duties prescribed in Senate Bill No. 6120 (children's safe products).
30 If the bill is not enacted by June 30, 2012, the amount provided in
31 this subsection shall lapse.

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

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

35	General Fund--State Appropriation (FY 2012)	\$8,955,000
36	General Fund--State Appropriation (FY 2013)	\$8,379,000
37	General Fund--Federal Appropriation	\$5,905,000

1 (4) Prior to closing any state park, the commission must notify all
2 affected local governments and relevant nonprofit organizations of the
3 intended closure and provide an opportunity for the notified local
4 governments and nonprofit organizations to elect to acquire, or enter
5 into, a maintenance and operating contract with the commission that
6 would allow the park to remain open.

7 (5) Within the appropriations contained in this section, the
8 commission shall remove trees from Brooks memorial state park that have
9 been killed or damaged by fire in order to ensure the recovery of value
10 from the sale of any timber that is surplus to the needs of the park.
11 The commission shall remove such trees by September 30, 2012, and in a
12 manner consistent with RCW 79A.05.035.

13 (6) The state parks and recreation commission, in cooperation with
14 the Fort Worden lifelong learning center public development authority
15 authorized under RCW 35.21.730, shall provide a report to the
16 legislature no later than October 1, 2012, on a potential transfer or
17 partial transfer of Fort Worden state park to the public development
18 authority. The report shall include a business plan and supporting
19 materials that provide information, options, and recommendations on
20 matters related to the transfer including, but not limited to: The
21 scope of the real and personal property to include in the transfer; the
22 time frame for and duration of the transfer; the sustainability of park
23 operations following the transfer, including sources of revenue,
24 estimated revenue, as well as estimated annual operating and capital
25 maintenance costs; potential risks and liability for the state, as well
26 as potential mitigation measures; potential impacts on and transition
27 plans for state employees; ensuring the sustainability of the park in
28 perpetuity; and contingency plans to address significant funding or
29 other park management challenges that may arise.

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

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

33	General Fund--State Appropriation (FY 2012)	(\$954,000)
34		\$898,000
35	General Fund--State Appropriation (FY 2013)	(\$973,000)
36		\$823,000
37	General Fund--Federal Appropriation	(\$3,299,000)

1		<u>\$3,295,000</u>
2	General Fund--Private/Local Appropriation	((\$274,000))
3		<u>\$24,000</u>
4	Aquatic Lands Enhancement Account--State Appropriation	\$278,000
5	Vessel Response Account--State Appropriation	\$100,000
6	Firearms Range Account--State Appropriation	\$37,000
7	Recreation Resources Account--State Appropriation	((\$2,874,000))
8		<u>\$2,869,000</u>
9	NOVA Program Account--State Appropriation	\$900,000
10	TOTAL APPROPRIATION	((\$9,689,000))
11		<u>\$9,224,000</u>

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

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

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

23	General Fund--State Appropriation (FY 2012)	((\$2,308,000))
24		<u>\$2,153,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$2,275,000))
26		<u>\$2,032,000</u>
27	TOTAL APPROPRIATION	((\$4,583,000))
28		<u>\$4,185,000</u>

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

31 **FOR THE CONSERVATION COMMISSION**

32	General Fund--State Appropriation (FY 2012)	((\$6,789,000))
33		<u>\$6,785,000</u>
34	General Fund--State Appropriation (FY 2013)	((\$6,792,000))
35		<u>\$6,424,000</u>
36	General Fund--Federal Appropriation	\$1,301,000

1 TOTAL APPROPRIATION ((~~\$14,882,000~~))
2 \$14,510,000

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

5 (1) The conservation commission, in cooperation with all
6 conservation districts, will seek to minimize conservation district
7 overhead costs. These efforts may include consolidating conservation
8 districts.

9 (2) \$122,000 of the general fund--federal appropriation is provided
10 solely for Engrossed Substitute House Bill No. 1886 (Ruckelshaus center
11 process). If the bill is not enacted by June 30, 2011, the amount
12 provided in this subsection shall lapse.

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

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

16 General Fund--State Appropriation (FY 2012) ((~~\$34,695,000~~))
17 \$34,112,000
18 General Fund--State Appropriation (FY 2013) ((~~\$32,388,000~~))
19 \$26,727,000
20 General Fund--Federal Appropriation ((~~\$105,717,000~~))
21 \$105,483,000
22 General Fund--Private/Local Appropriation ((~~\$57,025,000~~))
23 \$56,923,000
24 ORV and Nonhighway Vehicle Account--State Appropriation . . . \$391,000
25 Aquatic Lands Enhancement Account--State
26 Appropriation ((~~\$8,230,000~~))
27 \$9,863,000
28 Recreational Fisheries Enhancement--State
29 Appropriation ((~~\$3,550,000~~))
30 \$2,794,000
31 Warm Water Game Fish Account--State Appropriation . . . ((~~\$3,051,000~~))
32 \$2,841,000
33 Eastern Washington Pheasant Enhancement Account--State
34 Appropriation \$849,000
35 Aquatic Invasive Species Enforcement Account--State
36 Appropriation \$204,000
37 Aquatic Invasive Species Prevention Account--State

1	Appropriation	((\$719,000))
2		<u>\$848,000</u>
3	State Wildlife Account--State Appropriation	((\$100,424,000))
4		<u>\$100,884,000</u>
5	Special Wildlife Account--State Appropriation	((\$2,384,000))
6		<u>\$2,382,000</u>
7	Special Wildlife Account--Federal Appropriation	\$500,000
8	Special Wildlife Account--Private/Local Appropriation	\$3,415,000
9	Wildlife Rehabilitation Account--State Appropriation	\$259,000
10	Regional Fisheries Enhancement Salmonid Recovery	
11	Account--Federal Appropriation	\$5,001,000
12	Oil Spill Prevention Account--State Appropriation	((\$887,000))
13		<u>\$883,000</u>
14	Oyster Reserve Land Account--State Appropriation	((\$921,000))
15		<u>\$919,000</u>
16	<u>Hydraulic Project Approval Account--State Appropriation</u>	<u>\$415,000</u>
17	<u>Recreation Resources Account--State Appropriation</u>	<u>\$2,300,000</u>
18	TOTAL APPROPRIATION	((\$360,610,000))
19		<u>\$357,993,000</u>

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

22 (1) \$294,000 of the aquatic lands enhancement account--state
23 appropriation is provided solely for the implementation of hatchery
24 reform recommendations defined by the hatchery scientific review group.

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

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

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

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

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

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

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

25 (4) \$400,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$400,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for a state match to support the
28 Puget Sound nearshore partnership between the department and the U.S.
29 army corps of engineers.

30 (5) \$50,000 of the general fund--state appropriation for fiscal
31 year 2012 and \$50,000 of the general fund--state appropriation for
32 fiscal year 2013 are provided solely for removal of derelict gear in
33 Washington waters.

34 (6) \$100,000 of the eastern Washington pheasant enhancement
35 account--state appropriation is provided solely for the department to
36 support efforts to enhance permanent and temporary pheasant habitat on
37 public and private lands in Grant, Franklin, and Adams counties. The
38 department may support efforts by entities including conservation

1 districts, nonprofit organizations, and landowners, and must require
2 such entities to provide significant nonstate matching resources, which
3 may be in the form of funds, material, or labor.

4 (7) Within the amounts appropriated in this section, the department
5 shall identify additional opportunities for partnerships in order to
6 keep fish hatcheries operational. Such partnerships shall aim to
7 maintain fish production and salmon recovery with less reliance on
8 state operating funds.

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

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

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

22 (11) (~~(\$9,418,000)~~) \$8,522,000 of the state wildlife account--state
23 appropriation is provided solely for the implementation of Second
24 Substitute Senate Bill No. 5622 (state land recreation access). If the
25 bill is not enacted by June 30, 2011, the amount provided in this
26 subsection shall lapse.

27 (12) \$50,000 of the state wildlife account--state appropriation is
28 provided solely for mitigation, claims, and assessment costs for injury
29 or loss of livestock caused by wolves, black bears, and cougars.

30 (13) \$552,000 of the aquatic lands enhancement account--state
31 appropriation is provided solely for increased law enforcement capacity
32 to reduce the occurrence of geoduck poaching and illegal harvest
33 activities. The department shall fill current vacant law enforcement
34 positions prior to filling the new positions created under this
35 subsection.

36 (14) \$415,000 of the hydraulic project approval--state
37 appropriation is provided solely for the implementation of Engrossed

1 Substitute Senate Bill No. 6406 (state natural resources). If the bill
2 is not enacted by June 30, 2012, the amount provided in this subsection
3 shall lapse.

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

6 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

7	General Fund--State Appropriation (FY 2012)	((\$31,324,000))
8		<u>\$30,912,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$35,791,000))
10		<u>\$33,423,000</u>
11	General Fund--Federal Appropriation	((\$27,919,000))
12		<u>\$27,873,000</u>
13	General Fund--Private/Local Appropriation	((\$2,374,000))
14		<u>\$2,372,000</u>
15	Forest Development Account--State Appropriation	((\$41,717,000))
16		<u>\$44,783,000</u>
17	ORV and Nonhighway Vehicle Account--State	
18	Appropriation	((\$4,387,000))
19		<u>\$4,373,000</u>
20	Surveys and Maps Account--State Appropriation	((\$2,346,000))
21		<u>\$2,118,000</u>
22	Aquatic Lands Enhancement Account--State	
23	Appropriation	((\$7,224,000))
24		<u>\$1,178,000</u>
25	Resources Management Cost Account--State	
26	Appropriation	((\$82,097,000))
27		<u>\$89,154,000</u>
28	Surface Mining Reclamation Account--State	
29	Appropriation	((\$3,484,000))
30		<u>\$3,470,000</u>
31	Disaster Response Account--State Appropriation	\$5,000,000
32	Forest and Fish Support Account--State Appropriation	((\$7,933,000))
33		<u>\$9,784,000</u>
34	Aquatic Land Dredged Material Disposal Site	
35	Account--State Appropriation	\$838,000
36	Natural Resources Conservation Areas Stewardship	
37	Account--State Appropriation	\$34,000

1 (3) (~~(\$4,000,000 of the forest and fish support account--state~~
2 ~~appropriation is provided solely for adaptive management, monitoring,~~
3 ~~and participation grants to tribes. If federal funding for this~~
4 ~~purpose is reinstated, the amount provided in this subsection shall~~
5 ~~lapse.~~

6 (4) ~~\$333,000 of the forest and fish support account--state~~
7 ~~appropriation is provided solely for adaptive management, monitoring,~~
8 ~~and participation grants to nongovernmental organizations.~~

9 (5) ~~\$487,000~~) \$4,500,000 of the forest and fish support account--
10 state appropriation is provided solely for outcome-based, performance
11 contracts with tribes to participate in the implementation of the
12 forest practices program. Contracts awarded in fiscal year 2013 may
13 only contain indirect costs set at or below the rate in the contracting
14 tribe's indirect cost agreement with the federal government. If
15 federal funding for this purpose is reinstated, the amount provided in
16 this subsection shall lapse.

17 (4) \$518,000 of the forest and fish support account--state
18 appropriation is provided solely for outcome-based performance
19 contracts with nongovernmental organizations to participate in the
20 implementation of the forest practices program. Contracts awarded in
21 fiscal year 2013 may only contain indirect cost set at or below a rate
22 of eighteen percent.

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

28 (6) \$1,000,000 of the general fund--federal appropriation and
29 \$1,000,000 of the forest and fish support account--state appropriation
30 are provided solely for continuing scientific studies already underway
31 as part of the adaptive management process. Funds may not be used to
32 initiate new studies unless the department secures new federal funding
33 for the adaptive management process.

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

1 (8) \$440,000 of the state general fund--state appropriation for
2 fiscal year 2012 and \$440,000 of the state general fund--state
3 appropriation for fiscal year 2013 are provided solely for forest work
4 crews that support correctional camps and are contingent upon
5 continuing operations of Naselle youth camp.

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

11 (10) \$780,000 of the forest practices application account--state
12 appropriation, \$18,000 of the forest development account--state
13 appropriation, \$22,000 of the resources management cost account--state
14 appropriation, and \$2,000 of the surface mining reclamation account--
15 state appropriation are provided solely for the implementation of
16 Engrossed Substitute Senate Bill No. 6406 (state natural resources).
17 If the bill is not enacted by June 30, 2012, the amounts provided in
18 this subsection shall lapse.

19 (11) \$2,100,000 of the marine resources stewardship account--state
20 appropriation is provided solely for the implementation of Second
21 Substitute Senate Bill No. 6263 (marine management planning). If the
22 bill is not enacted by June 30, 2012, the amount provided in this
23 subsection shall lapse.

24 (12) In partnership with the department of ecology, the departments
25 shall deliver a report to the governor, the appropriate committees of
26 the legislature, and the forest practices board by September 1, 2012,
27 documenting forest practices adaptive management program reforms
28 implemented, or recommended, that streamline existing processes to
29 increase program efficiencies and effectiveness. The departments shall
30 collaborate with interested adaptive management program participants in
31 the development of the report.

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

34 **FOR THE DEPARTMENT OF AGRICULTURE**

35 General Fund--State Appropriation (FY 2012) ((\$15,484,000))
36 \$15,435,000

37 General Fund--State Appropriation (FY 2013) ((\$14,875,000))

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>\$1,285,000</u>
Architects' License Account--State Appropriation	(\$1,084,000)
	<u>\$1,075,000</u>
Professional Engineers' Account--State Appropriation	(\$3,518,000)
	<u>\$3,493,000</u>
Real Estate Commission Account--State Appropriation	(\$9,833,000)
	<u>\$9,701,000</u>
Uniform Commercial Code Account--State Appropriation	(\$3,120,000)
	<u>\$3,108,000</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>\$38,070,000</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>\$35,400,000</u>
23	General Fund--State Appropriation (FY 2013)	((\$35,108,000))
24		<u>\$32,901,000</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>\$27,043,000</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>\$133,376,000</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~~)) \$14,878,000 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~~)) \$8,172,000 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~~) \$12,167,000 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 **Sec. 502.** 2011 2nd sp.s. c 9 s 502 (uncodified) is amended to read
31 as follows:

32 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
33 **APPORTIONMENT**

34	General Fund--State Appropriation (FY 2012)	((\$5,253,769,000))
35		\$5,241,233,000
36	General Fund--State Appropriation (FY 2013)	((\$5,205,868,000))
37		\$4,840,854,000

1	General Fund--Federal Appropriation	((\$22,078,000))
2		<u>\$22,327,000</u>
3	TOTAL APPROPRIATION	((\$10,481,715,000))
4		<u>\$10,104,414,000</u>

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

7 (1)(a) Each general fund fiscal year appropriation includes such
8 funds as are necessary to complete the school year ending in the fiscal
9 year and for prior fiscal year adjustments.

10 (b) For the 2011-12 and 2012-13 school years, the superintendent
11 shall allocate general apportionment funding to school districts as
12 provided in the funding formulas and salary schedules in sections 502
13 and 503 of this act, excluding (c) of this subsection.

14 (c) From July 1, 2011 to August 31, 2011, the superintendent shall
15 allocate general apportionment funding to school districts programs as
16 provided in sections 502 and 504, chapter 564, Laws of 2009, as amended
17 through sections 1402 and 1403 of this act.

18 (d) The appropriations in this section include federal funds
19 provided through section 101 of P.L. No. 111-226 (education jobs fund),
20 which shall be used to support general apportionment program funding.
21 In distributing general apportionment allocations under this section
22 for the 2011-12 school year, the superintendent shall include the
23 additional amount of ((~~\$3,078,000~~)) \$3,327,000 allocated by the United
24 States department of education on September 16, 2011, provided through
25 101 of P.L. No. 111-226 (education jobs fund) as part of each
26 district's general apportionment allocation.

27 (e) The enrollment of any district shall be the annual average
28 number of full-time equivalent students and part-time students as
29 provided in RCW 28A.150.350, enrolled on the fourth day of school in
30 September and on the first school day of each month October through
31 June, including students who are in attendance pursuant to RCW
32 28A.335.160 and 28A.225.250 who do not reside within the servicing
33 school district. Any school district concluding its basic education
34 program in May must report the enrollment of the last school day held
35 in May in lieu of a June enrollment.

36 (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS
37 Allocations for certificated instructional staff salaries for the

1 2011-12 and 2012-13 school years are determined using formula-generated
2 staff units calculated pursuant to this subsection.

3 (a) Certificated instructional staff units, as defined in RCW
4 28A.150.410, shall be allocated to reflect the minimum class size
5 allocations, requirements, and school prototypes assumptions as
6 provided in RCW 28A.150.260. The superintendent shall make allocations
7 to school districts based on the district's annual average full-time
8 equivalent student enrollment in each grade.

9 (b) Additional certificated instructional staff units provided in
10 this subsection (2) that exceed the minimum requirements in RCW
11 28A.150.260 are enhancements outside the program of basic education,
12 except as otherwise provided in this section.

13 (c)(i) The superintendent shall base allocations for each level of
14 prototypical school on the following regular education average class
15 size of full-time equivalent students per teacher, except as provided
16 in (c)(ii) of this subsection:

17 General education class size:

18 Grade	RCW 28A.150.260
19 Grades K-3	25.23
20 Grade 4	27.00
21 Grades 5-6	27.00
22 Grades 7-8	28.53
23 Grades 9-12	28.74

24 The superintendent shall base allocations for career and technical
25 education (CTE) and skill center programs average class size as
26 provided in RCW 28A.150.260.

27 (ii) For each level of prototypical school at which more than fifty
28 percent of the students were eligible for free and reduced-price meals
29 in the prior school year, the superintendent shall allocate funding
30 based on the following average class size of full-time equivalent
31 students per teacher:

1	General education class size in high poverty	
2	school:	
3	Grades K-3	24.10
4	Grade 4	27.00
5	Grades 5-6	27.00
6	Grades 7-8	28.53
7	Grades 9-12	28.74

8 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher
9 planning period, expressed as a percentage of a teacher work day, is
10 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

11 (iv) Laboratory science, advanced placement, and international
12 baccalaureate courses are funded at the same class size assumptions as
13 general education schools in the same grade; and

14 (d)(i) Funding for teacher librarians, school nurses, social
15 workers, school psychologists, and guidance counselors is allocated
16 based on the school prototypes as provided in RCW 28A.150.260 and is
17 considered certificated instructional staff, except as provided in
18 (d)(ii) of this subsection.

19 (ii) Students in approved career and technical education and skill
20 center programs generate certificated instructional staff units to
21 provide for the services of teacher librarians, school nurses, social
22 workers, school psychologists, and guidance counselors at the following
23 combined rate per 1000 students:

24 Career and Technical Education

25	students	2.02 per 1000 student FTE's
26	Skill Center students	2.36 per 1000 student FTE's

27 (3) ADMINISTRATIVE STAFF ALLOCATIONS

28 (a) Allocations for school building-level certificated
29 administrative staff salaries for the 2011-12 and 2012-13 school years
30 for general education students are determined using the formula-
31 generated staff units provided in RCW 28A.150.260, and adjusted based
32 on a district's annual average full-time equivalent student enrollment
33 in each grade.

34 (b) Students in approved career and technical education and skill
35 center programs generate certificated school building-level

1 administrator staff units at per student rates that exceed the general
2 education rate in (a) of this subsection by the following percentages:

- 3 Career and Technical Education students 2.5 percent
- 4 Skill Center students 19.75 percent

5 (4) CLASSIFIED STAFF ALLOCATIONS

6 Allocations for classified staff units providing school building-
7 level and district-wide support services for the 2011-12 and 2012-13
8 school years are determined using the formula-generated staff units
9 provided in RCW 28A.150.260, and adjusted based on each district's
10 annual average full-time equivalent student enrollment in each grade.

11 (5) CENTRAL OFFICE ALLOCATIONS

12 In addition to classified and administrative staff units allocated
13 in subsections (3) and (4) of this section, classified and
14 administrative staff units are provided for the 2011-12 and 2012-13
15 school year for the central office administrative costs of operating a
16 school district, at the following rates:

17 (a) The total central office staff units provided in this
18 subsection (5) are calculated by first multiplying the total number of
19 eligible certificated instructional, certificated administrative, and
20 classified staff units providing school-based or district-wide support
21 services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

22 (b) Of the central office staff units calculated in (a) of this
23 subsection, 74.53 percent are allocated as classified staff units, as
24 generated in subsection (4) of this section, and 25.47 percent shall be
25 allocated as administrative staff units, as generated in subsection (3)
26 of this section.

27 (c) Staff units generated as enhancements outside the program of
28 basic education to the minimum requirements of RCW 28A.150.260, and
29 staff units generated by skill center and career-technical students,
30 are excluded from the total central office staff units calculation in
31 (a) of this subsection.

32 (d) For students in approved career-technical and skill center
33 programs, central office classified units are allocated at the same
34 staff unit per student rate as those generated for general education
35 students of the same grade in this subsection (5), and central office
36 administrative staff units are allocated at staff unit per student
37 rates that exceed the general education rate established for students
38

1 in the same grade in this subsection (5) by 3.69 percent for career and
2 technical education students, and 21.92 percent for skill center
3 students.

4 (6) FRINGE BENEFIT ALLOCATIONS

5 Fringe benefit allocations shall be calculated at a rate of 16.33
6 percent in the 2011-12 school year and (~~16.33~~) 16.34 percent in the
7 2012-13 school year for certificated salary allocations provided under
8 subsections (2), (3), and (5) of this section, and a rate of 18.73
9 percent in the 2011-12 school year and 18.73 percent in the 2012-13
10 school year for classified salary allocations provided under
11 subsections (4) and (5) of this section.

12 (7) INSURANCE BENEFIT ALLOCATIONS
13

14 Insurance benefit allocations shall be calculated at the
15 maintenance rate specified in section 504 of this act, based on the
16 number of benefit units determined as follows:

17 (a) The number of certificated staff units determined in
18 subsections (2), (3), and (5) of this section; and

19 (b) The number of classified staff units determined in subsections
20 (4) and (5) of this section multiplied by 1.152. This factor is
21 intended to adjust allocations so that, for the purposes of
22 distributing insurance benefits, full-time equivalent classified
23 employees may be calculated on the basis of 1440 hours of work per
24 year, with no individual employee counted as more than one full-time
25 equivalent.

26 (8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

27 Funding is allocated per annual average full-time equivalent
28 student for the materials, supplies, and operating costs (MSOC)
29 incurred by school districts, consistent with the requirements of RCW
30 28A.150.260.

31 (a) MSOC funding for general education students are allocated at
32 the following per student rates:

33 MSOCRATES/STUDENTFTE
34

1	MSOC Component	2011-12	2012-13
2		SCHOOL YEAR	SCHOOL YEAR
3			
4	Technology	\$57.42	(\$58.17) <u>\$58.28</u>
5	Utilities and Insurance	\$156.03	(\$158.05) <u>\$158.37</u>
6	Curriculum and Textbooks	\$61.65	(\$62.45) <u>\$62.58</u>
7	Other Supplies and Library Materials	\$130.89	(\$132.59) <u>\$132.85</u>
8	Instructional Professional Development for Certificated		
9	and Classified Staff	\$9.53	(\$9.66) <u>\$9.68</u>
10	Facilities Maintenance	\$77.30	(\$78.30) <u>\$78.46</u>
11	Security and Central Office	\$53.55	(\$54.25) <u>\$54.35</u>
12	TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$546.37	(\$553.47) <u>\$554.57</u>

13 (b) Students in approved skill center programs generate per student
14 FTE MSOC allocations which equal the rate for general education
15 students calculated in (a) of this subsection, multiplied by a factor
16 of 2.171.

17 (c) Students in approved exploratory and preparatory career and
18 technical education programs generate a per student MSOC allocation
19 that is equal to the rate for general education students calculated in
20 (a) of this subsection, multiplied by a factor of 2.442.

21 (d) Students in laboratory science courses generate per student FTE
22 MSOC allocations which equal the per student FTE rate for general
23 education students established in (a) of this subsection.

24 (9) SUBSTITUTE TEACHER ALLOCATIONS

25 For the 2011-12 and 2012-13 school years, funding for substitute
26 costs for classroom teachers is based on four (4) funded substitute
27 days per classroom teacher unit generated under subsection (2) of this
28 section, at a daily substitute rate of \$151.86.

29 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

30 (a) Amounts provided in this section are adjusted to reflect
31 provisions of House Bill No. 2065 (allocation of funding for funding
32 for students enrolled in alternative learning experiences).

33 (b) The superintendent of public instruction shall require all
34 districts receiving general apportionment funding for alternative
35 learning experience (ALE) programs as defined in WAC 392-121-182 to
36 provide separate financial accounting of expenditures for the ALE

1 programs offered in district or with a provider, including but not
2 limited to private companies and multidistrict cooperatives, as well as
3 accurate, monthly headcount and FTE enrollment claimed for basic
4 education, including separate counts of resident and nonresident
5 students.

6 (11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

7 Funding in this section is sufficient to fund voluntary full day
8 kindergarten programs in qualifying high poverty schools, pursuant to
9 RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls
10 for the voluntary full-day program in a qualifying school shall count
11 as one-half of one full-time equivalent student for purpose of making
12 allocations under this section. Funding in this section provides full-
13 day kindergarten programs for 21 percent of kindergarten enrollment in
14 the 2011-12 school year, and 22 percent in the 2012-13 school year.
15 Funding priority shall be given to schools with the highest poverty
16 levels, as measured by prior year free and reduced price lunch
17 eligibility rates in each school. Funding in this section is
18 sufficient to fund voluntary full day kindergarten programs for July
19 and August of the 2010-11 school year.

20 (12) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND
21 NECESSARY PLANTS

22 For small school districts and remote and necessary school plants
23 within any district which have been judged to be remote and necessary
24 by the superintendent of public instruction, additional staff units are
25 provided to ensure a minimum level of staffing support. Additional
26 administrative and certificated instructional staff units provided to
27 districts in this subsection shall be reduced by the general education
28 staff units, excluding career and technical education and skills center
29 enhancement units, otherwise provided in subsections (2) through (5) of
30 this section on a per district basis.

31 (a) For districts enrolling not more than twenty-five average
32 annual full-time equivalent students in grades K-8, and for small
33 school plants within any school district which have been judged to be
34 remote and necessary by the superintendent of public instruction and
35 enroll not more than twenty-five average annual full-time equivalent
36 students in grades K-8:

37 (i) For those enrolling no students in grades 7 and 8, 1.76
38 certificated instructional staff units and 0.24 certificated

1 administrative staff units for enrollment of not more than five
2 students, plus one-twentieth of a certificated instructional staff unit
3 for each additional student enrolled; and

4 (ii) For those enrolling students in grades 7 or 8, 1.68
5 certificated instructional staff units and 0.32 certificated
6 administrative staff units for enrollment of not more than five
7 students, plus one-tenth of a certificated instructional staff unit for
8 each additional student enrolled;

9 (b) For specified enrollments in districts enrolling more than
10 twenty-five but not more than one hundred average annual full-time
11 equivalent students in grades K-8, and for small school plants within
12 any school district which enroll more than twenty-five average annual
13 full-time equivalent students in grades K-8 and have been judged to be
14 remote and necessary by the superintendent of public instruction:

15 (i) For enrollment of up to sixty annual average full-time
16 equivalent students in grades K-6, 2.76 certificated instructional
17 staff units and 0.24 certificated administrative staff units; and

18 (ii) For enrollment of up to twenty annual average full-time
19 equivalent students in grades 7 and 8, 0.92 certificated instructional
20 staff units and 0.08 certificated administrative staff units;

21 (c) For districts operating no more than two high schools with
22 enrollments of less than three hundred average annual full-time
23 equivalent students, for enrollment in grades 9-12 in each such school,
24 other than alternative schools, except as noted in this subsection:

25 (i) For remote and necessary schools enrolling students in any
26 grades 9-12 but no more than twenty-five average annual full-time
27 equivalent students in grades K-12, four and one-half certificated
28 instructional staff units and one-quarter of a certificated
29 administrative staff unit;

30 (ii) For all other small high schools under this subsection, nine
31 certificated instructional staff units and one-half of a certificated
32 administrative staff unit for the first sixty average annual full-time
33 equivalent students, and additional staff units based on a ratio of
34 0.8732 certificated instructional staff units and 0.1268 certificated
35 administrative staff units per each additional forty-three and one-half
36 average annual full-time equivalent students;

37 (iii) Districts receiving staff units under this subsection shall
38 add students enrolled in a district alternative high school and any

1 grades nine through twelve alternative learning experience programs
2 with the small high school enrollment for calculations under this
3 subsection;

4 (d) For each nonhigh school district having an enrollment of more
5 than seventy annual average full-time equivalent students and less than
6 one hundred eighty students, operating a grades K-8 program or a grades
7 1-8 program, an additional one-half of a certificated instructional
8 staff unit;

9 (e) For each nonhigh school district having an enrollment of more
10 than fifty annual average full-time equivalent students and less than
11 one hundred eighty students, operating a grades K-6 program or a grades
12 1-6 program, an additional one-half of a certificated instructional
13 staff unit;

14 (f)(i) For enrollments generating certificated staff unit
15 allocations under (a) through (e) of this subsection, one classified
16 staff unit for each 2.94 certificated staff units allocated under such
17 subsections;

18 (ii) For each nonhigh school district with an enrollment of more
19 than fifty annual average full-time equivalent students and less than
20 one hundred eighty students, an additional one-half of a classified
21 staff unit; and

22 (g) School districts receiving additional staff units to support
23 small student enrollments and remote and necessary plants under
24 subsection (12) of this section shall generate additional MSOC
25 allocations consistent with the nonemployee related costs (NERC)
26 allocation formula in place for the 2010-11 school year as provided
27 section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental
28 budget), adjusted annually for inflation.

29 (13) Any school district board of directors may petition the
30 superintendent of public instruction by submission of a resolution
31 adopted in a public meeting to reduce or delay any portion of its basic
32 education allocation for any school year. The superintendent of public
33 instruction shall approve such reduction or delay if it does not impair
34 the district's financial condition. Any delay shall not be for more
35 than two school years. Any reduction or delay shall have no impact on
36 levy authority pursuant to RCW 84.52.0531 and local effort assistance
37 pursuant to chapter 28A.500 RCW.

1 (14) The superintendent may distribute funding for the following
2 programs outside the basic education formula during fiscal years 2012
3 and 2013 as follows:

4 (a) \$589,000 of the general fund--state appropriation for fiscal
5 year 2012 and (~~(\$597,000)~~) \$598,000 of the general fund--state
6 appropriation for fiscal year 2013 are provided solely for fire
7 protection for school districts located in a fire protection district
8 as now or hereafter established pursuant to chapter 52.04 RCW.

9 (b) \$436,000 of the general fund--state appropriation for fiscal
10 year 2012 and \$436,000 of the general fund--state appropriation for
11 fiscal year 2013 are provided solely for programs providing skills
12 training for secondary students who are enrolled in extended day
13 school-to-work programs, as approved by the superintendent of public
14 instruction. The funds shall be allocated at a rate not to exceed \$500
15 per full-time equivalent student enrolled in those programs.

16 (c) Funding in this section is sufficient to fund adjustments to
17 school districts' allocations resulting from the implementation of the
18 prototypical school funding formula, pursuant to chapter 236, Laws of
19 2010 (K-12 education funding). The funding in this section is intended
20 to hold school districts harmless in total for funding changes
21 resulting from conversion to the prototypical school formula in the
22 general apportionment program, the learning assistance program, the
23 transitional bilingual program, and the highly capable program, after
24 adjustment for changes in enrollment and other caseload adjustments.

25 (15) \$208,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$211,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for school district emergencies as
28 certified by the superintendent of public instruction. At the close of
29 the fiscal year the superintendent of public instruction shall report
30 to the office of financial management and the appropriate fiscal
31 committees of the legislature on the allocations provided to districts
32 and the nature of the emergency.

33 (16) Funding in this section is sufficient to fund a maximum of
34 1.6 FTE enrollment for skills center students pursuant to chapter 463,
35 Laws of 2007.

36 (17) Beginning in the 2011-12 school year, students participating
37 in running start programs may be funded up to a combined maximum
38 enrollment of 1.2 FTE including school district and institution of

1 higher education enrollment. In calculating the combined 1.2 FTE, the
2 office of the superintendent of public instruction may (~~average the~~
3 ~~participating student's September through June enrollment to account~~
4 ~~for differences in the start and end dates for courses provided by the~~
5 ~~high school and higher education institution~~) utilize the average of
6 the student's running start FTE enrollment on nine count dates from the
7 institution of higher education and the average of the student's high
8 school FTE enrollment from September through June, adjusting for any
9 differences in start and end dates provided by the institution of
10 higher education and the high school, provided the final per-student
11 FTE does not exceed the 1.2 maximum. Additionally, the office of the
12 superintendent of public instruction, in consultation with the state
13 board for community and technical colleges, the higher education
14 coordinating board, and the education data center, shall annually track
15 and report to the fiscal committees of the legislature on the combined
16 FTE experience of students participating in the running start program,
17 including course load analyses at both the high school and community
18 and technical college system.

19 (18) If two or more school districts consolidate and each district
20 was receiving additional basic education formula staff units pursuant
21 to subsection (12) of this section, the following apply:

22 (a) For three school years following consolidation, the number of
23 basic education formula staff units shall not be less than the number
24 of basic education formula staff units received by the districts in the
25 school year prior to the consolidation; and

26 (b) For the fourth through eighth school years following
27 consolidation, the difference between the basic education formula staff
28 units received by the districts for the school year prior to
29 consolidation and the basic education formula staff units after
30 consolidation pursuant to subsection (12) of this section shall be
31 reduced in increments of twenty percent per year.

32 (19)(a) Indirect cost charges by a school district to approved
33 career and technical education middle and secondary programs shall not
34 exceed 15 percent of the combined basic education and career and
35 technical education program enhancement allocations of state funds.
36 Middle and secondary career and technical education programs are
37 considered separate programs for funding and financial reporting
38 purposes under this section.

1 (b) Career and technical education program full-time equivalent
2 enrollment shall be reported on the same monthly basis as the
3 enrollment for students eligible for basic support, and payments shall
4 be adjusted for reported career and technical education program
5 enrollments on the same monthly basis as those adjustments for
6 enrollment for students eligible for basic support.

7 (20) \$10,000,000 of the general fund--state appropriation for
8 fiscal year 2013 is provided solely for the superintendent for
9 financial contingency funds for eligible school districts as a result
10 of delaying a portion of the June apportionment payment. The financial
11 contingency funds shall be allocated to eligible districts in the form
12 of an advance of their respective general apportionment allocations.

13 (a) Eligibility:

14 The superintendent shall determine a district's eligibility for
15 receipt of financial contingency funds, and districts shall be eligible
16 only if the following conditions are met:

17 (i) A petition is submitted by the school district as provided in
18 RCW 28A.510.250 and WAC 392-121-436; and

19 (ii) The district's projected general fund balance for the month of
20 March is less than one-half of one percent of its budgeted general fund
21 expenditures as submitted to the superintendent for the 2012-13 school
22 year on the F-195 report.

23 (b) Calculations:

24 The superintendent shall calculate the financial contingency
25 allocation to each district as the lesser of:

26 (i) The amount set forth in the school district's resolution;

27 (ii) An amount not to exceed ten percent of the total amount to
28 become due and apportionable to the district from September 1st through
29 August 31st of the current school year;

30 (iii) The highest negative monthly cash and investment balance of
31 the general fund between the date of the resolution and May 31st of the
32 school year based on projections approved by the county treasurer and
33 the educational service district.

34 (c) Repayment:

35 For any amount allocated to a district in state fiscal year 2013,
36 the superintendent shall deduct in state fiscal year 2014 from the
37 district's general apportionment the amount of the emergency
38 contingency allocation and any earnings by the school district on the

1 investment of a temporary cash surplus due to the emergency contingency
2 allocation. Repayments or advances will be accomplished by a reduction
3 in the school district's apportionment payments on or before June 30th
4 of the school year following the distribution of the emergency
5 contingency allocation. All disbursements, repayments, and outstanding
6 allocations to be repaid of the emergency contingency pool shall be
7 reported to the office of financial management and the appropriate
8 fiscal committees of the legislature on July 1st and January 1st of
9 each year.

10 NEW SECTION. Sec. 503. A new section is added to 2011 1st sp.s.
11 c 50 (uncodified) to read as follows:

12 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR JUNE 2013 GENERAL**
13 **APPORTIONMENT**

14 General Fund--State Appropriation (FY 2013) \$340,000,000

15 The amount in this section is subject to the following conditions
16 and limitations:

17 (1) The purpose of this contingent appropriation is to ensure a
18 responsible ending fund balance while avoiding delay in providing
19 funding to school districts by making the June 2013 general
20 apportionment payment to school districts if the June 2013 revenue
21 forecast indicates that sufficient revenues are available to support
22 the expenditure.

23 (2) The amount in this section is provided solely for the June 2013
24 general apportionment payment to school districts that would otherwise
25 be paid in that month but for the delay to July 2013 required by House
26 Bill No. 2129 (apportionment payment).

27 (3) This section takes effect June 25, 2013, only if the June 2013
28 forecast adopted by the economic and revenue forecast council pursuant
29 to RCW 82.33.030 projects that state general fund revenues for the
30 2011-2013 fiscal biennium will exceed \$30,817,314,000.

31 (4) The economic and revenue forecast council must provide notice
32 of the contingency in subsection (3) of this section to the chief clerk
33 of the house of representatives, the secretary of the senate, the
34 statute law committee, the superintendent of public instruction, the
35 governor, and others as deemed appropriate by the council.

1 **Sec. 504.** 2011 2nd sp.s. c 9 s 503 (uncodified) is amended to read
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**
4 **COMPENSATION**

5 (1) The following calculations determine the salaries used in the
6 state allocations for certificated instructional, certificated
7 administrative, and classified staff units as provided in RCW
8 28A.150.280 and under section 503 of this act:

9 (a) Salary allocations for certificated instructional staff units
10 are determined for each district by multiplying the district's
11 certificated instructional total base salary shown on LEAP Document 2
12 by the district's average staff mix factor for certificated
13 instructional staff in that school year, computed using LEAP document
14 1; and

15 (b) Salary allocations for certificated administrative staff units
16 and classified staff units for each district are determined based on
17 the district's certificated administrative and classified salary
18 allocation amounts shown on LEAP Document 2.

19 (2) For the purposes of this section:

20 (a) "LEAP Document 1" means the staff mix factors for certificated
21 instructional staff according to education and years of experience, as
22 developed by the legislative evaluation and accountability program
23 committee on May 23, 2011, at 16:10 hours; and

24 (b) "LEAP Document 2" means the school year salary allocations for
25 certificated administrative staff and classified staff and derived and
26 total base salaries for certificated instructional staff as developed
27 by the legislative evaluation and accountability program committee on
28 May 23, 2011, at 16:10 hours.

29 (3) Incremental fringe benefit factors are applied to salary
30 adjustments at a rate of 15.69 percent for school year 2011-12 and
31 (~~15.69~~) 15.70 percent for school year 2012-13 for certificated
32 instructional and certificated administrative staff and 15.23 percent
33 for school year 2011-12 and 15.23 percent for the 2012-13 school year
34 for classified staff.

35 (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
36 allocation schedules for certificated instructional staff are
37 established for basic education salary allocations:

1 Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2011-12

2 ***Education Experience***

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1	3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
2	4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
3	5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
4	6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
5	7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
6	8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
7	9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
8	10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
9	11				45,883	49,169	51,558	49,295	52,581	54,969
10	12				47,332	50,777	53,238	50,850	54,188	56,650
11	13					52,425	54,959	52,460	55,836	58,370
12	14					54,081	56,745	54,117	57,600	60,157
13	15					55,488	58,221	55,523	59,098	61,721
14	16 or more					56,597	59,385	56,634	60,279	62,955

15 (b) As used in this subsection, the column headings "BA+(N)" refer
16 to the number of credits earned since receiving the baccalaureate
17 degree.

18 (c) For credits earned after the baccalaureate degree but before
19 the masters degree, any credits in excess of forty-five credits may be
20 counted after the masters degree. Thus, as used in this subsection,
21 the column headings "MA+(N)" refer to the total of:

22 (i) Credits earned since receiving the masters degree; and

23 (ii) Any credits in excess of forty-five credits that were earned
24 after the baccalaureate degree but before the masters degree.

25 (5) For the purposes of this section:

26 (a) "BA" means a baccalaureate degree.

27 (b) "MA" means a masters degree.

28 (c) "PHD" means a doctorate degree.

29 (d) "Years of service" shall be calculated under the same rules
30 adopted by the superintendent of public instruction.

31 (e) "Credits" means college quarter hour credits and equivalent
32 in-service credits computed in accordance with RCW 28A.415.020 and
33 28A.415.023.

34 (6) No more than ninety college quarter-hour credits received by
35 any employee after the baccalaureate degree may be used to determine
36 compensation allocations under the state salary allocation schedule and

1 LEAP documents referenced in this part V, or any replacement schedules
2 and documents, unless:

- 3 (a) The employee has a masters degree; or
- 4 (b) The credits were used in generating state salary allocations
5 before January 1, 1992.

6 (7) The salary allocation schedules established in this section are
7 for allocation purposes only except as provided in RCW 28A.400.200(2).

8 **Sec. 505.** 2011 2nd sp.s. c 9 s 504 (uncodified) is amended to read
9 as follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
11 **COMPENSATION ADJUSTMENTS**

12 General Fund--Federal Appropriation \$2,000

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

15 (1)(a) Additional salary adjustments as necessary to fund the base
16 salaries for certificated instructional staff as listed for each
17 district in LEAP Document 2, defined in section 504(2)(b) of this act.
18 Allocations for these salary adjustments shall be provided to all
19 districts that are not grandfathered to receive salary allocations
20 above the statewide salary allocation schedule, and to certain
21 grandfathered districts to the extent necessary to ensure that salary
22 allocations for districts that are currently grandfathered do not fall
23 below the statewide salary allocation schedule.

24 (b) Additional salary adjustments to certain districts as necessary
25 to fund the per full-time-equivalent salary allocations for
26 certificated administrative staff as listed for each district in LEAP
27 Document 2, defined in section 504(2)(b) of this act.

28 (c) Additional salary adjustments to certain districts as necessary
29 to fund the per full-time-equivalent salary allocations for classified
30 staff as listed for each district in LEAP Document 2, defined in
31 section 504(2)(b) of this act.

32 (d) The appropriations in this subsection (1) include associated
33 incremental fringe benefit allocations at 15.69 percent for the 2011-12
34 school year and (~~15.69~~) 15.70 percent for the 2012-13 school year for
35 certificated instructional and certificated administrative staff and
36 15.23 percent for the 2011-12 school year and 15.23 percent for the
37 2012-13 school year for classified staff.

1 (e) The appropriations in this section include the increased or
2 decreased portion of salaries and incremental fringe benefits for all
3 relevant state-funded school programs in part V of this act. Changes
4 for general apportionment (basic education) are based on the salary
5 allocation schedules and methodology in sections 503 and 504 of this
6 act. Changes for special education result from changes in each
7 district's basic education allocation per student. Changes for
8 educational service districts and institutional education programs are
9 determined by the superintendent of public instruction using the
10 methodology for general apportionment salaries and benefits in sections
11 503 and 504 of this act.

12 (f) The appropriations in this section include no salary
13 adjustments for substitute teachers.

14 (2) The maintenance rate for insurance benefit allocations is
15 \$768.00 per month for the 2011-12 and 2012-13 school years. The
16 appropriations in this section reflect the incremental change in cost
17 of allocating rates of \$768.00 per month for the 2011-12 school year
18 and \$768.00 per month for the 2012-13 school year.

19 (3) The rates specified in this section are subject to revision
20 each year by the legislature.

21 **Sec. 506.** 2011 2nd sp.s. c 9 s 505 (uncodified) is amended to read
22 as follows:

23 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

24 General Fund--State Appropriation (FY 2012)	((\$322,033,000))
	<u>\$322,243,000</u>
26 General Fund--State Appropriation (FY 2013)	((\$273,380,000))
	<u>\$273,642,000</u>
28 TOTAL APPROPRIATION	((\$595,413,000))
	<u>\$595,885,000</u>

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

32 (1) Each general fund fiscal year appropriation includes such funds
33 as are necessary to complete the school year ending in the fiscal year
34 and for prior fiscal year adjustments.

35 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
36 shall allocate funding to school district programs for the
37 transportation of students as provided in RCW 28A.160.192.

1 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
2 allocate funding to school districts programs for the transportation of
3 students as provided in section 505, chapter 564, Laws of 2009, as
4 amended through section 1404 of this act.

5 (3) Any amounts appropriated for maintenance level funding for
6 pupil transportation that exceed actual maintenance level expenditures
7 as calculated under the funding formula that takes effect September 1,
8 2011, shall be distributed to districts according to RCW
9 28A.160.192(2)(b).

10 (4) A maximum of \$892,000 of this fiscal year 2012 appropriation
11 and a maximum of \$892,000 of the fiscal year 2013 appropriation may be
12 expended for regional transportation coordinators and related
13 activities. The transportation coordinators shall ensure that data
14 submitted by school districts for state transportation funding shall,
15 to the greatest extent practical, reflect the actual transportation
16 activity of each district.

17 (5) The office of the superintendent of public instruction shall
18 provide reimbursement funding to a school district for school bus
19 purchases only after the superintendent of public instruction
20 determines that the school bus was purchased from the list established
21 pursuant to RCW 28A.160.195(2) or a comparable competitive bid process
22 based on the lowest price quote based on similar bus categories to
23 those used to establish the list pursuant to RCW 28A.160.195.

24 (6) The superintendent of public instruction shall base
25 depreciation payments for school district buses on the pre-sales tax
26 five-year average of lowest bids in the appropriate category of bus.
27 In the final year on the depreciation schedule, the depreciation
28 payment shall be based on the lowest bid in the appropriate bus
29 category for that school year.

30 (7) Funding levels in this section reflect waivers granted by the
31 state board of education for four-day school weeks as allowed under RCW
32 28A.305.141.

33 (8) Starting with the 2012-13 school year, the office of the
34 superintendent of public instruction shall disburse payments for bus
35 depreciation in August.

36 **Sec. 507.** 2011 2nd sp.s. c 9 s 507 (uncodified) is amended to read
37 as follows:

1	FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION	
2	PROGRAMS	
3	General Fund--State Appropriation (FY 2012)	((\$653,904,000))
4		<u>\$648,369,000</u>
5	General Fund--State Appropriation (FY 2013)	((\$694,237,000))
6		<u>\$679,832,000</u>
7	General Fund--Federal Appropriation	((\$486,936,000))
8		<u>\$486,922,000</u>
9	Education Legacy Trust Account--State Appropriation	\$756,000
10	TOTAL APPROPRIATION	((\$1,835,833,000))
11		<u>\$1,815,879,000</u>

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

14 (1) Funding for special education programs is provided on an excess
15 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
16 that special education students as a class receive their full share of
17 the general apportionment allocation accruing through sections 502 and
18 504 of this act. To the extent a school district cannot provide an
19 appropriate education for special education students under chapter
20 28A.155 RCW through the general apportionment allocation, it shall
21 provide services through the special education excess cost allocation
22 funded in this section.

23 (2)(a) The superintendent of public instruction shall ensure that:
24 (i) Special education students are basic education students first;
25 (ii) As a class, special education students are entitled to the
26 full basic education allocation; and
27 (iii) Special education students are basic education students for
28 the entire school day.

29 (b) The superintendent of public instruction shall continue to
30 implement the full cost method of excess cost accounting, as designed
31 by the committee and recommended by the superintendent, pursuant to
32 section 501(1)(k), chapter 372, Laws of 2006.

33 (c) Beginning with the 2010-11 school year award cycle, the office
34 of the superintendent of public instruction shall make award
35 determinations for state safety net funding in August of each school
36 year. Determinations on school district eligibility for state safety
37 net awards shall be based on analysis of actual expenditure data from
38 the current school year.

1 (3) Each fiscal year appropriation includes such funds as are
2 necessary to complete the school year ending in the fiscal year and for
3 prior fiscal year adjustments.

4 (4)(a) For the 2011-12 and 2012-13 school years, the superintendent
5 shall allocate funding to school district programs for special
6 education students as provided in RCW 28A.150.390.

7 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
8 allocate funding to school district programs for special education
9 students as provided in section 507, chapter 564, Laws of 2009, as
10 amended through section 1406 of this act.

11 (5) The following applies throughout this section: The definitions
12 for enrollment and enrollment percent are as specified in RCW
13 28A.150.390(3). Each district's general fund--state funded special
14 education enrollment shall be the lesser of the district's actual
15 enrollment percent or 12.7 percent.

16 (6) At the request of any interdistrict cooperative of at least 15
17 districts in which all excess cost services for special education
18 students of the districts are provided by the cooperative, the maximum
19 enrollment percent shall be calculated in accordance with RCW
20 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate
21 rather than individual district units. For purposes of this
22 subsection, the average basic education allocation per full-time
23 equivalent student shall be calculated in the aggregate rather than
24 individual district units.

25 (7) \$8,914,000 of the general fund--state appropriation for fiscal
26 year 2012, \$34,200,000 of the general fund--state appropriation for
27 fiscal year 2013, and \$29,574,000 of the general fund--federal
28 appropriation are provided solely for safety net awards for districts
29 with demonstrated needs for special education funding beyond the
30 amounts provided in subsection (4) of this section. If the federal
31 safety net awards based on the federal eligibility threshold exceed the
32 federal appropriation in this subsection (7) in any fiscal year, the
33 superintendent shall expend all available federal discretionary funds
34 necessary to meet this need. At the conclusion of each school year,
35 the superintendent shall recover safety net funds that were distributed
36 prospectively but for which districts were not subsequently eligible.

37 (a) For the 2011-12 and 2012-13 school years, safety net funds

1 shall be awarded by the state safety net oversight committee as
2 provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

3 (b) From July 1, 2011 to August 31, 2011, the superintendent shall
4 operate the safety net oversight committee and shall award safety net
5 funds as provided in section 507, chapter 564, Laws of 2009, as amended
6 through section 1406 of this act.

7 (8) A maximum of \$678,000 may be expended from the general fund--
8 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
9 full-time equivalent aides at children's orthopedic hospital and
10 medical center. This amount is in lieu of money provided through the
11 home and hospital allocation and the special education program.

12 (9) The superintendent shall maintain the percentage of federal
13 flow-through to school districts at 85 percent. In addition to other
14 purposes, school districts may use increased federal funds for high-
15 cost students, for purchasing regional special education services from
16 educational service districts, and for staff development activities
17 particularly relating to inclusion issues.

18 (10) A school district may carry over from one year to the next
19 year up to 10 percent of the general fund--state funds allocated under
20 this program; however, carryover funds shall be expended in the special
21 education program.

22 (11) \$251,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$251,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for two additional full-time
25 equivalent staff to support the work of the safety net committee and to
26 provide training and support to districts applying for safety net
27 awards.

28 (12) \$50,000 of the general fund--state appropriation for fiscal
29 year 2012, \$50,000 of the general fund--state appropriation for fiscal
30 year 2013, and \$100,000 of the general fund--federal appropriation
31 shall be expended to support a special education ombudsman program
32 within the office of superintendent of public instruction.

33 **Sec. 508.** 2011 2nd sp.s. c 9 s 508 (uncodified) is amended to read
34 as follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
36 **DISTRICTS**

37 General Fund--State Appropriation (FY 2012) ((~~\$7,889,000~~))

1		<u>\$7,894,000</u>
2	General Fund--State Appropriation (FY 2013)	((\$7,904,000))
3		<u>\$7,912,000</u>
4	TOTAL APPROPRIATION	((\$15,793,000))
5		<u>\$15,806,000</u>

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

8 (1) The educational service districts shall continue to furnish
9 financial services required by the superintendent of public instruction
10 and RCW 28A.310.190 (3) and (4).

11 (2) Funding within this section is provided for regional
12 professional development related to mathematics and science curriculum
13 and instructional strategies. Funding shall be distributed among the
14 educational service districts in the same proportion as distributions
15 in the 2007-2009 biennium. Each educational service district shall use
16 this funding solely for salary and benefits for a certificated
17 instructional staff with expertise in the appropriate subject matter
18 and in professional development delivery, and for travel, materials,
19 and other expenditures related to providing regional professional
20 development support.

21 (3) The educational service districts, at the request of the state
22 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
23 receive and screen applications for school accreditation, conduct
24 school accreditation site visits pursuant to state board of education
25 rules, and submit to the state board of education post-site visit
26 recommendations for school accreditation. The educational service
27 districts may assess a cooperative service fee to recover actual plus
28 reasonable indirect costs for the purposes of this subsection.

29 **Sec. 509.** 2011 2nd sp.s. c 9 s 509 (uncodified) is amended to read
30 as follows:

31 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
32 **ASSISTANCE**

33	General Fund--State Appropriation (FY 2012)	((\$300,761,000))
34		<u>\$300,768,000</u>
35	General Fund--State Appropriation (FY 2013)	((\$299,276,000))
36		<u>\$298,166,000</u>
37	<u>General Fund--Federal Appropriation</u>	<u>\$4,400,000</u>

1 TOTAL APPROPRIATION ((~~\$600,037,000~~))
2 \$603,334,000

3 The appropriations in this section are subject to the following
4 conditions and limitations: For purposes of RCW 84.52.0531, the
5 increase per full-time equivalent student is 3 percent from the 2010-11
6 school year to the 2011-12 school year and 5 percent from the 2011-12
7 school year to the 2012-13 school year.

8 **Sec. 510.** 2011 2nd sp.s. c 9 s 510 (uncodified) is amended to read
9 as follows:

10 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
11 **EDUCATION PROGRAMS**

12 General Fund--State Appropriation (FY 2012) ((~~\$17,507,000~~))
13 \$16,694,000
14 General Fund--State Appropriation (FY 2013) ((~~\$16,969,000~~))
15 \$15,867,000
16 TOTAL APPROPRIATION ((~~\$34,476,000~~))
17 \$32,561,000

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

20 (1) Each general fund--state fiscal year appropriation includes
21 such funds as are necessary to complete the school year ending in the
22 fiscal year and for prior fiscal year adjustments.

23 (2) State funding provided under this section is based on salaries
24 and other expenditures for a 220-day school year. The superintendent
25 of public instruction shall monitor school district expenditure plans
26 for institutional education programs to ensure that districts plan for
27 a full-time summer program.

28 (3) State funding for each institutional education program shall be
29 based on the institution's annual average full-time equivalent student
30 enrollment. Staffing ratios for each category of institution shall
31 remain the same as those funded in the 1995-97 biennium.

32 (4) The funded staffing ratios for education programs for juveniles
33 age 18 or less in department of corrections facilities shall be the
34 same as those provided in the 1997-99 biennium.

35 (5) ((~~\$669,000~~)) \$586,000 of the general fund--state appropriation
36 for fiscal year 2012 and ((~~\$669,000~~)) \$549,000 of the general fund--
37 state appropriation for fiscal year 2013 are provided solely to

1 maintain at least one certificated instructional staff and related
2 support services at an institution whenever the K-12 enrollment is not
3 sufficient to support one full-time equivalent certificated
4 instructional staff to furnish the educational program. The following
5 types of institutions are included: Residential programs under the
6 department of social and health services for developmentally disabled
7 juveniles, programs for juveniles under the department of corrections,
8 programs for juveniles under the juvenile rehabilitation
9 administration, and programs for juveniles operated by city and county
10 jails.

11 (6) Ten percent of the funds allocated for each institution may be
12 carried over from one year to the next.

13 **Sec. 511.** 2011 2nd sp.s. c 9 s 511 (uncodified) is amended to read
14 as follows:

15 **FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS**

16	General Fund--State Appropriation (FY 2012)	(\$8,759,000)
17		<u>\$8,745,000</u>
18	General Fund--State Appropriation (FY 2013)	(\$8,842,000)
19		<u>\$8,788,000</u>
20	TOTAL APPROPRIATION	(\$17,601,000)
21		<u>\$17,533,000</u>

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

24 (1) Each general fund fiscal year appropriation includes such funds
25 as are necessary to complete the school year ending in the fiscal year
26 and for prior fiscal year adjustments.

27 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
28 shall allocate funding to school district programs for highly capable
29 students as provided in RCW 28A.150.260(10)(c). In calculating the
30 allocations, the superintendent shall assume the following: (i)
31 Additional instruction of 2.1590 hours per week per funded highly
32 capable program student; (ii) fifteen highly capable program students
33 per teacher; (iii) 36 instructional weeks per year; (iv) 900
34 instructional hours per teacher; and (v) the district's average staff
35 mix and compensation rates as provided in sections 503 and 504 of this
36 act.

1 (b) From July 1, 2011, to August 31, 2011, the superintendent shall
2 allocate funding to school districts programs for highly capable
3 students as provided in section 511, chapter 564, Laws of 2009, as
4 amended through section 1409 of this act.

5 (3) \$85,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$85,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for the centrum program at Fort
8 Worden state park.

9 **Sec. 512.** 2011 2nd sp.s. c 9 s 513 (uncodified) is amended to read
10 as follows:

11 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
12 **PROGRAMS**

13	General Fund--State Appropriation (FY 2012)	\$58,078,000
14	General Fund--State Appropriation (FY 2013)	(\$98,309,000)
15		<u>\$102,955,000</u>
16	General Fund--Federal Appropriation	(\$219,161,000)
17		<u>\$219,147,000</u>
18	General Fund--Private/Local Appropriation	\$4,000,000
19	Education Legacy Trust Account--State Appropriation . .	(\$1,598,000)
20		<u>\$1,596,000</u>
21	TOTAL APPROPRIATION	(\$381,146,000)
22		<u>\$385,776,000</u>

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

25 (1) \$40,822,000 of the general fund--state appropriation for fiscal
26 year 2012, ~~(\$41,613,000)~~ \$41,614,000 of the general fund--state
27 appropriation for fiscal year 2013, \$1,350,000 of the education legacy
28 trust account--state appropriation, and \$15,868,000 of the general
29 fund--federal appropriation are provided solely for development and
30 implementation of the Washington state assessment system, including:
31 (a) Development and implementation of retake assessments for high
32 school students who are not successful in one or more content areas and
33 (b) development and implementation of alternative assessments or
34 appeals procedures to implement the certificate of academic
35 achievement. The superintendent of public instruction shall report
36 quarterly on the progress on development and implementation of
37 alternative assessments or appeals procedures. Within these amounts,

1 the superintendent of public instruction shall contract for the early
2 return of 10th grade student assessment results, on or around June 10th
3 of each year. State funding shall be limited to one collection of
4 evidence payment per student, per content-area assessment.

5 (2) \$356,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$356,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for the Washington state
8 leadership and assistance for science education reform (LASER) regional
9 partnership activities coordinated at the Pacific science center,
10 including instructional material purchases, teacher and principal
11 professional development, and school and community engagement events.

12 (3) \$980,000 of the general fund--state appropriation for fiscal
13 year 2012 and \$980,000 of the general fund--state appropriation for
14 fiscal year 2013 are provided solely for improving technology
15 infrastructure, monitoring and reporting on school district technology
16 development, promoting standards for school district technology,
17 promoting statewide coordination and planning for technology
18 development, and providing regional educational technology support
19 centers, including state support activities, under chapter 28A.650 RCW.

20 (4) \$3,852,000 of the general fund--state appropriation for fiscal
21 year 2012 and \$2,624,000 of the general fund--state appropriation for
22 fiscal year 2013 are provided solely for continued implementation of
23 chapter 235, Laws of 2010 (education reform) including development of
24 new performance-based evaluation systems for certificated educators.

25 (5)(a) (~~(\$40,681,000)~~) \$39,296,000 of the general fund--state
26 appropriation for fiscal year 2013 is provided solely for the following
27 bonuses for teachers who hold valid, unexpired certification from the
28 national board for professional teaching standards and who are teaching
29 in a Washington public school, subject to the following conditions and
30 limitations:

31 (i) For national board certified teachers, a bonus of \$5,090 per
32 teacher in the 2011-12 and 2012-13 school years, adjusted for inflation
33 in each school year in which Initiative 732 cost of living adjustments
34 are provided;

35 (ii) An additional \$5,000 annual bonus shall be paid to national
36 board certified teachers who teach in either: (A) High schools where
37 at least 50 percent of student headcount enrollment is eligible for
38 federal free or reduced price lunch, (B) middle schools where at least

1 60 percent of student headcount enrollment is eligible for federal free
2 or reduced price lunch, or (C) elementary schools where at least 70
3 percent of student headcount enrollment is eligible for federal free or
4 reduced price lunch;

5 (iii) The superintendent of public instruction shall adopt rules to
6 ensure that national board certified teachers meet the qualifications
7 for bonuses under (a)(ii) of this subsection for less than one full
8 school year receive bonuses in a pro-rated manner. Beginning in the
9 2011-12 school year, all bonuses in (a)(i) and (ii) of this subsection
10 will be paid in July of each school year. Bonuses in (a)(i) and (ii)
11 of this subsection shall be reduced by a factor of 40 percent for first
12 year NBPTS certified teachers, to reflect the portion of the
13 instructional school year they are certified; and

14 (iv) During the 2011-12 and 2012-13 school years, and within
15 available funds, certificated instructional staff who have met the
16 eligibility requirements and have applied for certification from the
17 national board for professional teaching standards may receive a
18 conditional loan of two thousand dollars or the amount set by the
19 office of the superintendent of public instruction to contribute toward
20 the current assessment fee, not including the initial up-front
21 candidacy payment. The fee shall be an advance on the first annual
22 bonus under RCW 28A.405.415. The conditional loan is provided in
23 addition to compensation received under a district's salary schedule
24 and shall not be included in calculations of a district's average
25 salary and associated salary limitation under RCW 28A.400.200.
26 Recipients who fail to receive certification after three years are
27 required to repay the conditional loan. The office of the
28 superintendent of public instruction shall adopt rules to define the
29 terms for initial grant of the assessment fee and repayment, including
30 applicable fees. To the extent necessary, the superintendent may use
31 revenues from the repayment of conditional loan scholarships to ensure
32 payment of all national board bonus payments required by this section
33 in each school year.

34 (6) \$477,000 of the general fund--state appropriation for fiscal
35 year 2012 and \$477,000 of the general fund--state appropriation for
36 fiscal year 2013 are provided solely for the leadership internship
37 program for superintendents, principals, and program administrators.

1 (7) \$950,000 of the general fund--state appropriation for fiscal
2 year 2012 and \$950,000 of the general fund--state appropriation for
3 fiscal year 2013 are provided solely for the Washington reading corps.
4 The superintendent shall allocate reading corps members to low-
5 performing schools and school districts that are implementing
6 comprehensive, proven, research-based reading programs. Two or more
7 schools may combine their Washington reading corps programs.

8 (8) \$810,000 of the general fund--state appropriation for fiscal
9 year 2012 and \$810,000 of the general fund--state appropriation for
10 fiscal year 2013 are provided solely for the development of a
11 leadership academy for school principals and administrators. The
12 superintendent of public instruction shall contract with an independent
13 organization to design, field test, and implement a state-of-the-art
14 education leadership academy that will be accessible throughout the
15 state. Initial development of the content of the academy activities
16 shall be supported by private funds. Semiannually the independent
17 organization shall report on amounts committed by foundations and
18 others to support the development and implementation of this program.
19 Leadership academy partners shall include the state level organizations
20 for school administrators and principals, the superintendent of public
21 instruction, the professional educator standards board, and others as
22 the independent organization shall identify.

23 (9) \$3,234,000 of the general fund--state appropriation for fiscal
24 year 2012 and \$3,234,000 of the general fund--state appropriation for
25 fiscal year 2013 are provided solely for grants to school districts to
26 provide a continuum of care for children and families to help children
27 become ready to learn. Grant proposals from school districts shall
28 contain local plans designed collaboratively with community service
29 providers. If a continuum of care program exists in the area in which
30 the school district is located, the local plan shall provide for
31 coordination with existing programs to the greatest extent possible.

32 (10) \$1,500,000 of the general fund--state appropriation for fiscal
33 year 2012 and \$1,500,000 of the general fund--state appropriation for
34 fiscal year 2013 are provided solely for the implementation of chapter
35 288, Laws of 2011 (actual student success program), including
36 allocations to the opportunity internship program, the jobs for
37 America's graduates program, the building bridges program, services

1 provided by a college scholarship organization. Funding shall not be
2 used in the 2011-2013 fiscal biennium to provide awards for schools and
3 school districts.

4 (11) \$859,000 of the general fund--state appropriation for fiscal
5 year 2012, (~~(\$846,000)~~) \$808,000 of the general fund--state
6 appropriation for fiscal year 2013, and \$248,000 of the education
7 legacy trust account--state appropriation are for administrative
8 support of education reform programs.

9 (12) \$2,000,000 of the general fund--state appropriation for fiscal
10 year 2012 and \$2,000,000 of the general fund--state appropriation for
11 fiscal year 2013 are provided solely for a statewide information
12 technology (IT) academy program. This public-private partnership will
13 provide educational software, as well as IT certification and software
14 training opportunities for students and staff in public schools.

15 (13) \$977,000 of the general fund--state appropriation for fiscal
16 year 2012 and (~~(\$977,000)~~) \$1,077,000 of the general fund--state
17 appropriation for fiscal year 2013 are provided solely for secondary
18 career and technical education grants pursuant to chapter 170, Laws of
19 2008. If equally matched by private donations, \$300,000 of the 2012
20 appropriation and \$300,000 of the 2013 appropriation shall be used to
21 support FIRST robotics programs. Of the amounts in this subsection,
22 \$100,000 of the fiscal year 2013 appropriation is provided solely for
23 the purpose of statewide supervision activities for career and
24 technical education student leadership organizations.

25 (14) \$125,000 of the general fund--state appropriation for fiscal
26 year 2012 and \$125,000 of the general fund--state appropriation for
27 fiscal year 2013 are provided solely for (a) staff at the office of the
28 superintendent of public instruction to coordinate and promote efforts
29 to develop integrated math, science, technology, and engineering
30 programs in schools and districts across the state; and (b) grants of
31 \$2,500 to provide twenty middle and high school teachers each year with
32 professional development training for implementing integrated math,
33 science, technology, and engineering programs in their schools.

34 (15) \$135,000 of the general fund--state appropriation for fiscal
35 year 2012 and \$135,000 of the general fund--state appropriation for
36 fiscal year 2013 are provided solely for science, technology,
37 engineering and mathematics lighthouse projects, consistent with
38 chapter 238, Laws of 2010.

1 (16) \$1,000,000 of the general fund--state appropriation for fiscal
 2 year 2012 and \$1,000,000 of the general fund--state appropriation for
 3 fiscal year 2013 are provided solely for a beginning educator support
 4 program. School districts and/or regional consortia may apply for
 5 grant funding. The superintendent shall implement this program in 5 to
 6 15 school districts and/or regional consortia. The program provided by
 7 a district and/or regional consortia shall include: A paid
 8 orientation; assignment of a qualified mentor; development of a
 9 professional growth plan for each beginning teacher aligned with
 10 professional certification; release time for mentors and new teachers
 11 to work together; and teacher observation time with accomplished peers.
 12 \$250,000 may be used to provide statewide professional development
 13 opportunities for mentors and beginning educators.

14 (17) \$5,767,000 of the general fund--state appropriation for fiscal
 15 year 2013 is provided solely pursuant to Engrossed Substitute Senate
 16 Bill No. 5895 (certificated employee evaluations). If the bill is not
 17 enacted by June 30, 2012, the amount provided in this subsection shall
 18 lapse.

19 (18) \$200,000 of the general fund--state appropriation for fiscal
 20 year 2013 is provided solely for the American Academy to provide social
 21 support and academic intervention to students who have been suspended
 22 or expelled, are pregnant or parenting teens, have dropped out of
 23 school, or are significantly at risk of dropping out of school.
 24 Students are eligible to participate with the recommendation and
 25 approval of their resident school district.

26 **Sec. 513.** 2011 2nd sp.s. c 9 s 514 (uncodified) is amended to read
 27 as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**
 29 **BILINGUAL PROGRAMS**

30	General Fund--State Appropriation (FY 2012)	((\$79,496,000))
31		<u>\$79,575,000</u>
32	General Fund--State Appropriation (FY 2013)	((\$82,856,000))
33		<u>\$80,666,000</u>
34	General Fund--Federal Appropriation	\$71,001,000
35	TOTAL APPROPRIATION	((\$233,353,000))
36		<u>\$231,242,000</u>

37

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

3 (1) Each general fund fiscal year appropriation includes such funds
4 as are necessary to complete the school year ending in the fiscal year
5 and for prior fiscal year adjustments.

6 (2)(a) For the 2011-12 and 2012-13 school years, the superintendent
7 shall allocate funding to school districts for transitional bilingual
8 programs as provided in RCW 28A.150.260(10)(b). In calculating the
9 allocations, the superintendent shall assume the following averages:

10 (i) Additional instruction of 4.7780 hours per week per transitional
11 bilingual program student; (ii) fifteen transitional bilingual program
12 students per teacher; (iii) 36 instructional weeks per year; (iv) 900
13 instructional hours per teacher; and (v) the district's average staff
14 mix and compensation rates as provided in sections 503 and 504 of this
15 act.

16 (b) From July 1, 2011, to August 31, 2011, the superintendent shall
17 allocate funding to school districts for transitional bilingual
18 instruction programs as provided in section 514, chapter 564, Laws of
19 2009, as amended through section 1411 of this act.

20 (c) The allocations in this section reflect the implementation of
21 a new funding formula for the transitional bilingual instructional
22 program, effective September 1, 2011, as specified in RCW
23 28A.150.260(10)(b).

24 (3) The superintendent may withhold allocations to school districts
25 in subsection (2) of this section solely for the central provision of
26 assessments as provided in RCW 28A.180.090 (1) and (2) up to the
27 following amounts: 2.79 percent for school year 2011-12 and ((2.09))
28 2.11 percent for school year 2012-13.

29 (4) The general fund--federal appropriation in this section is for
30 migrant education under Title I Part C and English language
31 acquisition, and language enhancement grants under Title III of the
32 elementary and secondary education act.

33 ~~(5)((a) The office of the superintendent of public instruction~~
34 ~~shall implement a funding model for the transitional bilingual program,~~
35 ~~beginning in school year 2012-13, that is scaled to provide more~~
36 ~~support to students requiring most intensive intervention, (students~~
37 ~~with beginning levels of English language proficiency) and less support~~
38 ~~to students requiring less intervention. The funding model shall also~~

1 provide up to two years of bonus funding upon successful exit from the
2 bilingual program to facilitate successful transition to a standard
3 program of education.

4 (b) It is expected that per pupil funding for level 2 proficiency
5 will be set at the same level as would have been provided statewide
6 prior to establishing differential per pupil amounts; level 1 will be
7 125 percent of level 2; level 3 through the level prior to exit will be
8 75 percent of level 2; and two bonus years upon successful
9 demonstration of proficiency will be 100 percent of level 2. Prior to
10 implementing in school year 2012-13, the office of the superintendent
11 of public instruction shall provide to the senate and house of
12 representatives ways and means committees recommended rates based on
13 the results of proficiency test procurement, expressed as both per
14 pupil rates and hours of instruction as provided in RCW
15 28A.150.260(10)(b).

16 (c) Each bilingual student shall be tested for proficiency level
17 and, therefore, eligibility for the transitional bilingual program each
18 year. The bonus payments for up to two school years following
19 successful exit from the transitional bilingual program shall be
20 allocated to the exiting school district. If the student graduates or
21 transfers to another district prior to the district receiving both
22 years' bonuses, the district shall receive the bonus for only the
23 length of time the student remains enrolled in the exiting district.

24 (d) The quality education council shall examine the revised
25 funding model developed under this subsection and provide a report to
26 the education and fiscal committees of the legislature by December 1,
27 2011, that includes recommendations for:

28 (i) Changing the prototypical school funding formula for the
29 transitional bilingual program to align with the revised model in an
30 accurate and transparent manner;

31 (ii) Reconciling the revised model with statutory requirements for
32 categorical funding of the transitional bilingual instructional program
33 that is restricted to students eligible for and enrolled in that
34 program;

35 (iii) Clarifying the elements of the transitional bilingual
36 instructional program that fall under the definition of basic education
37 and the impact of the revised model on them; and

1 ~~(iv) The extent that the disparate financial impact of the revised~~
2 ~~model on different school districts should be addressed and options for~~
3 ~~addressing it.~~

4 ~~(e) The office of the superintendent of public instruction shall~~
5 ~~report to the senate and house of representatives ways and means~~
6 ~~committees and education committees annually by December 31st of each~~
7 ~~year, through 2018, regarding any measurable changes in proficiency,~~
8 ~~time in program, and transition experience.~~

9 ~~(6))~~ \$35,000 of the general fund--state appropriation for fiscal
10 year 2012 and \$35,000 of the general fund--state appropriation for
11 fiscal year 2013 are provided solely to track current and former
12 transitional bilingual program students.

13 **Sec. 514.** 2011 2nd sp.s. c 9 s 515 (uncodified) is amended to read
14 as follows:

15 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
16 **ASSISTANCE PROGRAM**

17	General Fund--State Appropriation (FY 2012)	((\$102,470,000))
18		<u>\$102,619,000</u>
19	General Fund--State Appropriation (FY 2013)	((\$103,666,000))
20		<u>\$128,779,000</u>
21	General Fund--Federal Appropriation	\$492,207,000
22	Education Legacy Trust Account--State	
23	Appropriation	((\$47,980,000))
24		<u>\$23,990,000</u>
25	TOTAL APPROPRIATION	((\$746,323,000))
26		<u>\$747,595,000</u>

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

29 (1) The general fund--state appropriations in this section are
30 subject to the following conditions and limitations:

31 (a) The appropriations include such funds as are necessary to
32 complete the school year ending in the fiscal year and for prior fiscal
33 year adjustments.

34 (b)(i) For the 2011-12 and 2012-13 school years, the superintendent
35 shall allocate funding to school districts for learning assistance
36 programs as provided in RCW 28A.150.260(10)(a). In calculating the
37 allocations, the superintendent shall assume the following averages:

1 (A) Additional instruction of 1.51560 hours per week per funded
2 learning assistance program student; (B) fifteen learning assistance
3 program students per teacher; (C) 36 instructional weeks per year; (D)
4 900 instructional hours per teacher; and (E) the district's average
5 staff mix and compensation rates as provided in sections 503 and 504 of
6 this act.

7 (ii) From July 1, 2011, to August 31, 2011, the superintendent
8 shall allocate funding to school districts for learning assistance
9 programs as provided in section 515, chapter 564, Laws of 2009, as
10 amended through section 1412 of this act.

11 (c) A school district's funded students for the learning assistance
12 program shall be the sum of the district's full-time equivalent
13 enrollment in grades K-12 for the prior school year multiplied by the
14 district's percentage of October headcount enrollment in grades K-12
15 eligible for free or reduced price lunch in the prior school year.

16 (2) Allocations made pursuant to subsection (1) of this section
17 shall be adjusted to reflect ineligible applications identified through
18 the annual income verification process required by the national school
19 lunch program, as recommended in the report of the state auditor on the
20 learning assistance program dated February, 2010.

21 (3) The general fund--federal appropriation in this section is
22 provided for Title I Part A allocations of the no child left behind act
23 of 2001.

24 (4) A school district may carry over from one year to the next up
25 to 10 percent of the general fund-state or education legacy trust funds
26 allocated under this program; however, carryover funds shall be
27 expended for the learning assistance program.

28 (5) The office of the superintendent of public instruction shall
29 research and recommend options for an adjustment factor for middle
30 school and high school free and reduced price lunch eligibility
31 reporting rates pursuant to RCW 28A.150.260(12)(a), and submit a report
32 to the fiscal committees of the legislature by June 1, 2012. For the
33 2011-12 and 2012-13 school years, the adjustment factor is 1.0.

34 **Sec. 515.** 2011 1st sp.s. c 50 s 516 (uncodified) is amended to
35 read as follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

1 (1) Amounts distributed to districts by the superintendent through
2 part V of this act are for allocations purposes only and do not entitle
3 a particular district, district employee, or student to a specific
4 service, beyond what has been expressly provided in statute. Part V of
5 this act restates the requirements of various sections of Title 28A
6 RCW. If any conflict exists, the provisions of Title 28A RCW control
7 unless this act explicitly states that it is providing an enhancement.

8 Any amounts provided in part V of this act in excess of the amounts
9 required by Title 28A RCW provided in statute, are not within the
10 program of basic education.

11 (2) To the maximum extent practicable, when adopting new or revised
12 rules or policies relating to the administration of allocations in part
13 V of this act that result in fiscal impact, the office of the
14 superintendent of public instruction shall attempt to seek legislative
15 approval through the budget request process.

16 (3) Appropriations made in this act to the office of the
17 superintendent of public instruction shall initially be allotted as
18 required by this act. Subsequent allotment modifications shall not
19 include transfers of moneys between sections of this act except as
20 expressly provided in subsection (4) of this section.

21 (4) The appropriations to the office of the superintendent of
22 public instruction in this act shall be expended for the programs and
23 amounts specified in this act. However, after May 1, 2012, unless
24 specifically prohibited by this act and after approval by the director
25 of financial management, the superintendent of public instruction may
26 transfer state general fund appropriations for fiscal year 2012 among
27 the following programs to meet the apportionment schedule for a
28 specified formula in another of these programs: General apportionment;
29 employee compensation adjustments; pupil transportation; special
30 education programs; institutional education programs; transitional
31 bilingual programs; and learning assistance programs.

32 (5) The director of financial management shall notify the
33 appropriate legislative fiscal committees in writing prior to approving
34 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>\$532,843,000</u>
General Fund--State Appropriation (FY 2013)	((\$525,644,000))
	<u>\$517,438,000</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>\$1,158,330,000</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		<u>\$201,249,000</u>
37	General Fund--State Appropriation (FY 2013)	((\$206,358,000))

1		<u>\$133,864,000</u>
2	Education Legacy Trust Account--State Appropriation	\$33,065,000
3	TOTAL APPROPRIATION	((\$303,664,000))
4		<u>\$301,396,000</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>\$26,241,000</u>
14	General Fund--State Appropriation (FY 2013)	((\$26,541,000))
15		<u>\$25,904,000</u>
16	Education Legacy Trust Account--State Appropriation	\$16,087,000
17	TOTAL APPROPRIATION	((\$68,885,000))
18		<u>\$68,232,000</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>\$22,455,000</u>
15	General Fund--State Appropriation (FY 2013)	((\$22,525,000))
16		<u>\$21,947,000</u>
17	Education Legacy Trust Account--State Appropriation	\$19,076,000
18	TOTAL APPROPRIATION	((\$64,069,000))
19		<u>\$63,478,000</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>\$15,636,000</u>
12	General Fund--State Appropriation (FY 2013)	((\$15,339,000))
13		<u>\$15,183,000</u>
14	Education Legacy Trust Account--State Appropriation	\$5,450,000
15	TOTAL APPROPRIATION	((\$36,384,000))
16		<u>\$36,269,000</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;

30 (b) The effect of the state need grant on enrollment rates of low-
31 income students at the different institutions of higher education and
32 whether these students attend full-time or part-time;

33 (c) The effect of the state need grant on recipients' persistence,
34 performance, degree or certificate completion, and time to degree or
35 certificate completion at the different institutions of higher
36 education;

37 (d) An inventory of the types of degrees and certifications at the

1 different institutions of higher education, by field of study, obtained
2 by recipients; and

3 (e) The interplay of the state need grant program with other forms
4 of federal financial aid and the effect of this interplay on access and
5 degree attainment of low-income students.

6 A final report of the findings shall be submitted to the governor
7 and the appropriate committees of the legislature by December 1, 2012,
8 and, based on the findings, shall include recommendations for using
9 more efficiently the funds provided to the state need grant program to
10 increase access and degree attainment of low-income students. To the
11 maximum extent possible, this report shall disaggregate the demographic
12 and institution specific data in a manner that will inform policymakers
13 of the enrollment patterns and success of specific subsets of
14 recipients within the different institutions of higher education. The
15 higher education coordinating board, or its successor agency, the
16 education data center, and the institutions of higher education shall
17 cooperate with the Washington state institute for public policy in the
18 conduct of this study and shall provide to the institute the necessary
19 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 **Sec. 607.** 2011 2nd sp.s. c 9 s 607 (uncodified) is amended to read
32 as follows:

33 **FOR WESTERN WASHINGTON UNIVERSITY**

34	General Fund--State Appropriation (FY 2012)	((\$33,754,000))
35		\$33,732,000
36	General Fund--State Appropriation (FY 2013)	((\$33,743,000))
37		\$32,844,000

1 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
2 **ADMINISTRATION**

3	General Fund--State Appropriation (FY 2012)	((\$1,036,000))
4		<u>\$1,041,000</u>
5	General Fund--Federal Appropriation	\$1,976,000
6	TOTAL APPROPRIATION	((\$3,012,000))
7		<u>\$3,017,000</u>

8 The appropriations in this section are subject to the following
9 conditions and limitations: The higher education coordinating board is
10 authorized to increase or establish fees for initial degree
11 authorization, degree authorization renewal, degree authorization
12 reapplication, new program applications, and new site applications
13 pursuant to RCW 28B.85.060.

14 **Sec. 611.** 2011 2nd sp.s. c 9 s 609 (uncodified) is amended to read
15 as follows:

16 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
17 **PROGRAMS**

18	General Fund--State Appropriation (FY 2012)	\$217,939,000
19	General Fund--Federal Appropriation	\$5,829,000
20	Opportunity Pathways Account--State Appropriation	\$73,500,000
21	TOTAL APPROPRIATION	\$297,268,000

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

24 (1) \$200,413,000 of the general fund--state appropriation for
25 fiscal year 2012 and \$73,500,000 of the opportunity pathways account--
26 state appropriation are provided solely for student financial aid
27 payments under the state need grant and the state work study program
28 including up to a four percent administrative allowance for the state
29 work study program.

30 (2) Within the funds appropriated in this section, eligibility for
31 the state need grant shall include students with family incomes at or
32 below 70 percent of the state median family income (MFI), adjusted for
33 family size, and shall include students enrolled in three to five
34 credit-bearing quarter credits, or the equivalent semester credits.
35 The higher education coordinating board shall report to the legislature
36 by December 1, 2013, regarding the number of students enrolled in three
37 to five credit-bearing quarter credits, or the equivalent semester

1 credits, and their academic progress including degree completion.
2 Awards for all students shall be adjusted by the estimated amount by
3 which Pell grant increases exceed projected increases in the
4 noninstructional costs of attendance. Awards for students with incomes
5 between 51 and 70 percent of the state median shall be prorated at the
6 following percentages of the award amount granted to those with incomes
7 below 51 percent of the MFI: 70 percent for students with family
8 incomes between 51 and 55 percent MFI; 65 percent for students with
9 family incomes between 56 and 60 percent MFI; 60 percent for students
10 with family incomes between 61 and 65 percent MFI; and 50 percent for
11 students with family incomes between 66 and 70 percent MFI.

12 (3) For fiscal year 2012, the board shall defer loan or conditional
13 scholarship repayments to the future teachers conditional scholarship
14 and loan repayment program for up to one year for each participant if
15 the participant has shown evidence of efforts to find a teaching job
16 but has been unable to secure a teaching job per the requirements of
17 the program.

18 (4) \$500,000 of the general fund--state appropriation for fiscal
19 year 2012 is provided solely for the leadership 1000 program.

20 (5) \$2,436,000 of the general fund--state appropriation for fiscal
21 year 2012 is provided solely for the passport to college program. The
22 maximum scholarship award shall be \$5,000. The board shall contract
23 with a nonprofit organization to provide support services to increase
24 student completion in their postsecondary program and shall, under this
25 contract provide a minimum of \$500,000 in fiscal year 2012. Any
26 amounts provided in this subsection that remain unobligated at the
27 close of fiscal year 2012 must be transferred to the state education
28 trust account in RCW 28B.92.140 for purposes of the passport to college
29 program.

30 (6) \$250,000 of the general fund--state appropriation for fiscal
31 year 2012 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 this bill
34 is not enacted by June 30, 2011, the amount provided in this subsection
35 shall lapse.

36 NEW SECTION. Sec. 612. A new section is added to 2011 1st sp.s.
37 c 50 (uncodified) to read as follows:

1 **FOR THE STUDENT ACHIEVEMENT COUNCIL--POLICY COORDINATION AND**
2 **ADMINISTRATION**

3	General Fund--State Appropriation (FY 2013)	\$4,937,000
4	General Fund--Federal Appropriation	\$2,376,000
5	TOTAL APPROPRIATION	\$7,313,000

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

8 (1) The student achievement council is authorized to increase or
9 establish fees for initial degree authorization, degree authorization
10 renewal, degree authorization reapplication, new program applications,
11 and new site applications pursuant to RCW 28B.85.060.

12 (2) \$1,043,000 of the general fund--state appropriation for fiscal
13 year 2013 is provided solely for the implementation of Engrossed Second
14 Substitute House Bill No. 2483 (higher education coordination). If the
15 bill is not enacted by June 30, 2012, the amount provided in this
16 subsection shall lapse.

17 NEW SECTION. **Sec. 613.** A new section is added to 2011 1st sp.s.
18 c 50 (uncodified) to read as follows:

19 **FOR THE STUDENT ACHIEVEMENT COUNCIL--OFFICE OF STUDENT FINANCIAL**
20 **ASSISTANCE**

21	General Fund--State Appropriation (FY 2013)	\$247,039,000
22	General Fund--Federal Appropriation	\$5,812,000
23	Washington Opportunity Pathways Account--State	
24	Appropriation	\$73,500,000
25	TOTAL APPROPRIATION	\$326,351,000

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

28 (1) \$237,018,000 of the general fund--state appropriation for
29 fiscal year 2013, and \$73,500,000 of the opportunity pathways account--
30 state appropriation are provided solely for student financial aid
31 payments under the state need grant and the state work study programs
32 including up to a four percent administrative allowance for the state
33 work study program.

34 (2) Within the funds appropriated in this section, eligibility for
35 the state need grant shall include students with family incomes at or
36 below 70 percent of the state median family income (MFI), adjusted for
37 family size, and shall include students enrolled in three to five

1 credit-bearing quarter credits, or the equivalent semester credits.
2 The higher education coordinating board shall report to the legislature
3 by December 1, 2013, regarding the number of students enrolled in three
4 to five credit-bearing quarter credits, or the equivalent semester
5 credits, and their academic progress including degree completion.
6 Awards for all students shall be adjusted by the estimated amount by
7 which Pell grant increases exceed projected increases in the
8 noninstructional costs of attendance. Awards for students with incomes
9 between 51 and 70 percent of the state median shall be prorated at the
10 following percentages of the award amount granted to those with incomes
11 below 51 percent of the MFI: 70 percent for students with family
12 incomes between 51 and 55 percent MFI; 65 percent for students with
13 family incomes between 56 and 60 percent MFI; 60 percent for students
14 with family incomes between 61 and 65 percent MFI; and 50 percent for
15 students with family incomes between 66 and 70 percent MFI.

16 (3) \$1,250,000 of the general fund--state appropriation for fiscal
17 year 2013 is provided solely for implementation of the aerospace
18 training scholarship and student loan program as specified in Engrossed
19 Substitute House Bill No. 1846 (aerospace student loans). If the bill
20 is not enacted by June 30, 2012, the amount provided in this subsection
21 shall lapse.

22 (4) For fiscal year 2013, the board shall defer loan or conditional
23 scholarship repayments to the future teachers conditional scholarship
24 and loan repayment program for up to one year for each participant if
25 the participant has shown evidence of efforts to find a teaching job
26 but has been unable to secure a teaching job per the requirements of
27 the program.

28 (5) \$1,000,000 of the education legacy trust account--state
29 appropriation is provided solely for the gaining early awareness and
30 readiness for undergraduate programs project.

31 (6) \$1,500,000 of the general fund--state appropriation for fiscal
32 year 2013 is provided solely for the leadership 1000 program.

33 (7) \$2,436,000 of the general fund--state appropriation for fiscal
34 year 2013 is provided solely for the passport to college program. The
35 maximum scholarship award shall be \$5,000. The board shall contract
36 with a nonprofit organization to provide support services to increase
37 student completion in their postsecondary program and shall, under this

1 contract, provide a minimum of \$500,000 in fiscal year 2013 for this
2 purpose.

3 (8) In addition to the entities listed in RCW 28B.122.010, the
4 aerospace student loan program may provide loans to students attending
5 an aerospace training program at Renton technical college.

6 (9) The office of student financial assistance and the department
7 of health shall prioritize a portion of any nonfederal balances in the
8 health professional loan repayment and scholarship fund for conditional
9 loan repayment contracts with psychiatrists and with advanced
10 registered nurse practitioners for work at one of the state-operated
11 psychiatric hospitals. The office and department shall designate the
12 state hospitals as health professional shortage areas if necessary for
13 this purpose. The office of student financial assistance shall
14 coordinate with the department of social and health services to
15 effectively incorporate these conditional loan repayments into the
16 department's advanced psychiatric professional recruitment and
17 retention strategies.

18 (10) \$50,000 of the amount provided in this section shall be used
19 to convene the higher education loan program work group. The work
20 group shall develop methods for funding the loan program in the future,
21 as well as recommendations regarding the best loan program structure
22 for providing financial aid to underserved populations. The work group
23 shall seek out technical advice from the housing finance commission.
24 At a minimum, the recommendations regarding the proposed loan program
25 must take into account the following: Whether students could benefit
26 from the creation of a new student loan program; the relationship
27 between the student loan program and the state need grant program and
28 the state need grant qualified student population; mechanisms to
29 achieve interest rates that are below those offered in federally
30 guaranteed and private bank student loans; sources of initial and
31 on-going funding for loans and program operation; and default risks,
32 reserve requirements, and other conditions required for the student
33 loan program. The work group shall provide a report to the legislature
34 no later than December 1, 2012.

35 **Sec. 614.** 2011 1st sp.s. c 50 s 616 (uncodified) is amended to
36 read as follows:

1 **FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD**

2	General Fund--State Appropriation (FY 2012)	((\$1,382,000))
3		<u>\$1,310,000</u>
4	General Fund--State Appropriation (FY 2013)	((\$1,388,000))
5		<u>\$1,345,000</u>
6	General Fund--Federal Appropriation	((\$62,758,000))
7		<u>\$62,733,000</u>
8	TOTAL APPROPRIATION	((\$65,528,000))
9		<u>\$65,388,000</u>

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

12 (1) For the 2011-2013 fiscal biennium the board shall not designate
13 recipients of the Washington award for vocational excellence or
14 recognize them at award ceremonies as provided in RCW 28C.04.535.

15 (2) \$36,000 of the general fund--state appropriation for fiscal
16 year 2013 is provided solely for the implementation of Second
17 Substitute House Bill No. 2156 (workforce training/aerospace). If this
18 bill is not enacted by June 30, 2012, the amount provided in the
19 subsection shall lapse.

20 **Sec. 615.** 2011 2nd sp.s. c 9 s 612 (uncodified) is amended to read
21 as follows:

22 **FOR THE DEPARTMENT OF EARLY LEARNING**

23	General Fund--State Appropriation (FY 2012)	((\$27,571,000))
24		<u>\$25,497,000</u>
25	General Fund--State Appropriation (FY 2013)	((\$27,558,000))
26		<u>\$29,519,000</u>
27	General Fund--Federal Appropriation	((\$261,753,000))
28		<u>\$280,320,000</u>
29	Opportunity Pathways Account--State Appropriation . . .	((\$80,000,000))
30		<u>\$78,000,000</u>
31	<u>Home Visiting Services Account--Federal Appropriation</u>	<u>\$300,000</u>
32	TOTAL APPROPRIATION	((\$396,882,000))
33		<u>\$413,636,000</u>

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

36 (1) \$16,028,000 of the general fund--state appropriation for fiscal
37 year 2012, ((~~\$16,028,000~~)) \$18,028,000 of the general fund--state

1 appropriation of fiscal year 2013, (~~(\$80,000,000)~~) \$78,000,000 of the
2 opportunity pathways account appropriation, and \$2,256,000 of the
3 general fund--federal appropriation are provided solely for the early
4 childhood education assistance program services. Of these amounts,
5 \$10,284,000 is a portion of the biennial amount of state maintenance of
6 effort dollars required to receive federal child care and development
7 fund grant dollars.

8 (2) In accordance to RCW 43.215.255(2) and 43.135.055, the
9 department is authorized to increase child care center and child care
10 family home licensure fees in fiscal years 2012 and 2013 for costs to
11 the department for the licensure activity, including costs of necessary
12 inspection. These increases are necessary to support expenditures
13 authorized in this section.

14 (3) (~~(\$638,000)~~) \$64,000 of the general fund--state appropriation
15 for fiscal year 2012 (~~and~~), \$638,000 of the general fund--state
16 appropriation for fiscal year 2013, and \$574,000 of the general fund--
17 federal appropriation are provided solely for child care resource and
18 referral network services.

19 (4) \$200,000 of the general fund--state appropriation for fiscal
20 year 2012 and \$200,000 of the general fund--state appropriation for
21 fiscal year 2013 are provided solely to develop and provide culturally
22 relevant supports for parents, family, and other caregivers.

23 (5) The department is the lead agency for and recipient of the
24 federal child care and development fund grant. Amounts within this
25 grant shall be used to fund child care licensing, quality initiatives,
26 agency administration, and other costs associated with child care
27 subsidies. The department shall transfer a portion of this grant to
28 the department of social and health services to fund the child care
29 subsidies paid by the department of social and health services on
30 behalf of the department of early learning.

31 (6) The appropriations in this section reflect reductions in the
32 appropriations for the department's administrative expenses. It is the
33 intent of the legislature that these reductions shall be achieved, to
34 the greatest extent possible, by reducing those administrative costs
35 that do not affect direct client services or direct service delivery or
36 program.

37 (7) \$934,000 of the general fund--state appropriation for fiscal
38 year 2012, \$934,000 of the general fund--state appropriation for fiscal

1 year 2013, and \$2,400,000 of the general fund--federal appropriation
2 are provided solely for expenditure into the home visiting services
3 account. This funding is intended to meet federal maintenance of
4 effort requirements and to secure private matching funds.

5 (a) All federal funds received by the department for home visiting
6 activities must be deposited into the home visiting services account.

7 (b) The department must consult with stakeholders during the
8 development of the Washington home visiting plan and any future
9 proposals for federal funding.

10 (c) \$300,000 of the home visiting services account--federal
11 appropriation is provided solely for program administration pursuant to
12 RCW 43.215.130. No other funds may be expended for that purpose.

13 (8)(a) \$153,558,000 of the general fund--federal appropriation is
14 provided solely for the working connections child care program under
15 RCW 43.215.135.

16 (b) In addition to groups that were given prioritized access to the
17 working connections child care program effective March 1, 2011, the
18 department shall also give prioritized access into the program to
19 families in which a parent of a child in care is a minor who is not
20 living with a parent or guardian and who is a full-time student in a
21 high school that has a school-sponsored on-site child care center.

22 (9)(a) \$50,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$1,050,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for implementation and
25 administration of an electronic benefit transfer system. The system
26 shall include electronic time keeping, integrated with an eligibility
27 information technology system, and an electronic payment system. The
28 department shall coordinate implementation of this system with the
29 department of social and health services.

30 (b) \$100,000 of the general fund--state appropriation in this
31 subsection is provided solely for the department to contract for an
32 independent consultant to evaluate and recommend the optimum system for
33 the eligibility determination process. The evaluation must include an
34 analysis of lean management processes that, if adopted, could improve
35 the cost effectiveness and delivery of eligibility determination. The
36 department shall coordinate with the department of social and health
37 services for this evaluation. The department must report to the office

1 of financial management and the appropriate fiscal and policy
2 committees of the legislature by December 1, 2012.

3 (10) Within available amounts, the department in consultation with
4 the office of financial management and the department of social and
5 health services shall report quarterly enrollments and active caseload
6 for the working connections child care program to the legislative
7 fiscal committees and the legislative-executive WorkFirst oversight
8 task force. The report shall also identify the number of cases
9 participating in both temporary assistance for needy families and
10 working connections child care.

11 ~~((+10+))~~ (11) \$1,025,000 of the general fund--state appropriation
12 for fiscal year 2013 and \$6,712,000 of the general fund--federal
13 appropriation are provided solely for the seasonal child care program
14 in fiscal year 2013.

15 (12) \$2,522,000 of the general fund--state appropriation for fiscal
16 year 2012, \$2,522,000 of the general fund--state appropriation for
17 fiscal year 2013, and \$4,304,000 of the general fund--federal
18 appropriation are provided solely for the medicaid treatment child care
19 (MTCC) program. The department shall contract for MTCC services to
20 provide therapeutic child care and other specialized treatment services
21 to abused, neglected, at-risk, and/or drug-affected children. Priority
22 for services shall be given to children referred from the department of
23 social and health services children's administration. In addition to
24 referrals made by children's administration, the department shall
25 authorize services for children referred to the MTCC program, as long
26 as the children meet the eligibility requirements as outlined in the
27 Washington state plan for the MTCC program. Of the amounts
28 appropriated in this subsection, \$60,000 per fiscal year may be used by
29 the department for administering the MTCC program, if needed.

30 (13) \$10,000 of the general fund--state appropriation is provided
31 solely for:

32 (a) The department shall convene a subcommittee to the early
33 learning advisory council to make recommendations development and
34 implementation of a Washington preschool program. The subcommittee's
35 recommendations should include, but are not limited to:

36 (i) Criteria and processes for lead and assistant teachers to
37 demonstrate the required competencies or equivalent competencies;

1 (ii) Qualifications and continuing education requirements for other
2 staff in addition to lead and assistant teachers; and

3 (iii) A schedule to phase in degree and equivalent competency
4 requirements provided for lead and assistant teachers.

5 The subcommittee shall report its initial recommendations to the
6 early learning advisory council and the appropriate committees of
7 legislature by December 31, 2012.

8 (b) The subcommittee must develop the schedule in (a)(iii) of this
9 subsection in consultation with: The professional educator standards
10 board, state board for community and technical colleges, higher
11 education coordinating board, nongovernmental private-public
12 partnership created in RCW 43.215.070, tribes, labor organizations
13 representing child care workers, representatives from child care
14 centers, early childhood education and assistance program and head
15 start association, and the Puget Sound education service district to
16 determine:

17 (i) Capacity at higher education institutions to implement degree
18 requirements;

19 (ii) Availability of financial aid to ensure access to degree
20 requirements;

21 (iii) Availability of classes for nontraditional students including
22 online, evening, and weekend offerings;

23 (iv) Availability of additional resources to meet the unique needs
24 of tribes, family child care providers, and other nontraditional
25 caregivers including, but not limited to, mentoring, coaching,
26 resource-sharing models or other resources to ensure child care
27 providers have access to ongoing education opportunities;

28 (v) Additional pathways to demonstrate competencies, including
29 consideration of the quality rating and improvement system ratings as
30 a mechanism to demonstrate eligibility to apply for contracts for the
31 early learning program outlined in RCW 43.215.142; and

32 (vi) Development of a teacher compensation model.

33 (14) \$150,000 of the general fund--state appropriation for fiscal
34 year 2012 and \$150,000 of the general fund--state appropriation for
35 fiscal year 2013 are provided solely for a contract with a nonprofit
36 entity experienced in the provision of promoting early literacy for
37 children through pediatric office visits.

1 \$2,186,000
2 TOTAL APPROPRIATION (~~(\$5,334,000)~~)
3 \$5,307,000

4 **Sec. 619.** 2011 2nd sp.s. c 9 s 616 (uncodified) is amended to read
5 as follows:

6 **FOR THE WASHINGTON STATE HISTORICAL SOCIETY**
7 Washington State Heritage Center Account--State
8 Appropriation (~~(\$4,241,000)~~)
9 \$4,207,000

10 **Sec. 620.** 2011 2nd sp.s. c 9 s 617 (uncodified) is amended to read
11 as follows:

12 **FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**
13 Washington State Heritage Center Account--State
14 Appropriation (~~(\$2,962,000)~~)
15 \$2,959,000

(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 NEW SECTION. **Sec. 703.** A new section is added to 2011 1st sp.s.
18 c 50 (uncodified) to read as follows:

19	FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING	
20	BOND REGISTRATION AND TRANSFER CHARGES: FOR REVENUE BONDS	
21	Environmental Cleanup and Restoration Bond Retirement	
22	Account--State Appropriation	\$12,770,000
23	Environmental Cleanup and Restoration Bond Proceeds	
24	Account--State Appropriation	\$1,500,000
25	TOTAL APPROPRIATION	\$14,270,000

26 **Sec. 704.** 2011 2nd sp.s. c 9 s 703 (uncodified) is amended to read
27 as follows:

28	FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING	
29	BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES	
30	General Fund--State Appropriation (FY 2012)	\$1,357,000
31	General Fund--State Appropriation (FY 2013)	\$1,357,000
32	State Building Construction Account--State	
33	Appropriation	\$356,000
34	Columbia River Basin Water Supply Development	
35	Account--State Appropriation	\$21,000
36	Hood Canal Aquatic Rehabilitation Bond Account--State	

1 (1) Within fifteen days of the effective date of this section, the
2 department shall transmit funds in the amounts specified in subsection
3 (3) of this section to the county treasurers of the counties receiving
4 the funds.

5 (2) The county treasurers of the counties listed in this section
6 shall distribute funds received from this appropriation to taxing
7 authorities in proportion to the state forest transfer land funds
8 distributed to the taxing authorities based on information available
9 for the fiscal years 2002 through 2011. Funds to be credited to the
10 state of Washington and funds credited to school district general
11 levies shall be remitted to the state of Washington within thirty days
12 after the effective date of this section for deposit into the state
13 general fund.

14 (3) Funds shall be distributed in the following amounts:

15	Clallam	\$848,854
16	Clark	\$630,368
17	Cowlitz	\$418,159
18	Grays Harbor	\$266,365
19	Jefferson	\$239,722
20	King	\$328,725
21	Kitsap	\$73,839
22	Klickitat	\$197,968
23	Lewis	\$887,679
24	Mason	\$425,935
25	Okanogan	\$4
26	Pacific	\$352,540
27	Pierce	\$334,179
28	Skagit	\$1,534,497
29	Skamania	\$66,648
30	Snohomish	\$1,565,549
31	Stevens	\$6,709
32	Thurston	\$783,735
33	Wahkiakum	\$285,339
34	Whatcom	\$753,186
35	Total	\$10,000,000

1 NEW SECTION. Sec. 709. A new section is added to 2011 1st sp.s.
2 c 50 (uncodified) to read as follows:

3 **FOR SUNDRY CLAIMS**

4 The following sums, or so much thereof as may be necessary, are
5 appropriated from the general fund, unless otherwise indicated, for
6 relief of various individuals, firms, and corporations for sundry
7 claims. These appropriations are to be disbursed on vouchers approved
8 by the director of financial management, except as otherwise provided,
9 for reimbursement of criminal defendants acquitted on the basis of
10 self-defense, pursuant to RCW 9A.16.110, as follows:

- 11 (1) Clint L. Powell, Jr., claim number 99970048 \$58,155.10
- 12 (2) Chance L. Hawkins, claim number 99970049 \$28,838.95
- 13 (3) Edgar L. Hawkins, claim number 99970050 \$25,507.00
- 14 (4) James Abbott, claim number 99970051 \$9,880.00
- 15 (5) Richard Frisk, claim number 99970052 \$32,788.50
- 16 (6) Brian Barnd-Spjut, claim number 99970053 \$122,821.79

17 NEW SECTION. Sec. 710. A new section is added to 2011 1st sp.s.
18 c 50 (uncodified) to read as follows:

19 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EDUCATION FUNDING STUDY**

20	General Fund--State Appropriation (FY 2012)	\$25,000
21	General Fund--State Appropriation (FY 2013)	\$225,000
22	TOTAL APPROPRIATION	\$250,000

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

- 25 (1) The entire appropriation is provided solely for the task force
26 and study established and directed under this section.
- 27 (2) The recent McCleary decision by the state Supreme Court found
28 that the legislature is not meeting its paramount duty to adequately
29 fund K-12 basic education. The court also found that recent
30 legislative efforts to adjust the basic education definition and
31 funding models using the prototypical school model will meet the
32 paramount duty if implemented and fully funded in a timely manner. The
33 joint task force established in this section is created to help the
34 legislature meet the requirements of the McCleary decision by
35 recommending options for a permanent funding source.
- 36 (3)(a) The joint task force on education funding is established.
37 The task force shall review the McCleary decision and make

1 recommendations on how the legislature can meet the requirements
2 outlined in that decision. In particular, the task force shall develop
3 a proposal for a reliable and dependable revenue source to support
4 basic education programs, including at a minimum, implementation of the
5 programmatic enhancements required in chapter 236, Laws of 2010,
6 including full day kindergarten; reduced K-3 class size; increased
7 allocations for materials, supplies, and operating costs; and a new
8 pupil transportation formula. The task force shall also coordinate
9 with the work of the quality education council in developing a timeline
10 and financing plan for full implementation of the career and college
11 ready graduation requirements and the increased instructional hours
12 requirement contained in chapter 548, Laws of 2009. The task force
13 shall submit a final report to the legislature by December 15, 2012.

14 (b) The joint task force on education funding shall consist of
15 twenty-one members:

16 (i) Twelve legislators, with three members from each of the two
17 largest caucuses of the senate appointed by the president of the senate
18 and three members from each of the two largest caucuses of the house of
19 representatives appointed by the speaker of the house of
20 representatives;

21 (ii) A representative of the governor's office or the office of
22 financial management, designated by the governor;

23 (iii) The superintendent of public instruction or the
24 superintendent's designee;

25 (iv) The director of the department of early learning or the
26 director's designee;

27 (v) The executive director of the higher education coordinating
28 committee or its successor agency or the executive director's designee;

29 (vi) The executive director of the state board of education or the
30 executive director's designee; and

31 (vii) Four individuals, to be appointed by the governor, two that
32 have significant experience with Washington education finance issues,
33 including the use and application of the current basic education
34 formulas and early learning program funding and one each to represent
35 the business and labor communities. Each of the two largest caucuses
36 of the house of representatives and the senate may submit names to the
37 governor for consideration.

1 (vii) The task force shall be cochaired by one member from the
2 house of representatives and one member from the senate. If the house
3 of representatives and senate members cannot agree on their respective
4 cochair, the governor shall appoint the cochairs.

5 (d) The task force may recommend multiple options, but shall
6 recommend one preferred alternative, including an outline of necessary
7 implementing legislation. Should the task force recommend an option to
8 implement the McCleary decision with no new revenues, the task force
9 must identify what areas already in the budget would be eliminated or
10 reduced. The task force shall also consider how investments in basic
11 education and quality early learning for at-risk students, if
12 sustained, may lead to savings to the state in other areas of
13 government service, and how such savings over time may be incorporated
14 as one part of a long-term financing plan for basic education.

15 (e) The task force shall be staffed by the house of representatives
16 office of program research and senate office of committee services,
17 with assistance from the legislative evaluation and accountability
18 program committee, the office of the superintendent of public
19 instruction, the department of early learning, the office of financial
20 management, and the Washington state institute for public policy.

21 (4)(a) The recommendations should provide maximum transparency of
22 the state's educational funding system in order to better help parents,
23 citizens, and educational personnel in Washington understand how the
24 education system is funded.

25 (b) The funding structure options should be linked to
26 accountability for student outcomes, performance, and preparedness for
27 the subsequent educational level.

28 NEW SECTION. **Sec. 711.** A new section is added to 2011 1st sp.s.
29 c 50 (uncodified) to read as follows:

30 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--LIFE SCIENCES DISCOVERY FUND**
31 General Fund--State Appropriation (FY 2013) \$4,000,000

32 The appropriation in this section is subject to the following
33 conditions and limitations: The general fund appropriation is for
34 expenditure into the life sciences discovery fund.

35 NEW SECTION. **Sec. 712.** A new section is added to 2011 1st sp.s.
36 c 50 (uncodified) to read as follows:

1 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--INCOME AND TAX BURDEN STUDY**

2 General Fund--State Appropriation (FY 2013) \$50,000

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

5 (1) The entire appropriation is provided solely for conducting the
6 study required in this section.

7 (2) (a) The citizens of Washington state deserve better information
8 on the disparate impacts of the economic and taxing decisions of state
9 and local governments.

10 (b) The office of financial management will report to the
11 appropriate fiscal committees in both legislative chambers on the
12 income and tax burden of Washingtonians.

13 (c) The report must be delivered by September 1, 2012, and must
14 include:

15 (i) Estimates of the income and the wealth distribution of
16 Washingtonians by income quintile, or, if possible, by decile;

17 (ii) The combined state/local tax burden of Washingtonians by
18 income quintile, or, if possible, decile;

19 (iii) The tax burden of Washingtonians using longitudinal data:

20 (A) As a percentage of aggregate income;

21 (B) Using per capita data; and

22 (C) Using tax burden per \$1,000 of income;

23 (iv) The amount of state and local government revenue combined in
24 Washington state as a share of the gross state product using
25 longitudinal data; and

26 (v) Year-over-year estimates of real income gains (or losses) by
27 income quintile, or, if possible, decile.

28 (d) Where feasible, the office of financial management must use
29 established state and federal data sets to compile this report. The
30 office of financial management must make estimates or projections based
31 on historic data to fill in years if actual data is not yet available.

32 NEW SECTION. **Sec. 713.** A new section is added to 2011 1st sp.s.
33 c 50 (uncodified) to read as follows:

34 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--DISASTER RESPONSE ACCOUNT**

35 General Fund--State Appropriation (FY 2013) \$1,150,000

36 The appropriation in this section is subject to the following

1 conditions and limitations: The appropriation is provided solely for
2 expenditure into the disaster response account.

3 NEW SECTION. **Sec. 714.** A new section is added to 2011 1st sp.s.
4 c 50 (uncodified) to read as follows:

5 **FOR THE SAVINGS INCENTIVE ACCOUNT AND EDUCATION SAVINGS ACCOUNT**

6 For fiscal years 2012 and 2013, no appropriations are made for
7 deposit to the savings incentive account or the education savings
8 account under RCW 43.79.460 and 43.79.465.

9 The following acts or parts of acts are hereby repealed:

- 10 (1) 2011 1st sp.s. c 50 s 709 (uncodified); and
11 (2) 2011 1st sp.s. c 50 s 710 (uncodified).

(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 Aquatic Lands Enhancement Account: For transfer to
38 the marine resources stewardship trust account,

1 \$2,100,000 for fiscal year 2013 \$2,100,000
 2 Flood Control Assistance Account: For transfer to the
 3 state general fund, \$500,000 for fiscal year 2012
 4 and \$500,000 for fiscal year 2013 \$1,000,000
 5 Washington State Heritage Center Account: For transfer
 6 to the state general fund, \$2,000,000 for fiscal
 7 year 2013 \$2,000,000
 8 Public Works Assistance Account: For transfer to the
 9 state general fund for fiscal year 2013, if
 10 legislation amending RCW 82.18.040 to deposit solid
 11 waste tax revenues into the state general fund
 12 rather than the public works assistance account is
 13 not enacted by June 30, 2012 \$70,658,000

(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 **Sec. 907.** 2011 1st sp.s. c 50 s 920 (uncodified) is amended to
31 read as follows:

32 **COMPENSATION--NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS**

33 Appropriations for state agencies in this act are sufficient for
34 nonrepresented state employee health benefits for state agencies,

1 including institutions of higher education, and are subject to the
2 following conditions and limitations:

3 (1)(a) The monthly employer funding rate for insurance benefit
4 premiums, public employees' benefits board administration, and the
5 uniform medical plan, shall not exceed \$850 per eligible employee for
6 fiscal year 2012. For fiscal year 2013 the monthly employer funding
7 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

8 (b) In order to achieve the level of funding provided for health
9 benefits, the public employees' benefits board shall require any or all
10 of the following: Employee premium copayments, increases in point-of-
11 service cost sharing, the implementation of managed competition, or
12 make other changes to benefits consistent with RCW 41.05.065.

13 (c) The health care authority shall deposit any moneys received on
14 behalf of the uniform medical plan as a result of rebates on
15 prescription drugs, audits of hospitals, subrogation payments, or any
16 other moneys recovered as a result of prior uniform medical plan claims
17 payments, into the public employees' and retirees' insurance account to
18 be used for insurance benefits. Such receipts shall not be used for
19 administrative expenditures.

20 (2) The health care authority, subject to the approval of the
21 public employees' benefits board, shall provide subsidies for health
22 benefit premiums to eligible retired or disabled public employees and
23 school district employees who are eligible for medicare, pursuant to
24 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
25 \$150.00 per month.

26 (3) Technical colleges, school districts, and educational service
27 districts shall remit to the health care authority for deposit into the
28 public employees' and retirees' insurance account established in RCW
29 41.05.120 the following amounts:

30 (a) For each full-time employee, \$66.01 per month beginning
31 September 1, 2011, and (~~(\$67.91)~~) \$65.17 beginning September 1, 2012;

32 (b) For each part-time employee, who at the time of the remittance
33 is employed in an eligible position as defined in RCW 41.32.010 or
34 41.40.010 and is eligible for employer fringe benefit contributions for
35 basic benefits, \$66.01 each month beginning September 1, 2011, and
36 (~~(\$67.91)~~) \$65.17 beginning September 1, 2012, prorated by the
37 proportion of employer fringe benefit contributions for a full-time
38 employee that the part-time employee receives. The remittance

1 requirements specified in this subsection shall not apply to employees
2 of a technical college, school district, or educational service
3 district who purchase insurance benefits through contracts with the
4 health care authority.

5 **Sec. 908.** 2011 1st sp.s. c 50 s 921 (uncodified) is amended to
6 read as follows:

7 **COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE**
8 **BENEFITS**

9 Appropriations for state agencies in this act are sufficient for
10 represented employees outside the super coalition for health benefits,
11 and are subject to the following conditions and limitations:

12 (1)(a) The monthly employer funding rate for insurance benefit
13 premiums, public employees' benefits board administration, and the
14 uniform medical plan, shall not exceed \$850 per eligible employee for
15 fiscal year 2012. For fiscal year 2013 the monthly employer funding
16 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

17 (b) In order to achieve the level of funding provided for health
18 benefits, the public employees' benefits board shall require any or all
19 of the following: Employee premium copayments, increases in point-of-
20 service cost sharing, the implementation of managed competition, or
21 make other changes to benefits consistent with RCW 41.05.065.

22 (c) The health care authority shall deposit any moneys received on
23 behalf of the uniform medical plan as a result of rebates on
24 prescription drugs, audits of hospitals, subrogation payments, or any
25 other moneys recovered as a result of prior uniform medical plan claims
26 payments, into the public employees' and retirees' insurance account to
27 be used for insurance benefits. Such receipts shall not be used for
28 administrative expenditures.

29 (2) The health care authority, subject to the approval of the
30 public employees' benefits board, shall provide subsidies for health
31 benefit premiums to eligible retired or disabled public employees and
32 school district employees who are eligible for medicare, pursuant to
33 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
34 \$150.00 per month.

35 (3) Technical colleges, school districts, and educational service
36 districts shall remit to the health care authority for deposit into the

1 public employees' and retirees' insurance account established in RCW
2 41.05.120 the following amounts:

3 (a) For each full-time employee, \$66.01 per month beginning
4 September 1, 2011, and (~~(\$67.91)~~) \$65.17 beginning September 1, 2012;

5 (b) For each part-time employee, who at the time of the remittance
6 is employed in an eligible position as defined in RCW 41.32.010 or
7 41.40.010 and is eligible for employer fringe benefit contributions for
8 basic benefits, \$66.01 each month beginning September 1, 2011, and
9 (~~(\$67.91)~~) \$65.17 beginning September 1, 2012, prorated by the
10 proportion of employer fringe benefit contributions for a full-time
11 employee that the part-time employee receives. The remittance
12 requirements specified in this subsection shall not apply to employees
13 of a technical college, school district, or educational service
14 district who purchase insurance benefits through contracts with the
15 health care authority.

16 **Sec. 909.** 2011 1st sp.s. c 50 s 922 (uncodified) is amended to
17 read as follows:

18 **COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION--INSURANCE**
19 **BENEFITS**

20 The collective bargaining agreement negotiated with the super
21 coalition under chapter 41.80 RCW includes employer premiums at 85
22 percent of the total weighted average of the projected health care
23 premiums across all plans and tiers. Appropriations in this act for
24 state agencies, including institutions of higher education are
25 sufficient to fund state employees health benefits for employees
26 represented by the super coalition on health benefits, and are subject
27 to the following conditions and limitations:

28 (1)(a) The monthly employer funding rate for insurance benefit
29 premiums, public employees' benefits board administration, and the
30 uniform medical plan, shall not exceed \$850 per eligible employee for
31 fiscal year 2012. For fiscal year 2013 the monthly employer funding
32 rate shall not exceed (~~(\$850)~~) \$800 per eligible employee.

33 (b) In order to achieve the level of funding provided for health
34 benefits, the public employees' benefits board shall require any or all
35 of the following: Employee premium copayments, increases in point-of-
36 service cost sharing, the implementation of managed competition, or
37 make other changes to benefits consistent with RCW 41.05.065.

1 (c) The health care authority shall deposit any moneys received on
2 behalf of the uniform medical plan as a result of rebates on
3 prescription drugs, audits of hospitals, subrogation payments, or any
4 other moneys recovered as a result of prior uniform medical plan claims
5 payments, into the public employees' and retirees' insurance account to
6 be used for insurance benefits. Such receipts shall not be used for
7 administrative expenditures.

8 (2) The health care authority, subject to the approval of the
9 public employees' benefits board, shall provide subsidies for health
10 benefit premiums to eligible retired or disabled public employees and
11 school district employees who are eligible for medicare, pursuant to
12 RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be
13 \$150.00 per month.

14 NEW SECTION. Sec. 910. A new section is added to 2011 1st sp.s.
15 c 50 (uncodified) to read as follows:

16 For purposes of RCW 43.88.110(7), any cash deficit in existence at
17 the close of fiscal year 2012 shall be liquidated over the remainder of
18 the 2011-2013 fiscal biennium.

19 **Sec. 911.** 2011 1st sp.s. c 7 s 11 (uncodified) is amended to read
20 as follows:

21 (1) For fiscal years 2012 and 2013 and subject to appropriation,
22 the department of social and health services shall do a comparative
23 analysis of the facility-based payment rates calculated on July 1,
24 ((2011)) 2012, using the payment methodology defined in chapter 74.46
25 RCW as modified by sections 1 through 9 of this act, to the
26 facility-based payment rates in effect June 30, 2010. If the facility-
27 based payment rate calculated on July 1, ((2011)) 2012, is smaller than
28 the facility-based payment rate on June 30, ((2011)) 2010, the
29 difference shall be provided to the individual nursing facilities as an
30 add-on payment per medicaid resident day.

31 (2) During the comparative analysis performed in subsection (1) of
32 this section, if it is found that the direct care rate for any facility
33 calculated on March 1, 2012, under sections 1 through 9 ((of this act))
34 chapter 7, Laws of 2011 1st sp. sess. is greater than the direct care
35 rate in effect on June 30, 2010, then the facility shall receive a ten

1 percent direct care rate add-on to compensate that facility for taking
2 on more acute clients than they have in the past.

3 (3) The rate add-ons provided in subsection (2) of this section are
4 subject to the reconciliation and settlement process provided in RCW
5 74.46.022(6).

6 **Sec. 912.** RCW 2.68.020 and 2009 c 564 s 1802 and 2009 c 564 s 918
7 are each reenacted and amended to read as follows:

8 There is created an account in the custody of the state treasurer
9 to be known as the judicial information system account. The
10 administrative office of the courts shall maintain and administer the
11 account, in which shall be deposited all moneys received from in-state
12 noncourt users and any out-of-state users of the judicial information
13 system and moneys as specified in RCW 2.68.040 for the purposes of
14 providing judicial information system access to noncourt users and
15 providing an adequate level of automated services to the judiciary.
16 The legislature shall appropriate the funds in the account for the
17 purposes of the judicial information system. The account shall be used
18 for the acquisition of equipment, software, supplies, services, and
19 other costs incidental to the acquisition, development, operation, and
20 administration of information services, telecommunications, systems,
21 software, supplies, and equipment, including the payment of principal
22 and interest on items paid in installments. (~~During the 2007-2009~~
23 ~~fiscal biennium, the legislature may transfer from the judicial~~
24 ~~information system account to the state general fund such amounts as~~
25 ~~reflect the excess fund balance of the account. During the 2009-2011~~
26 ~~fiscal biennium, the legislature may transfer from the judicial~~
27 ~~information system account to the state general fund such amounts as~~
28 ~~reflect the excess fund balance of the account.)) During the 2011-2013
29 fiscal biennium, the judicial information systems account may be
30 appropriated to support the state law library.~~

31 **Sec. 913.** RCW 28B.15.067 and 2011 1st sp.s. c 10 s 3 are each
32 amended to read as follows:

33 (1) Tuition fees shall be established under the provisions of this
34 chapter.

35 (2) Beginning in the 2011-12 academic year, reductions or increases
36 in full-time tuition fees shall be as provided in the omnibus

1 appropriations act for resident undergraduate students at community and
2 technical colleges. The governing boards of the state universities,
3 regional universities, and The Evergreen State College; and the state
4 board for community and technical colleges may reduce or increase full-
5 time tuition fees for all students other than resident undergraduates,
6 including nonresident students, summer school students, and students in
7 other self-supporting degree programs. Percentage increases in full-
8 time tuition may exceed the fiscal growth factor. Except during the
9 2011-2013 fiscal biennium, the state board for community and technical
10 colleges may pilot or institute differential tuition models. The board
11 may define scale, scope, and rationale for the models.

12 (3)(a) Beginning with the 2011-12 academic year and through the end
13 of the 2014-15 academic year, the governing boards of the state
14 universities, the regional universities, and The Evergreen State
15 College may reduce or increase full-time tuition fees for all students,
16 including summer school students and students in other self-supporting
17 degree programs. Percentage increases in full-time tuition fees may
18 exceed the fiscal growth factor. Reductions or increases may be made
19 for all or portions of an institution's programs, campuses, courses, or
20 students; however, during the 2011-2013 fiscal biennium, reductions or
21 increases in tuition must be uniform among resident undergraduate
22 students.

23 (b) Prior to reducing or increasing tuition for each academic year,
24 the governing boards of the state universities, the regional
25 universities, and The Evergreen State College shall consult with
26 existing student associations or organizations with student
27 undergraduate and graduate representatives regarding the impacts of
28 potential tuition increases. Governing boards shall be required to
29 provide data regarding the percentage of students receiving financial
30 aid, the sources of aid, and the percentage of total costs of
31 attendance paid for by aid.

32 (c) Prior to reducing or increasing tuition for each academic year,
33 the state board for community and technical college system shall
34 consult with existing student associations or organizations with
35 undergraduate student representation regarding the impacts of potential
36 tuition increases. The state board for community and technical
37 colleges shall provide data regarding the percentage of students

1 receiving financial aid, the sources of aid, and the percentage of
2 total costs of attendance paid for by aid.

3 (4) Beginning with the 2015-16 academic year through the 2018-19
4 academic year, the governing boards of the state universities, regional
5 universities, and The Evergreen State College may set tuition for
6 resident undergraduates as follows:

7 (a) If state funding for a college or university falls below the
8 state funding provided in the operating budget for fiscal year 2011,
9 the governing board may increase tuition up to the limits set in (d) of
10 this subsection, reduce enrollments, or both;

11 (b) If state funding for a college or university is at least at the
12 level of state funding provided in the operating budget for fiscal year
13 2011, the governing board may increase tuition up to the limits set in
14 (d) of this subsection and shall continue to at least maintain the
15 actual enrollment levels for fiscal year 2011 or increase enrollments
16 as required in the omnibus appropriations act; (~~and~~)

17 (c) If state funding is increased so that combined with resident
18 undergraduate tuition the sixtieth percentile of the total per-student
19 funding at similar public institutions of higher education in the
20 global challenge states under RCW 28B.15.068 is exceeded, the governing
21 board shall decrease tuition by the amount needed for the total per-
22 student funding to be at the sixtieth percentile under RCW 28B.15.068;
23 and

24 (d) The amount of tuition set by the governing board for an
25 institution under this subsection (4) may not exceed the sixtieth
26 percentile of the resident undergraduate tuition of similar public
27 institutions of higher education in the global challenge states.

28 (5) The tuition fees established under this chapter shall not apply
29 to high school students enrolling in participating institutions of
30 higher education under RCW 28A.600.300 through 28A.600.400.

31 (6) The tuition fees established under this chapter shall not apply
32 to eligible students enrolling in a dropout reengagement program
33 through an interlocal agreement between a school district and a
34 community or technical college under RCW 28A.175.100 through
35 28A.175.110.

36 (7) The tuition fees established under this chapter shall not apply
37 to eligible students enrolling in a community or technical college

1 participating in the pilot program under RCW 28B.50.534 for the purpose
2 of obtaining a high school diploma.

3 (8) Beginning in the 2019-20 academic year, reductions or increases
4 in full-time tuition fees for resident undergraduates at four-year
5 institutions of higher education shall be as provided in the omnibus
6 appropriations act.

7 (9) The legislative advisory committee to the committee on advanced
8 tuition payment established in RCW 28B.95.170 shall:

9 (a) Review the impact of differential tuition rates on the funded
10 status and future unit price of the Washington advanced college tuition
11 payment program; and

12 (b) No later than January 14, 2013, make a recommendation to the
13 appropriate policy and fiscal committees of the legislature regarding
14 how differential tuition should be addressed in order to maintain the
15 ongoing solvency of the Washington advanced college tuition payment
16 program.

17 **Sec. 914.** RCW 38.52.540 and 2010 1st sp.s. c 19 s 18 are each
18 amended to read as follows:

19 (1) The enhanced 911 account is created in the state treasury. All
20 receipts from the state enhanced 911 excise taxes imposed by RCW
21 82.14B.030 must be deposited into the account. Moneys in the account
22 must be used only to support the statewide coordination and management
23 of the enhanced 911 system, for the implementation of wireless enhanced
24 911 statewide, for the modernization of enhanced 911 emergency
25 communications systems statewide, and to help supplement, within
26 available funds, the operational costs of the system, including
27 adequate funding of counties to enable implementation of wireless
28 enhanced 911 service and reimbursement of radio communications service
29 companies for costs incurred in providing wireless enhanced 911 service
30 pursuant to negotiated contracts between the counties or their agents
31 and the radio communications service companies. For the 2011-2013
32 fiscal biennium, the account may be used for modernizing narrowband
33 radio capability in the department of corrections. A county must show
34 just cause, including but not limited to a true and accurate accounting
35 of the funds expended, for any inability to provide reimbursement to
36 radio communications service companies of costs incurred in providing
37 enhanced 911 service.

1 (2) Funds generated by the enhanced 911 excise tax imposed by RCW
2 82.14B.030(5) may not be distributed to any county that has not imposed
3 the maximum county enhanced 911 excise tax allowed under RCW
4 82.14B.030(1). Funds generated by the enhanced 911 excise tax imposed
5 by RCW 82.14B.030(6) may not be distributed to any county that has not
6 imposed the maximum county enhanced 911 excise tax allowed under RCW
7 82.14B.030(2).

8 (3) The state enhanced 911 coordinator, with the advice and
9 assistance of the enhanced 911 advisory committee, is authorized to
10 enter into statewide agreements to improve the efficiency of enhanced
11 911 services for all counties and shall specify by rule the additional
12 purposes for which moneys, if available, may be expended from this
13 account.

14 **Sec. 915.** RCW 43.07.129 and 2011 1st sp.s. c 50 s 940 are each
15 amended to read as follows:

16 The Washington state heritage center account is created in the
17 custody of the state treasurer. All moneys received under RCW
18 36.18.010(11) and 43.07.128 must be deposited in the account.
19 Expenditures from the account may be made only for the following
20 purposes:

21 (1) Payment of the certificate of participation issued for the
22 Washington state heritage center;

23 (2) Capital maintenance of the Washington state heritage center;
24 and

25 (3) Program operations that serve the public, relate to the
26 collections and exhibits housed in the Washington state heritage
27 center, or fulfill the missions of the state archives, state library,
28 and capital museum.

29 Only the secretary of state or the secretary of state's designee
30 may authorize expenditures from the account. An appropriation is not
31 required for expenditures, but the account is subject to allotment
32 procedures under chapter 43.88 RCW. During the 2011-2013 fiscal
33 biennium, the legislature may appropriate from the Washington state
34 heritage center account for the purposes of state arts, historical, and
35 library programs. Additionally, during the 2011-2013 fiscal biennium,
36 the legislature may transfer from the Washington state heritage center

1 account to the state general fund such amounts as reflect the excess
2 fund balance of the fund.

3 **Sec. 916.** RCW 43.17.390 and 2009 c 564 s 931 are each amended to
4 read as follows:

5 Starting in ((2012)) 2014, and at least once every three years
6 thereafter, each agency shall apply to the Washington state quality
7 award, or similar organization, for an independent assessment of its
8 quality management, accountability, and performance system. The
9 assessment shall evaluate the effectiveness of all elements of its
10 management, accountability, and performance system, including:
11 Leadership, strategic planning, customer focus, analysis and
12 information, employee performance management, and process improvement.
13 The purpose of the assessment is to recognize best practice and
14 identify improvement opportunities.

15 **Sec. 917.** RCW 43.30.720 and 2003 1st sp.s. c 25 s 938 are each
16 amended to read as follows:

17 All receipts from the sale of stock or seed shall be deposited in
18 a state forest nursery revolving fund to be maintained by the
19 department, which is hereby authorized to use all money in said fund
20 for the maintenance of the state tree nursery or the planting of
21 denuded state owned lands.

22 During the ((2003-2005)) 2011-2013 fiscal biennium, the legislature
23 may transfer from the state forest nursery revolving fund to the state
24 general fund such amounts as reflect the excess fund balance of the
25 fund.

26 **Sec. 918.** RCW 43.88.110 and 2009 c 518 s 3 are each amended to
27 read as follows:

28 This section sets forth the expenditure programs and the allotment
29 and reserve procedures to be followed by the executive branch for
30 public funds.

31 (1) Allotments of an appropriation for any fiscal period shall
32 conform to the terms, limits, or conditions of the appropriation.

33 (2) The director of financial management shall provide all agencies
34 with a complete set of operating and capital instructions for preparing

1 a statement of proposed expenditures at least thirty days before the
2 beginning of a fiscal period. The set of instructions need not include
3 specific appropriation amounts for the agency.

4 (3) Within forty-five days after the beginning of the fiscal period
5 or within forty-five days after the governor signs the omnibus biennial
6 appropriations act, whichever is later, all agencies shall submit to
7 the governor a statement of proposed expenditures at such times and in
8 such form as may be required by the governor.

9 (4) The office of financial management shall develop a method for
10 monitoring capital appropriations and expenditures that will capture at
11 least the following elements:

12 (a) Appropriations made for capital projects including
13 transportation projects;

14 (b) Estimates of total project costs including past, current,
15 ensuing, and future biennial costs;

16 (c) Comparisons of actual costs to estimated costs;

17 (d) Comparisons of estimated construction start and completion
18 dates with actual dates;

19 (e) Documentation of fund shifts between projects.

20 This data may be incorporated into the existing accounting system
21 or into a separate project management system, as deemed appropriate by
22 the office of financial management.

23 (5) The office of financial management, prior to approving
24 allotments for major capital construction projects valued over five
25 million dollars, shall institute procedures for reviewing such projects
26 at the predesign stage that will reduce long-term costs and increase
27 facility efficiency. The procedures shall include, but not be limited
28 to, the following elements:

29 (a) Evaluation of facility program requirements and consistency
30 with long-range plans;

31 (b) Utilization of a system of cost, quality, and performance
32 standards to compare major capital construction projects; and

33 (c) A requirement to incorporate value-engineering analysis and
34 constructability review into the project schedule.

35 (6) No expenditure may be incurred or obligation entered into for
36 such major capital construction projects including, without exception,
37 land acquisition, site development, predesign, design, construction,
38 and equipment acquisition and installation, until the allotment of the

1 funds to be expended has been approved by the office of financial
2 management. This limitation does not prohibit the continuation of
3 expenditures and obligations into the succeeding biennium for projects
4 for which allotments have been approved in the immediate prior
5 biennium.

6 (7)(a) Beginning January 1, 2013, if at any time during the fiscal
7 period the governor projects a cash deficit in a particular fund or
8 account as defined by RCW 43.88.050, the governor shall make across-
9 the-board reductions in allotments for that particular fund or account
10 so as to prevent a cash deficit, unless the legislature has directed
11 the liquidation of the cash deficit over one or more fiscal periods.

12 (b)(i) From the effective date of this section until January 1,
13 2013, if at any time during the fiscal period the governor projects a
14 cash deficit in a particular fund or account as defined by RCW
15 43.88.050, then as set forth in (b) of this subsection the governor
16 shall make across-the-board reductions in the total amount allotted to
17 each agency from each appropriation from that fund or account so as to
18 prevent a cash deficit, unless the legislature has directed the
19 liquidation of the cash deficit over one or more fiscal periods.

20 (ii) The percentage reduction applied to individual allotments of
21 an agency's total allotments from each appropriation from that fund or
22 account may vary, but each agency's total allotments from each
23 appropriation from that fund or account must be uniformly reduced by
24 the percentage necessary to prevent a cash deficit. Where a portion of
25 an appropriation is provided solely for a particular purpose,
26 allotments of that portion of the appropriation may be reduced only by
27 the same percentage as the overall appropriation.

28 (iii) Allotments for the following programs may be reduced only by
29 a percentage equal to one-half of the percentage reduction applied to
30 total allotments of appropriations under (b)(ii) of this subsection:

31 (A) Direct custody in the department of corrections and the
32 juvenile rehabilitation administration; and

33 (B) The special commitment center of the department of social and
34 health services.

35 (iv) Basic education programs, debt service on state bonds, state
36 contributions to retirement systems, and programs for which a defined
37 benefit is specifically mandated in statute are exempt from across-the-

1 board allotment reductions under this subsection (7)(b) and allotments
2 for these purposes shall not be included when calculating the allotment
3 reductions.

4 (8) Except for the legislative and judicial branches and other
5 agencies headed by elective officials, the governor shall review the
6 statement of proposed operating expenditures for reasonableness and
7 conformance with legislative intent. The governor may request
8 corrections of proposed allotments submitted by the legislative and
9 judicial branches and agencies headed by elective officials if those
10 proposed allotments contain significant technical errors.

11 (9) Once the governor approves the proposed allotments, further
12 revisions may at the request of the office of financial management or
13 upon the agency's initiative be made on a quarterly basis and must be
14 accompanied by an explanation of the reasons for significant changes.
15 If the governor initiates across-the-board allotment revisions under
16 subsection (7)(b) of this section, the office of financial management
17 shall provide notice to the appropriate legislative fiscal committees
18 of the proposed revisions, including the explanation for the
19 significant changes, and the revisions may not take effect until ten
20 days after this notice is provided. However, changes in appropriation
21 level authorized by the legislature, changes required by across-the-
22 board reductions mandated by the governor, changes caused by executive
23 increases to spending authority, and changes caused by executive
24 decreases to spending authority for failure to comply with the
25 provisions of chapter 36.70A RCW may require additional revisions.
26 Revisions shall not be made retroactively. However, the governor may
27 assign to a reserve status any portion of an agency appropriation
28 withheld as part of across-the-board reductions made by the governor
29 and any portion of an agency appropriation conditioned on a contingent
30 event by the appropriations act. The governor may remove these amounts
31 from reserve status if the across-the-board reductions are subsequently
32 modified or if the contingent event occurs. The director of financial
33 management shall enter approved statements of proposed expenditures
34 into the state budgeting, accounting, and reporting system within
35 forty-five days after receipt of the proposed statements from the
36 agencies. If an agency or the director of financial management is
37 unable to meet these requirements, the director of financial management

1 shall provide a timely explanation in writing to the legislative fiscal
2 committees.

3 (8) It is expressly provided that all agencies shall be required to
4 maintain accounting records and to report thereon in the manner
5 prescribed in this chapter and under the regulations issued pursuant to
6 this chapter. Within ninety days of the end of the fiscal year, all
7 agencies shall submit to the director of financial management their
8 final adjustments to close their books for the fiscal year. Prior to
9 submitting fiscal data, written or oral, to committees of the
10 legislature, it is the responsibility of the agency submitting the data
11 to reconcile it with the budget and accounting data reported by the
12 agency to the director of financial management.

13 (9) The director of financial management may exempt certain public
14 funds from the allotment controls established under this chapter if it
15 is not practical or necessary to allot the funds. Allotment control
16 exemptions expire at the end of the fiscal biennium for which they are
17 granted. The director of financial management shall report any
18 exemptions granted under this subsection to the legislative fiscal
19 committees.

20 **Sec. 919.** RCW 43.320.110 and 2010 1st sp.s. c 37 s 934 are each
21 amended to read as follows:

22 There is created a local fund known as the "financial services
23 regulation fund" which shall consist of all moneys received by the
24 divisions of the department of financial institutions, except for the
25 division of securities which shall deposit thirteen percent of all
26 moneys received, except as provided in RCW 43.320.115, and which shall
27 be used for the purchase of supplies and necessary equipment; the
28 payment of salaries, wages, and utilities; the establishment of
29 reserves; and other incidental costs required for the proper regulation
30 of individuals and entities subject to regulation by the department.
31 The state treasurer shall be the custodian of the fund. Disbursements
32 from the fund shall be on authorization of the director of financial
33 institutions or the director's designee. In order to maintain an
34 effective expenditure and revenue control, the fund shall be subject in
35 all respects to chapter 43.88 RCW, but no appropriation is required to
36 permit expenditures and payment of obligations from the fund.

1 During the ((2009-2011)) 2011-2013 fiscal biennium, the legislature
2 may transfer from the financial services regulation fund to the state
3 general fund such amounts as reflect the excess fund balance of the
4 fund.

5 **Sec. 920.** RCW 66.08.190 and 2011 1st sp.s. c 50 s 960 are each
6 amended to read as follows:

7 (1) Except for revenues generated by the 2003 surcharge of
8 \$0.42/liter on retail sales of spirits that must be distributed to the
9 state general fund during the 2003-2005 biennium, when excess funds are
10 distributed, except as provided in subsection (4) of this section, all
11 moneys subject to distribution must be disbursed as follows:

12 (a) Three-tenths of one percent to border areas under RCW
13 66.08.195; and

14 (b) ((~~Except as provided in subsection (4) of this section,~~) From
15 the amount remaining after distribution under (a) of this subsection,
16 (i) fifty percent to the general fund of the state, (ii) ten percent to
17 the counties of the state, and (iii) forty percent to the incorporated
18 cities and towns of the state.

19 (2) During the months of June, September, December, and March of
20 each year, prior to disbursing the distribution to incorporated cities
21 and towns under subsection (1)(b) of this section, the treasurer must
22 deduct from that distribution an amount that will fund that quarter's
23 allotments under RCW 43.88.110 from any legislative appropriation from
24 the city and town research services account. The treasurer must
25 deposit the amount deducted into the city and town research services
26 account.

27 (3) The governor may notify and direct the state treasurer to
28 withhold the revenues to which the counties and cities are entitled
29 under this section if the counties or cities are found to be in
30 noncompliance pursuant to RCW 36.70A.340.

31 (4)(a) During ((~~the 2011-2013 fiscal biennium~~)) fiscal year 2012,
32 from the amount remaining after distribution under subsection (1)(a) of
33 this section, (a) 51.7 percent to the general fund of the state, (b)
34 9.7 percent to the counties of the state, and (c) 38.6 percent to the
35 incorporated cities and towns of the state.

36 (b) During the 2013 fiscal year, distributions must first be made

1 pursuant to section 302 of Initiative Measure No. 1183, and the
2 remainder must be deposited into the general fund.

3 **Sec. 921.** RCW 70.105D.070 and 2011 1st sp.s. c 50 s 964 are each
4 reenacted and amended to read as follows:

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

7 (2) The following moneys shall be deposited into the state toxics
8 control account: (a) Those revenues which are raised by the tax
9 imposed under RCW 82.21.030 and which are attributable to that portion
10 of the rate equal to thirty-three one-hundredths of one percent; (b)
11 the costs of remedial actions recovered under this chapter or chapter
12 70.105A RCW; (c) penalties collected or recovered under this chapter;
13 and (d) any other money appropriated or transferred to the account by
14 the legislature. Moneys in the account may be used only to carry out
15 the purposes of this chapter, including but not limited to the
16 following activities:

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

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

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

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

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

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

31 (vii) Hazardous materials emergency response training;

32 (viii) Water and environmental health protection and monitoring
33 programs;

34 (ix) Programs authorized under chapter 70.146 RCW;

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

1 (xi) Public funding to assist potentially liable persons to pay for
2 the costs of remedial action in compliance with cleanup standards under
3 RCW 70.105D.030(2)(e) but only when the amount and terms of such
4 funding are established under a settlement agreement under RCW
5 70.105D.040(4) and when the director has found that the funding will
6 achieve both (A) a substantially more expeditious or enhanced cleanup
7 than would otherwise occur, and (B) the prevention or mitigation of
8 unfair economic hardship;

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

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

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

16 (xv) During the 2011-2013 fiscal biennium, actions for reducing
17 public exposure to toxic air pollution; and

18 (xvi) During the 2011-2013 fiscal biennium, the department of
19 ecology's water quality shorelands, environmental assessment, hazardous
20 waste, waste to resources, nuclear waste, and indirect costs.

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

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

28 (i) Remedial actions;

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

30 (iii) Solid waste plans and programs under chapters 70.95, 70.95C,
31 70.95I, and 70.105 RCW;

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

36 (v) Cleanup and disposal of hazardous substances from abandoned or
37 derelict vessels, defined for the purposes of this section as vessels
38 that have little or no value and either have no identified owner or

1 have an identified owner lacking financial resources to clean up and
2 dispose of the vessel, that pose a threat to human health or the
3 environment.

4 (b) Funds for plans and programs shall be allocated consistent with
5 the priorities and matching requirements established in chapters
6 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that
7 is a Puget Sound partner, as defined in RCW 90.71.010, along with any
8 project that is referenced in the action agenda developed by the Puget
9 Sound partnership under RCW 90.71.310, shall, except as conditioned by
10 RCW 70.105D.120, receive priority for any available funding for any
11 grant or funding programs or sources that use a competitive bidding
12 process. During the 2007-2009 fiscal biennium, moneys in the account
13 may also be used for grants to local governments to retrofit public
14 sector diesel equipment and for storm water planning and implementation
15 activities.

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

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

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

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

28 (C) Funding would create an opportunity for acquisition and
29 redevelopment of vacant, orphaned, or abandoned property under RCW
30 70.105D.040(5) that would not otherwise occur;

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

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

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

1 (4) Except for unanticipated receipts under RCW 43.79.260 through
2 43.79.282, moneys in the state and local toxics control accounts may be
3 spent only after appropriation by statute.

4 (5) Except during the (~~2009-2011~~) 2011-2013 fiscal biennium, one
5 percent of the moneys deposited into the state and local toxics control
6 accounts shall be allocated only for public participation grants to
7 persons who may be adversely affected by a release or threatened
8 release of a hazardous substance and to not-for-profit public interest
9 organizations. The primary purpose of these grants is to facilitate
10 the participation by persons and organizations in the investigation and
11 remedying of releases or threatened releases of hazardous substances
12 and to implement the state's solid and hazardous waste management
13 priorities. No grant may exceed sixty thousand dollars. Grants may be
14 renewed annually. Moneys appropriated for public participation from
15 either account which are not expended at the close of any biennium
16 shall revert to the state toxics control account.

17 (6) No moneys deposited into either the state or local toxics
18 control account may be used for solid waste incinerator feasibility
19 studies, construction, maintenance, or operation, or, after January 1,
20 2010, for projects designed to address the restoration of Puget Sound,
21 funded in a competitive grant process, that are in conflict with the
22 action agenda developed by the Puget Sound partnership under RCW
23 90.71.310.

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

26 (8) During the 2007-2009 and 2009-2011 fiscal biennia, the
27 legislature may transfer from the local toxics control account to
28 either the state general fund or the oil spill prevention account, or
29 both such amounts as reflect excess fund balance in the account.

30 (9) During the 2009-2011 fiscal biennium, the local toxics control
31 account may also be used for a standby rescue tug at Neah Bay, local
32 government shoreline update grants, private and public sector diesel
33 equipment retrofit, and oil spill prevention, preparedness, and
34 response activities.

35 (10) During the 2009-2011 fiscal biennium, the legislature may
36 transfer from the state toxics control account to the state general
37 fund such amounts as reflect the excess fund balance in the account.

1 (11) During the 2011-2013 fiscal biennium, the local toxics control
2 account may also be used for local government shoreline update grants
3 and actions for reducing public exposure to toxic air pollution.

4 **Sec. 922.** RCW 74.08A.340 and 2009 c 564 s 953 are each amended to
5 read as follows:

6 The department of social and health services shall operate the
7 Washington WorkFirst program authorized under RCW 74.08A.200 through
8 74.08A.330, 43.330.145, 43.215.545, and 74.25.040, and chapter 74.12
9 RCW within the following constraints:

10 (1) The full amount of the temporary assistance for needy families
11 block grant, plus qualifying state expenditures as appropriated in the
12 biennial operating budget, shall be appropriated to the department each
13 year in the biennial appropriations act to carry out the provisions of
14 the program authorized in RCW 74.08A.200 through 74.08A.330,
15 43.330.145, 43.215.545, and 74.25.040, and chapter 74.12 RCW.

16 (2)(a) The department may expend funds defined in subsection (1) of
17 this section in any manner that will effectively accomplish the outcome
18 measures defined in RCW 74.08A.410 with the following exception:
19 Beginning with the 2007-2009 biennium, funds that constitute the
20 working connections child care program, child care quality programs,
21 and child care licensing functions.

22 (b) Beginning in the 2007-2009 fiscal biennium, the legislature
23 shall appropriate and the departments of early learning and social and
24 health services shall expend funds defined in subsection (1) of this
25 section that constitute the working connections child care program,
26 child care quality programs, and child care licensing functions in a
27 manner that is consistent with the outcome measures defined in RCW
28 74.08A.410.

29 (c) No more than fifteen percent of the amount provided in
30 subsection (1) of this section may be spent for administrative
31 purposes. For the purpose of this subsection, "administrative
32 purposes" does not include expenditures for information technology and
33 computerization needed for tracking and monitoring required by P.L.
34 104-193. The department shall not increase grant levels to recipients
35 of the program authorized in RCW 74.08A.200 through 74.08A.330 and
36 43.330.145 and chapter 74.12 RCW, except (~~as authorized in the omnibus~~

1 ~~appropriations act for the 2009-2011 biennium))~~ that during fiscal year
2 2013 the department may increase the grant levels by up to five
3 percent.

4 (3) The department shall implement strategies that accomplish the
5 outcome measures identified in RCW 74.08A.410 that are within the
6 funding constraints in this section. Specifically, the department
7 shall implement strategies that will cause the number of cases in the
8 program authorized in RCW 74.08A.200 through 74.08A.330 and 43.330.145
9 and chapter 74.12 RCW to decrease by at least fifteen percent during
10 the 1997-99 biennium and by at least five percent in the subsequent
11 biennium. The department may transfer appropriation authority between
12 funding categories within the economic services program in order to
13 carry out the requirements of this subsection.

14 (4) The department shall monitor expenditures against the
15 appropriation levels provided for in subsection (1) of this section.
16 The department shall quarterly make a determination as to whether
17 expenditure levels will exceed available funding and communicate its
18 finding to the legislature. If the determination indicates that
19 expenditures will exceed funding at the end of the fiscal year, the
20 department shall take all necessary actions to ensure that all services
21 provided under this chapter shall be made available only to the extent
22 of the availability and level of appropriation made by the legislature.

23 **Sec. 923.** RCW 74.48.090 and 2011 1st sp.s. c 7 s 21 are each
24 amended to read as follows:

25 (1) The department and the department of health, in consultation
26 with the Washington state health care association, and aging services
27 of Washington, shall design a system of skilled nursing facility
28 quality incentive payments. The design of the system shall be
29 submitted to the relevant policy and fiscal committees of the
30 legislature by (~~December 15, 2011~~) January 1, 2013. For the 2011-
31 2013 fiscal biennial budget period, the department shall not implement
32 a system of skilled nursing facility quality incentive payments
33 designed pursuant to this section. The system shall be based upon the
34 following principles:

35 (a) Evidence-based treatment and processes shall be used to improve
36 health care outcomes for skilled nursing facility residents;

1 (b) Effective purchasing strategies to improve the quality of
2 health care services should involve the use of common quality
3 improvement measures, while recognizing that some measures may not be
4 appropriate for application to facilities with high bariatric,
5 behaviorally challenged, or rehabilitation populations;

6 (c) Quality measures chosen for the system should be consistent
7 with the standards that have been developed by national quality
8 improvement organizations, such as the national quality forum, the
9 federal centers for medicare and medicaid services, or the federal
10 agency for healthcare research and quality. New reporting burdens to
11 skilled nursing facilities should be minimized by giving priority to
12 measures skilled nursing facilities that are currently required to
13 report to governmental agencies, such as the nursing home compare
14 measures collected by the federal centers for medicare and medicaid
15 services;

16 (d) Benchmarks for each quality improvement measure should be set
17 at levels that are feasible for skilled nursing facilities to achieve,
18 yet represent real improvements in quality and performance for a
19 majority of skilled nursing facilities in Washington state; and

20 (e) Skilled nursing facilities performance and incentive payments
21 should be designed in a manner such that all facilities in Washington
22 are able to receive the incentive payments if performance is at or
23 above the benchmark score set in the system established under this
24 section.

25 (2) Pursuant to an appropriation by the legislature, for state
26 fiscal year ((2013)) 2014 and each fiscal year thereafter, assessments
27 may be increased to support an additional one percent increase in
28 skilled nursing facility reimbursement rates for facilities that meet
29 the quality incentive benchmarks established under this section.

30 **Sec. 924.** RCW 76.04.610 and 2007 c 110 s 1 are each amended to
31 read as follows:

32 (1)(a) If any owner of forest land within a forest protection zone
33 neglects or fails to provide adequate fire protection as required by
34 RCW 76.04.600, the department shall provide such protection and shall
35 annually impose the following assessments on each parcel of such land:

- 36 (i) A flat fee assessment of seventeen dollars and fifty cents; and
37 (ii) twenty-seven cents on each acre exceeding fifty acres.

1 (b) Assessors may, at their option, collect the assessment on tax
2 exempt lands. If the assessor elects not to collect the assessment,
3 the department may bill the landowner directly.

4 (2) An owner who has paid assessments on two or more parcels, each
5 containing fewer than fifty acres and each within the same county, may
6 obtain the following refund:

7 (a) If all the parcels together contain less than fifty acres, then
8 the refund is equal to the flat fee assessments paid, reduced by the
9 total of (i) seventeen dollars and (ii) the total of the amounts
10 retained by the county from such assessments under subsection (5) of
11 this section.

12 (b) If all the parcels together contain fifty or more acres, then
13 the refund is equal to the flat fee assessments paid, reduced by the
14 total of (i) seventeen dollars, (ii) twenty-seven cents for each acre
15 exceeding fifty acres, and (iii) the total of the amounts retained by
16 the county from such assessments under subsection (5) of this section.

17 Applications for refunds shall be submitted to the department on a
18 form prescribed by the department and in the same year in which the
19 assessments were paid. The department may not provide refunds to
20 applicants who do not provide verification that all assessments and
21 property taxes on the property have been paid. Applications may be
22 made by mail.

23 In addition to the procedures under this subsection, property
24 owners with multiple parcels in a single county who qualify for a
25 refund under this section may apply to the department on an application
26 listing all the parcels owned in order to have the assessment computed
27 on all parcels but billed to a single parcel. Property owners with the
28 following number of parcels may apply to the department in the year
29 indicated:

30	Year	Number of Parcels
31	2002	10 or more parcels
32	2003	8 or more parcels
33	2004 and thereafter	6 or more parcels

34 The department must compute the correct assessment and allocate one
35 parcel in the county to use to collect the assessment. The county must

1 then bill the forest fire protection assessment on that one allocated
2 identified parcel. The landowner is responsible for notifying the
3 department of any changes in parcel ownership.

4 (3) Beginning January 1, 1991, under the administration and at the
5 discretion of the department up to two hundred thousand dollars per
6 year of this assessment shall be used in support of those rural fire
7 districts assisting the department in fire protection services on
8 forest lands.

9 (4) For the purpose of this chapter, the department may divide the
10 forest lands of the state, or any part thereof, into districts, for
11 fire protection and assessment purposes, may classify lands according
12 to the character of timber prevailing, and the fire hazard existing,
13 and place unprotected lands under the administration of the proper
14 district. Amounts paid or contracted to be paid by the department for
15 protection of forest lands from funds at its disposal shall be a lien
16 upon the property protected, unless reimbursed by the owner within ten
17 days after October 1st of the year in which they were incurred. The
18 department shall be prepared to make statement thereof, upon request,
19 to a forest owner whose own protection has not been previously approved
20 as to its adequacy, the department shall report the same to the
21 assessor of the county in which the property is situated. The assessor
22 shall extend the amounts upon the tax rolls covering the property, and
23 upon authorization from the department shall levy the forest protection
24 assessment against the amounts of unimproved land as shown in each
25 ownership on the county assessor's records. The assessor may then
26 segregate on the records to provide that the improved land and
27 improvements thereon carry the millage levy designed to support the
28 rural fire protection districts as provided for in RCW 52.16.170.

29 (5) The amounts assessed shall be collected at the time, in the
30 same manner, by the same procedure, and with the same penalties
31 attached that general state and county taxes on the same property are
32 collected, except that errors in assessments may be corrected at any
33 time by the department certifying them to the treasurer of the county
34 in which the land involved is situated. Assessments shall be known and
35 designated as assessments of the year in which the amounts became
36 reimbursable. Upon the collection of assessments the county treasurer
37 shall place fifty cents of the total assessments paid on a parcel for
38 fire protection into the county current expense fund to defray the

1 costs of listing, billing, and collecting these assessments. The
2 treasurer shall then transmit the balance to the department.
3 Collections shall be applied against expenses incurred in carrying out
4 the provisions of this section, including necessary and reasonable
5 administrative costs incurred by the department in the enforcement of
6 these provisions. The department may also expend sums collected from
7 owners of forest lands or received from any other source for necessary
8 administrative costs in connection with the enforcement of RCW
9 76.04.660.

10 (6) When land against which forest protection assessments are
11 outstanding is acquired for delinquent taxes and sold at public
12 auction, the state shall have a prior lien on the proceeds of sale over
13 and above the amount necessary to satisfy the county's delinquent tax
14 judgment. The county treasurer, in case the proceeds of sale exceed
15 the amount of the delinquent tax judgment, shall immediately remit to
16 the department the amount of the outstanding forest protection
17 assessments.

18 (7) All nonfederal public bodies owning or administering forest
19 land included in a forest protection zone shall pay the forest
20 protection assessments provided in this section and the special forest
21 fire suppression account assessments under RCW 76.04.630. The forest
22 protection assessments and special forest fire suppression account
23 assessments shall be payable by nonfederal public bodies from available
24 funds within thirty days following receipt of the written notice from
25 the department which is given after October 1st of the year in which
26 the protection was provided. Unpaid assessments are not a lien against
27 the nonfederal publicly owned land but shall constitute a debt by the
28 nonfederal public body to the department and are subject to interest
29 charges at the legal rate. During the 2011-2013 fiscal biennium, the
30 forest fire protection assessment account may be used by the joint
31 legislative audit review committee to contract for analysis and
32 recommendations to improve the efficiency and effectiveness of the
33 state's mechanisms for funding fire prevention and suppression
34 activities.

35 (8) A public body, having failed to previously pay the forest
36 protection assessments required of it by this section, which fails to
37 suppress a fire on or originating from forest lands owned or

1 administered by it, is liable for the costs of suppression incurred by
2 the department or its agent and is not entitled to reimbursement of
3 costs incurred by the public body in the suppression activities.

4 (9) The department may adopt rules to implement this section,
5 including, but not limited to, rules on levying and collecting forest
6 protection assessments.

7 **Sec. 925.** RCW 77.12.201 and 2009 c 479 s 63 are each amended to
8 read as follows:

9 The legislative authority of a county may elect, by giving written
10 notice to the director and the treasurer prior to January 1st of any
11 year, to obtain for the following year an amount in lieu of real
12 property taxes on game lands as provided in RCW 77.12.203. Upon the
13 election, the county shall keep a record of all fines, forfeitures,
14 reimbursements, and costs assessed and collected, in whole or in part,
15 under this title for violations of law or rules adopted pursuant to
16 this title, with the exception of the 2011-2013 fiscal biennium, and
17 shall monthly remit an amount equal to the amount collected to the
18 state treasurer for deposit in the state general fund. The election
19 shall continue until the department is notified differently prior to
20 January 1st of any year.

21 **Sec. 926.** RCW 77.12.203 and 2005 c 303 s 14 are each amended to
22 read as follows:

23 (1) Except as provided in subsection (5) of this section and
24 notwithstanding RCW 84.36.010 or other statutes to the contrary, the
25 director shall pay by April 30th of each year on game lands in each
26 county, if requested by an election under RCW 77.12.201, an amount in
27 lieu of real property taxes equal to that amount paid on similar
28 parcels of open space land taxable under chapter 84.34 RCW or the
29 greater of seventy cents per acre per year or the amount paid in 1984
30 plus an additional amount for control of noxious weeds equal to that
31 which would be paid if such lands were privately owned. This amount
32 shall not be assessed or paid on department buildings, structures,
33 facilities, game farms, fish hatcheries, tidelands, or public fishing
34 areas of less than one hundred acres.

35 (2) "Game lands," as used in this section and RCW 77.12.201, means
36 those tracts one hundred acres or larger owned in fee by the department

1 and used for wildlife habitat and public recreational purposes. All
2 lands purchased for wildlife habitat, public access or recreation
3 purposes with federal funds in the Snake River drainage basin shall be
4 considered game lands regardless of acreage.

5 (3) This section shall not apply to lands transferred after April
6 23, 1990, to the department from other state agencies.

7 (4) The county shall distribute the amount received under this
8 section in lieu of real property taxes to all property taxing districts
9 except the state in appropriate tax code areas the same way it would
10 distribute local property taxes from private property. The county
11 shall distribute the amount received under this section for weed
12 control to the appropriate weed district.

13 (5) For the 2011-2013 fiscal biennium, the director shall pay by
14 April 30th of each year on game lands in each county, if requested by
15 an election under RCW 77.12.201, an amount in lieu of real property
16 taxes and shall be distributed as follows:

17	<u>County</u>
18	
19	<u>Adams.....1,909</u>
20	<u>Asotin.....36,123</u>
21	<u>Chelan..... 24,757</u>
22	<u>Columbia..... 7,795</u>
23	<u>Ferry..... 6,781</u>
24	<u>Garfield..... 4,840</u>
25	<u>Grant.....37,443</u>
26	<u>Grays Harbor.....7,264</u>
27	<u>Kittitas.....143,974</u>
28	<u>Klickitat.....21,906</u>
29	<u>Lincoln.....13,535</u>
30	<u>Okanogan..... 151,402</u>
31	<u>Pend Oreille.....3,309</u>
32	<u>Yakima..... 126,225</u>

33 These amounts shall not be assessed or paid on department buildings,
34 structures, facilities, game farms, fish hatcheries, tidelands, or
35 public fishing areas of less than one hundred acres.

1 **Sec. 927.** RCW 77.95.090 and 2009 c 340 s 4 are each amended to
2 read as follows:

3 The dedicated regional fisheries enhancement group account is
4 created in the custody of the state treasurer. Only the commission or
5 the commission's designee may authorize expenditures from the account.
6 The account is subject to allotment procedures under chapter 43.88 RCW,
7 but no appropriation is required for expenditures.

8 A portion of each recreational fishing license fee shall be used as
9 provided in RCW 77.32.440. A surcharge of one hundred dollars shall be
10 collected on each commercial salmon fishery license, each salmon
11 delivery license, and each salmon charter license sold in the state.
12 All receipts shall be placed in the regional fisheries enhancement
13 group account and shall be used exclusively for regional fisheries
14 enhancement group projects for the purposes of RCW 77.95.110. For the
15 2011-2013 fiscal biennium, the regional fisheries enhancement group
16 account may be used for the purposes of RCW 77.95.070 and hatcheries.
17 Except as provided in RCW 77.95.320, funds from the regional fisheries
18 enhancement group account shall not serve as replacement funding for
19 department operated salmon projects that exist on January 1, 1991.

20 All revenue from the department's sale of salmon carcasses and eggs
21 that return to group facilities shall be deposited in the regional
22 fisheries enhancement group account for use by the regional fisheries
23 enhancement group that produced the surplus. The commission shall
24 adopt rules to implement this section pursuant to chapter 34.05 RCW.

25 **Sec. 928.** RCW 79.22.010 and 2003 c 334 s 205 are each amended to
26 read as follows:

27 (1) The department has the power to accept gifts and bequests of
28 money or other property, made in its own name, or made in the name of
29 the state, to promote generally the interests of reforestation or for
30 a specific named purpose in connection with reforestation, and to
31 acquire in the name of the state, by purchase or gift, any lands which
32 by reason of their location, topography, or geological formation, are
33 chiefly valuable for purpose of developing and growing timber, and to
34 designate such lands and any lands of the same character belonging to
35 the state as state forest lands; and may acquire by gift or purchase
36 any lands of the same character.

1 (2) The department has the power to seed, plant, and develop
2 forests on any lands, purchased, acquired, or designated by it as state
3 forest lands, and shall furnish such care and fire protection for such
4 lands as it shall deem advisable.

5 (3) Upon approval of the board of county commissioners of the
6 county in which the land is located such gift or donation of land may
7 be accepted subject to delinquent general taxes thereon, and upon such
8 acceptance of such gift or donation subject to such taxes, the
9 department shall record the deed of conveyance thereof and file with
10 the assessor and treasurer of the county wherein such land is situated,
11 written notice of acquisition of such land, and that all delinquent
12 general taxes thereon, except state taxes, shall be canceled, and the
13 county treasurer shall thereupon proceed to make such cancellation in
14 the records of the county treasurer. ~~((Thereafter, such lands))~~

15 (4)(a) Lands acquired under this section shall be held in trust,
16 protected, managed, and administered upon, and the proceeds therefrom
17 disposed of, under RCW 79.22.040.

18 (b) During the 2011-2013 fiscal biennium, the legislature may
19 appropriate moneys derived subject to this section from the forest
20 development account consistent with RCW 79.64.100(4).

21 **Sec. 929.** RCW 79.22.040 and 2003 c 334 s 206 are each amended to
22 read as follows:

23 (1) If any land acquired by a county through foreclosure of tax
24 liens, or otherwise, comes within the classification of land described
25 in RCW 79.22.010 and can be used as state forest land and if the
26 department deems such land necessary for the purposes of this chapter,
27 the county shall, upon demand by the department, deed such land to the
28 department and the land shall become a part of the state forest lands.

29 (2) Such land shall be held in trust and administered and protected
30 by the department in the same manner as other state forest lands.

31 (3)(a) In the event that the department sells logs using the
32 contract harvesting process described in RCW 79.15.500 through
33 79.15.530, the moneys derived subject to this section are the net
34 proceeds from the contract harvesting sale.

35 (b) During the 2011-2013 fiscal biennium, the legislature may
36 appropriate moneys derived subject to this section from the forest
37 development account consistent with RCW 79.64.100(4).

1 **Sec. 930.** RCW 79.64.040 and 2011 1st sp.s. c 50 s 966 and 2011 c
2 216 s 16 are each reenacted and amended to read as follows:

3 (1) The board shall determine the amount deemed necessary in order
4 to achieve the purposes of this chapter and shall provide by rule for
5 the deduction of this amount from the moneys received from all leases,
6 sales, contracts, licenses, permits, easements, and rights-of-way
7 issued by the department and affecting state lands, community forest
8 trust lands, and aquatic lands, provided that no deduction shall be
9 made from the proceeds from agricultural college lands.

10 (2) Moneys received as deposits from successful bidders, advance
11 payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150
12 prior to December 1, 1981, which have not been subjected to deduction
13 under this section are not subject to deduction under this section.

14 (3) Except as otherwise provided in subsections (4) and (6) of this
15 section, the deductions authorized under this section shall not exceed
16 twenty-five percent of the moneys received by the department in
17 connection with any one transaction pertaining to state lands and
18 aquatic lands other than second-class tide and shore lands and the beds
19 of navigable waters, and fifty percent of the moneys received by the
20 department pertaining to second-class tide and shore lands and the beds
21 of navigable waters.

22 (4) Deductions authorized under this section for transactions
23 pertaining to community forest trust lands must be established at a
24 level sufficient to defray over time the management costs for
25 activities prescribed in a parcel's management plan adopted pursuant to
26 RCW 79.155.080, and, if deemed appropriate by the board consistent with
27 RCW 79.155.090, to reimburse the state and any local entities' eligible
28 financial contributions for acquisition of the parcel.

29 (5) In the event that the department sells logs using the contract
30 harvesting process described in RCW 79.15.500 through 79.15.530, the
31 moneys received subject to this section are the net proceeds from the
32 contract harvesting sale.

33 (6) During the ((2009-2011)) 2011-2013 fiscal biennium ((and fiscal
34 year 2012)), the twenty-five percent limitation on deductions set in
35 subsection (3) of this section may be increased up to thirty percent by
36 the board.

1 **Sec. 931.** RCW 79.64.100 and 2003 c 334 s 219 are each amended to
2 read as follows:

3 There is created a forest development account in the state
4 treasury. The state treasurer shall keep an account of all sums
5 deposited therein and expended or withdrawn therefrom. Any sums placed
6 in the forest development account shall be pledged for the purpose of
7 paying interest and principal on the bonds issued by the department
8 under RCW 79.22.080 and 79.22.090 and the provisions of this chapter,
9 and for the purchase of land for growing timber. Any bonds issued
10 shall constitute a first and prior claim and lien against the account
11 for the payment of principal and interest. No sums for the above
12 purposes shall be withdrawn or paid out of the account except upon
13 approval of the department.

14 Appropriations may be made by the legislature from the forest
15 development account to the department for the purpose of carrying on
16 the activities of the department on state forest lands, lands managed
17 on a sustained yield basis as provided for in RCW 79.10.320, and for
18 reimbursement of expenditures that have been made or may be made from
19 the resource management cost account in the management of state forest
20 lands. For the 2011-2013 fiscal biennium, moneys from the forest
21 development account shall be distributed as directed in section 708 of
22 this act to the beneficiaries of the revenues derived from state forest
23 lands. During the 2011-2013 fiscal biennium, the legislature may
24 appropriate moneys in the forest development account to support
25 emergency fire suppression activities in a manner that, at a maximum,
26 represents the proportion of land that the department manages in
27 comparison to the total land the department conducts emergency fire
28 suppression activities on.

29 **Sec. 932.** RCW 79.105.150 and 2011 2nd sp.s. c 9 s 911 are each
30 amended to read as follows:

31 (1) After deduction for management costs as provided in RCW
32 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys
33 received by the state from the sale or lease of state-owned aquatic
34 lands and from the sale of valuable material from state-owned aquatic
35 lands shall be deposited in the aquatic lands enhancement account which
36 is hereby created in the state treasury. After appropriation, these
37 funds shall be used solely for aquatic lands enhancement projects; for

1 the purchase, improvement, or protection of aquatic lands for public
2 purposes; for providing and improving access to the lands; and for
3 volunteer cooperative fish and game projects. During the ((2009-2011
4 and)) 2011-2013 fiscal ((biennia)) biennium, the aquatic lands
5 enhancement account may also be used for scientific research as part of
6 the adaptive management process and for developing a planning report
7 for McNeil Island. During the ((2009-2011-and)) 2011-2013 fiscal
8 ((biennia)) biennium, the legislature may transfer from the aquatic
9 lands enhancement account to the state general fund such amounts as
10 reflect excess fund balance of the account. During the 2011-2013
11 fiscal biennium, the aquatic lands enhancement account may be used to
12 support the shellfish program, the ballast water program, parks,
13 hatcheries, and the Puget Sound toxic sampling program at the
14 department of fish and wildlife, and the knotweed program at the
15 department of agriculture.

16 (2) In providing grants for aquatic lands enhancement projects, the
17 recreation and conservation funding board shall:

18 (a) Require grant recipients to incorporate the environmental
19 benefits of the project into their grant applications;

20 (b) Utilize the statement of environmental benefits, consideration,
21 except as provided in RCW 79.105.610, of whether the applicant is a
22 Puget Sound partner, as defined in RCW 90.71.010, whether a project is
23 referenced in the action agenda developed by the Puget Sound
24 partnership under RCW 90.71.310, and except as otherwise provided in
25 RCW 79.105.630, and effective one calendar year following the
26 development and statewide availability of model evergreen community
27 management plans and ordinances under RCW 35.105.050, whether the
28 applicant is an entity that has been recognized, and what gradation of
29 recognition was received, in the evergreen community recognition
30 program created in RCW 35.105.030 in its prioritization and selection
31 process; and

32 (c) Develop appropriate outcome-focused performance measures to be
33 used both for management and performance assessment of the grants.

34 (3) To the extent possible, the department should coordinate its
35 performance measure system with other natural resource-related agencies
36 as defined in RCW 43.41.270.

37 (4) The department shall consult with affected interest groups in
38 implementing this section.

1 (5) After January 1, 2010, any project designed to address the
2 restoration of Puget Sound may be funded under this chapter only if the
3 project is not in conflict with the action agenda developed by the
4 Puget Sound partnership under RCW 90.71.310.

5 **Sec. 933.** RCW 79A.25.200 and 2007 c 241 s 53 are each amended to
6 read as follows:

7 The recreation resource account is created in the state treasury.
8 Moneys in this account are subject to legislative appropriation. The
9 board shall administer the account in accordance with this chapter and
10 chapter 79A.35 RCW and shall hold it separate and apart from all other
11 money, funds, and accounts of the board. Moneys received from the
12 marine fuel tax refund account under RCW 79A.25.070 shall be deposited
13 into the account. Grants, gifts, or other financial assistance,
14 proceeds received from public bodies as administrative cost
15 contributions, and moneys made available to the state of Washington by
16 the federal government for outdoor recreation may be deposited into the
17 account. During the 2011-2013 fiscal biennia, the recreation resource
18 account may be used by the department of fish and wildlife for the
19 purposes of activities related to aquatic and marine enforcement.

20 **Sec. 934.** RCW 82.08.160 and 2011 1st sp.s. c 50 s 969 are each
21 amended to read as follows:

22 (1) On or before the twenty-fifth day of each month, all taxes
23 collected under RCW 82.08.150 during the preceding month must be
24 remitted to the state department of revenue, to be deposited with the
25 state treasurer. Except as provided in subsections (2) and (3) of this
26 section, upon receipt of such moneys the state treasurer must credit
27 sixty-five percent of the sums collected and remitted under RCW
28 82.08.150 (1) and (2) and one hundred percent of the sums collected and
29 remitted under RCW 82.08.150 (3) and (4) to the state general fund and
30 thirty-five percent of the sums collected and remitted under RCW
31 82.08.150 (1) and (2) to a fund which is hereby created to be known as
32 the "liquor excise tax fund."

33 (2) During the ((2011-2013)) 2012 fiscal ((biennium)) year, 66.19
34 percent of the sums collected and remitted under RCW 82.08.150 (1) and
35 (2) must be deposited in the state general fund and the remainder

1 collected and remitted under RCW 82.08.150 (1) and (2) must be
2 deposited in the liquor excise tax fund.

3 (3) During the 2013 fiscal year, all of the funds collected under
4 RCW 82.08.150 (1), (2), (3), and (4) must be deposited into the state
5 general fund.

6 **Sec. 935.** RCW 86.26.007 and 2011 1st sp.s. c 50 s 976 are each
7 amended to read as follows:

8 The flood control assistance account is hereby established in the
9 state treasury. At the beginning of the 2005-2007 fiscal biennium, the
10 state treasurer shall transfer three million dollars from the general
11 fund to the flood control assistance account. Each biennium thereafter
12 the state treasurer shall transfer four million dollars from the
13 general fund to the flood control assistance account, except that
14 during the ((2009-2011 and)) 2011-2013 fiscal ((biennia)) biennium, the
15 state treasurer shall transfer ((two)) one million dollars from the
16 general fund to the flood control assistance account. Moneys in the
17 flood control assistance account may be spent only after appropriation
18 for purposes specified under this chapter.

19 **Sec. 936.** RCW 90.48.390 and 2008 c 329 s 925 are each amended to
20 read as follows:

21 The coastal protection fund is established to be used by the
22 department as a revolving fund for carrying out the purposes of
23 restoration of natural resources under this chapter and chapter 90.56
24 RCW. To this fund there shall be credited penalties, fees, damages,
25 charges received pursuant to the provisions of this chapter and chapter
26 90.56 RCW, compensation for damages received under this chapter and
27 chapter 90.56 RCW, and an amount equivalent to one cent per gallon from
28 each marine use refund claim under RCW 82.36.330.

29 Moneys in the fund not needed currently to meet the obligations of
30 the department in the exercise of its powers, duties, and functions
31 under RCW 90.48.142, 90.48.366, 90.48.367, and 90.48.368 shall be
32 deposited with the state treasurer to the credit of the fund. During
33 the 2007-2009 fiscal biennium, the coastal protection fund may also be
34 used for a standby rescue tug at Neah Bay. During the 2011-2013 fiscal
35 biennium, the legislature may transfer from the coastal protection fund

1 to the state general fund such amounts as reflect excess fund balance
2 derived from penalties, forfeits, and seizures.

3 **Sec. 937.** 2010 c 23 s 205 (uncodified) is amended to read as
4 follows:

5 (1) The legislature finds that this state's tax policy with respect
6 to the taxation of transactions between affiliated entities and the
7 income derived from such transactions (intercompany transactions) has
8 motivated some taxpayers to engage in transactions designed solely or
9 primarily to minimize the tax effects of intercompany transactions.
10 The legislature further finds that some intercompany transactions
11 result from taxpayers that are required to establish affiliated
12 entities to comply with regulatory mandates and that transactions
13 between such affiliates effectively increases the tax burden in this
14 state on the affiliated group of entities.

15 (2) Therefore, as existing resources allow, the department of
16 revenue is directed to conduct a review of the state's tax policy with
17 respect to the taxation of intercompany transactions. The review must
18 include the impacts of such transactions under the state's business and
19 occupation tax and state and local sales and use taxes. The department
20 may include other taxes in the review as it deems appropriate.

21 (3) In conducting the review, the department must examine how this
22 state's tax policy compares to the tax policy of other states with
23 respect to the taxation of intercompany transactions. The department's
24 review must include an analysis of potential alternatives to the
25 current policy of taxing intercompany transactions, including their
26 estimated revenue impacts if practicable.

27 (4) In conducting this review, the department may seek input from
28 members of the business community and others as it deems appropriate.

29 (5) The department must report its findings to the fiscal
30 committees of the house of representatives and senate by December 1,
31 2010. However, if the department has not completed its review by
32 December 1, 2010, the department must provide the fiscal committees of
33 the legislature with a brief status report by December 1, 2010, and the
34 final report by December 1, ((2011)) 2012.

35 NEW SECTION. **Sec. 938.** A new section is added to 2011 1st sp.s.
36 c 50 (uncodified) to read as follows:

1 It is the intent of the legislature that regulatory agencies
2 receiving appropriations in this act work with the office of regulatory
3 assistance to:

4 (1) Establish a small business liaison team to assist small
5 businesses with permitting and regulatory issues.

6 (2) Take action to assure that additional violations or corrective
7 actions that could have been discovered and noted in the original
8 violation or correction notice are not subsequently added and to
9 provide a single list of any violations discovered during the
10 regulatory visit or inspection;

11 (3) Provide notice about when the business may expect the results
12 of a technical assistance or regulatory visit;

13 (4) Provide information about how the business may provide
14 anonymous feedback regarding a technical assistance or other regulatory
15 visit; and

16 (5) Provide information regarding the role of the agency's small
17 business liaison as a neutral party within the agency, as well as
18 contact information for the liaison.

19 NEW SECTION. **Sec. 939.** A new section is added to 2011 1st sp.s.
20 c 50 (uncodified) to read as follows:

21 Chapter 50, Laws of 2011 1st sp. sess. (the biennial operating
22 budget) included funding for the pension system cost of legislation
23 adopted during the 2011 session of the legislature. No supplemental
24 rates are authorized for funding that legislation during the remainder
25 of the 2011-2013 fiscal biennium. Pension contribution rates for the
26 public employees' retirement system, the public safety employees'
27 retirement system, the school employees' retirement systems, and the
28 teachers' retirement system are established.

29 (1) For the public employees' retirement system:

30 (a) Beginning April 1, 2012, an employer contribution rate of 7.08
31 percent shall be charged;

32 (b) Beginning July 1, 2012, an employer contribution rate of 7.21
33 percent shall be charged.

34 (2) For the public safety employees' retirement system:

35 (a) Beginning April 1, 2012, an employer contribution rate of 8.74
36 percent shall be charged;

1 (b) Beginning July 1, 2012, an employer contribution rate of 8.87
2 percent shall be charged.

3 (3) For the school employees' retirement system:

4 (a) Beginning April 1, 2012, an employer contribution rate of 7.58
5 percent shall be charged;

6 (b) Beginning September 1, 2012, an employer contribution rate of
7 7.59 percent shall be charged.

8 (4) For the teachers' retirement system:

9 (a) Beginning April 1, 2012, an employer contribution rate of 8.04
10 percent shall be charged; and

11 (b) Beginning September 21, 2012, an employer contribution rate of
12 8.05 percent shall be charged.

13 These rates are inclusive of a department of retirement systems
14 expense charge of 0.16 percent. The department of retirement systems
15 shall collect employee contributions as provided in chapter 41.45 RCW.

16 NEW SECTION. **Sec. 940.** If any provision of this act or its
17 application to any person or circumstance is held invalid, the
18 remainder of the act or the application of the provision to other
19 persons or circumstances is not affected.

20 NEW SECTION. **Sec. 941.** This act is necessary for the immediate
21 preservation of the public peace, health, or safety, or support of the
22 state government and its existing public institutions, and takes effect
23 immediately.

(End of Bill)

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ADOPTED 3/8/12

1 On page 1, line 1 of the title, after "matters;" strike the
2 remainder of the title and insert "amending RCW 28B.15.067, 38.52.540,
3 43.07.129, 43.17.390, 43.30.720, 43.88.110, 43.320.110, 66.08.190,
4 74.08A.340, 74.48.090, 76.04.610, 77.12.201, 77.12.203, 77.12.210,
5 79.22.010, 79.22.040, 79.64.100, 79.105.150, 79A.25.200, 82.08.160,
6 86.26.007, and 90.48.390; amending 2011 2nd sp.s. c 9 ss 101, 102, 103,
7 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117,
8 118, 119, 120, 121, 122, 123, 125, 128, 129, 130, 131, 126, 127, 132,
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12 510, 511, 513, 514, 515, 601, 602, 603, 604, 605, 606, 607, 608, 609,
13 612, 613, 614, 615, 616, 617, 701, 702, 703, and 801 (uncodified);
14 amending 2011 1st sp.s. c 50 ss 103, 104, 106, 105, 108, 112, 115, 117,
15 120, 124, 128, 132, 133, 137, 136, 142, 147, 151, 149, 214, 516, 616,
16 714, 715, 801, 802, 803, 910, 920, 921, and 922 (uncodified); amending
17 2011 1st sp.s. c 7 s 11 (uncodified); amending 2010 c 23 s 205
18 (uncodified); reenacting and amending RCW 2.68.020, 70.105D.070, and
19 79.64.040; adding new sections to 2011 1st sp.s. c 50 (uncodified);
20 repealing 2011 2nd sp.s. c 9 ss 610, 611, 707, 709, and 710
21 (uncodified); repealing 2011 1st sp.s. c 50 s 614 (uncodified); making
22 appropriations; and declaring an emergency."

--- END ---