

TWENTY NINTH DAY

House Chamber, Olympia, Tuesday, May 24, 2011

The House was called to order at 9:00 a.m. by the Speaker (Representative Moeller presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Representative Maureen Walsh and Representative Norma Smith. The Speaker (Representative Moeller presiding) led the Chamber in the Pledge of Allegiance. The National Anthem was sung by Representative Paul Harris. The prayer was offered by Representative Phyllis Kenney, 46th District, Washington.

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

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

REPORTS OF STANDING COMMITTEES

May 23, 2011

HB 2122 Prime Sponsor, Representative Kagi: Clarifying the administration of child welfare services. Reported by Committee on Ways & Means

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Dickerson; Haigh; Hinkle; Kagi; Parker; Ross; Schmick; Springer; Sullivan and Wilcox.

MINORITY recommendation: Do not pass. Signed by Representatives Hasegawa, Vice Chair; Haler; Hudgins; Hunt; Kenney; Ormsby and Seaquist.

May 23, 2011

2SSB 5459 Prime Sponsor, Committee on Ways & Means: Regarding services for people with developmental disabilities. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

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

(1) A developmental disability is a natural part of human life and the presence of a developmental disability does not diminish a person's rights or the opportunity to participate in the life of the local community;

(2) The system of services for people with developmental disabilities should provide a balanced range of health, social, and supportive services at home or in other residential settings. The

receipt of services should be coordinated so as to minimize administrative cost and service duplication, and eliminate unnecessarily complex system organization;

(3) The public interest would best be served by a broad array of services that would support people with developmental disabilities at home or in the community, whenever practicable, and that promote individual autonomy, dignity, and choice;

(4) In Washington state, people living in residential habilitation centers and their families are satisfied with the services they receive, and deserve to continue receiving services that meet their needs if they choose to receive those services in a community setting;

(5) As other care options for people with developmental disabilities become more available, the relative need for residential habilitation center beds is likely to decline. The legislature recognizes, however, that residential habilitation centers will continue to be a critical part of the state's long-term care options; and that such services should promote individual dignity, autonomy, and a home-like environment; and

(6) In a time of fiscal restraint, the state should consider the needs of all persons with developmental disabilities and spend its limited resources in a manner that serves more people, while not compromising the care people require.

NEW SECTION. Sec. 2. It is the intent of the legislature that:

(1) Community-based residential services supporting people with developmental disabilities should be available in the most integrated setting appropriate to individual needs; and

(2) An extensive transition planning and placement process should be used to ensure that people moving from a residential habilitation center to a community setting have the services and supports needed to meet their assessed health and welfare needs.

Sec. 3. RCW 71A.10.020 and 2010 c 94 s 21 are each amended to read as follows:

As used in this title, the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Community residential support services," or "community support services," and "in-home services" means one or more of the services listed in RCW 71A.12.040.

(2) "Crisis stabilization services" means services provided to persons with developmental disabilities who are experiencing behaviors that jeopardize the safety and stability of their current living situation. Crisis stabilization services include:

(a) Temporary intensive services and supports, typically not to exceed sixty days, to prevent psychiatric hospitalization, institutional placement, or other out-of-home placement; and

(b) Services designed to stabilize the person and strengthen their current living situation so the person may continue to safely reside in the community during and beyond the crisis period.

(3) "Department" means the department of social and health services.

~~((3))~~ (4) "Developmental disability" means a disability attributable to intellectual disability, cerebral palsy, epilepsy, autism, or another neurological or other condition of an individual found by the secretary to be closely related to an intellectual disability or to require treatment similar to that required for individuals with intellectual disabilities, which disability originates before the individual attains age eighteen, which has continued or can be

expected to continue indefinitely, and which constitutes a substantial limitation to the individual. By January 1, 1989, the department shall promulgate rules which define neurological or other conditions in a way that is not limited to intelligence quotient scores as the sole determinant of these conditions, and notify the legislature of this action.

~~((4))~~ (5) "Eligible person" means a person who has been found by the secretary under RCW 71A.16.040 to be eligible for services.

~~((5))~~ (6) "Habilitative services" means those services provided by program personnel to assist persons in acquiring and maintaining life skills and to raise their levels of physical, mental, social, and vocational functioning. Habilitative services include education, training for employment, and therapy.

~~((6))~~ (7) "Legal representative" means a parent of a person who is under eighteen years of age, a person's legal guardian, a person's limited guardian when the subject matter is within the scope of the limited guardianship, a person's attorney-at-law, a person's attorney-in-fact, or any other person who is authorized by law to act for another person.

~~((7))~~ (8) "Notice" or "notification" of an action of the secretary means notice in compliance with RCW 71A.10.060.

~~((8))~~ (9) "Residential habilitation center" means a state-operated facility for persons with developmental disabilities governed by chapter 71A.20 RCW.

~~((9))~~ (10) "Respite services" means relief for families and other caregivers of people with disabilities, typically not to exceed ninety days, to include both in-home and out-of-home respite care on an hourly and daily basis, including twenty-four hour care for several consecutive days. Respite care workers provide supervision, companionship, and personal care services temporarily replacing those provided by the primary caregiver of the person with disabilities. Respite care may include other services needed by the client, including medical care which must be provided by a licensed health care practitioner.

(11) "Secretary" means the secretary of social and health services or the secretary's designee.

~~((10))~~ (12) "Service" or "services" means services provided by state or local government to carry out this title.

~~((11))~~ (13) "State-operated living alternative" means programs for community residential services which may include assistance with activities of daily living, behavioral, habilitative, interpersonal, protective, medical, nursing, and mobility supports to individuals who have been assessed by the department as meeting state and federal requirements for eligibility in home and community-based waiver programs for individuals with developmental disabilities. State-operated living alternatives are operated and staffed with state employees.

(14) "Supported living" means community residential services and housing which may include assistance with activities of daily living, behavioral, habilitative, interpersonal, protective, medical, nursing, and mobility supports provided to individuals with disabilities who have been assessed by the department as meeting state and federal requirements for eligibility in home and community-based waiver programs for individuals with developmental disabilities. Supported living services are provided under contracts with private agencies or with individuals who are not state employees.

(15) "Vacancy" means an opening at a residential habilitation center, which when filled, would not require the center to exceed its biennially budgeted capacity.

Sec. 4. RCW 71A.20.010 and 1988 c 176 s 701 are each amended to read as follows:

(1) This chapter covers the operation of residential habilitation centers. The selection of persons to be served at the centers is governed by chapters 71A.16 and 71A.18 RCW. The purposes of this chapter are: To provide for those ~~((children and adults))~~ persons who are exceptional in their needs for care, treatment, and education

by reason of developmental disabilities, residential care designed to develop their individual capacities to their optimum; to provide for admittance, withdrawal and discharge from state residential habilitation centers upon application; and to insure a comprehensive program for the education, guidance, care, treatment, and rehabilitation of all persons admitted to residential habilitation centers.

(2) Effective no later than July 1, 2012, no person under the age of sixteen years may be admitted to receive services at a residential habilitation center. Effective no later than July 1, 2012, no person under the age of twenty-one years may be admitted to receive services at a residential center, unless there are no service options available in the community to appropriately meet the needs of the individual. Such admission is limited to the provision of short-term respite or crisis stabilization services.

Sec. 5. RCW 71A.20.020 and 1994 c 215 s 1 are each amended to read as follows:

(1) ~~Except as provided in subsection (2) of this section,~~ the following residential habilitation centers are permanently established to provide services to persons with developmental disabilities: Lakeland Village, located at Medical Lake, Spokane county; Rainier School, located at Buckley, Pierce county; Yakima Valley School, located at Selah, Yakima county; and Fircrest School, located at Seattle, King county ~~((and Frances Haddon Morgan Children's Center, located at Bremerton, Kitsap county)).~~

(2) The Yakima Valley School, located at Selah, Yakima county, shall cease to operate as a residential habilitation center when the conditions in section 6(2)(b) are met.

NEW SECTION. Sec. 6. A new section is added to chapter 71A.20 RCW to read as follows:

(1) By December 31, 2011, the department shall:

(a) Close Frances Haddon Morgan residential rehabilitation center and relocate current residents consistent with the requirements of section 7 of this act; and

(b) Establish at least two state operating living alternatives on the campus of the Frances Haddon Morgan center, if residents have chosen to receive care in such a setting and subject to federal requirements related to the receipt of federal medicaid matching funds.

(2)(a) Upon the effective date of this section, the department shall not permit any new admission to Yakima Valley School unless such admission is limited to the provision of short-term respite or crisis stabilization services. Except as provided in (b) of this subsection, no current permanent resident of Yakima Valley School shall be required or compelled to relocate to a different care setting as a result of this act.

(b) The Yakima Valley School shall continue to operate as a residential habilitation center until such time that the census of permanent residents has reached sixteen persons. As part of the closure plan, at least two cottages will be converted to state-operated living alternatives, subject to federal requirements related to the receipt of federal medicaid matching funds.

(3) To assure the successful implementation of subsections (1) and (2) of this section, the department, within available funds:

(a) Shall establish state-operated living alternatives to provide community residential services to residential habilitation center residents transitioning to the community under this act who prefer a state-operated living alternative. The department shall offer residential habilitation center employees opportunities to work in state-operated living alternatives as they are established;

(b) May use existing supported living program capacity in the community for former residential habilitation center residents who prefer and choose a supported living program;

(c) Shall continue to staff and operate at Yakima Valley School crisis stabilization beds and respite service beds at the existing bed

capacity as of June 1, 2011, for individuals with developmental disabilities requiring such services;

(d) Shall establish up to eight state-staffed crisis stabilization beds and up to eight state-staffed respite beds based upon funding provided in the appropriations act and the geographic areas with the greatest need for those services; and

(e) Shall establish regional or mobile specialty services evenly distributed throughout the state, such as dental care, physical therapy, occupational therapy, and specialized nursing care, which can be made available to former residents of residential habilitation centers and, within available funds, other individuals with developmental disabilities residing in the community.

NEW SECTION. Sec. 7. A new section is added to chapter 71A.20 RCW to read as follows:

The department:

(1) May, within sixty days of admission to a residential habilitation center, ensure that each resident's individual habilitation plan includes a plan for discharge to the community;

(2) Shall use a person-centered approach in developing the discharge plan to assess the resident's needs and identify services the resident requires to successfully transition to the community, including:

(a) Engaging families and guardians of residents by offering family-to-family mentoring provided by family members who themselves experienced moving a family member with developmental disabilities from an institution to the community. The department shall contract with the developmental disabilities council to provide mentoring services;

(b) Employees of the residential habilitation centers and the department providing transition planning for residents. To strengthen continuity of care for residents leaving residential habilitation centers, the department shall provide opportunities for residential habilitation center employees to obtain employment in state-operated living alternatives;

(c) Providing choice of community living options and providers, consistent with federal requirements, including offering to place, with the consent of the resident or his or her guardian, each resident of the residential habilitation center on the appropriate home and community-based waiver, as authorized under 42 U.S.C. Sec. 1396n, and provide continued access to the services that meet his or her assessed needs;

(d) Providing residents and their families or guardians opportunities to visit state-operated living alternatives and supported living options in the community;

(e) Offering residents leaving a residential habilitation center a "right to return" to a residential habilitation center during the first year following their move;

(f) Addressing services in addition to those that will be provided by residential services providers that are necessary to address the resident's assessed needs, including:

- (i) Medical services;
- (ii) Nursing services;
- (iii) Dental care;
- (iv) Behavioral and mental health supports;
- (v) Habilitation services;
- (vi) Employment or other day support; and
- (vii) Transportation or other supports needed to assist family and friends in maintaining regular contact with the resident;

(3) Shall assure that, prior to discharge from a residential habilitation center, clients continue to be eligible for services for which they have an assessed need;

(4) Shall maximize federal funding for transitioning clients through the roads to community living grant;

(5) Shall limit the ability of a state-operated living alternative to reject clients;

(6) Shall use any savings achieved through efficiencies to extend services, including state-staffed crisis stabilization and respite services, to people with developmental disabilities currently receiving limited or no services; and

(7)(a) Shall employ the quality assurance process currently in use by the department to monitor the adjustment of each resident who leaves a residential habilitation center; and

(b) Convene a work group to review findings from the quality assurance for people moving process and provide feedback on the transition process. The work group shall include representatives of the developmental disabilities council, disability rights Washington, University of Washington center for human development and disability, providers, and families and advocates of persons with disabilities.

NEW SECTION. Sec. 8. A new section is added to chapter 70.02 RCW to read as follows:

(1) A developmental disability service system task force is established.

(2) The task force shall be convened by September 1, 2011, and consist of the following members:

(a) Two members of the house of representatives appointed by the speaker of the house of representatives, from different political caucuses;

(b) Two members of the senate appointed by the president of the senate, from different political caucuses;

(c) The following members appointed by the governor:

(i) Two advocates for people with developmental disabilities;

(ii) A representative from the developmental disabilities council;

(iii) A representative of families of residents in residential habilitation centers;

(iv) Two representatives of labor unions representing workers who serve residents in residential habilitation centers;

(d) The secretary of the department of social and health services or their designee; and

(e) The secretary of the department of general administration or their designee.

(3) The members of the task force shall select the chair or cochairs of the task force.

(4) Staff assistance for the task force will be provided by legislative staff and staff from the agencies listed in subsection (2) of this section.

(5) The task force shall make recommendations on:

(a) The development of a system of services for persons with developmental disabilities that is consistent with the goals articulated in section 1 of this act;

(b) The state's long-term needs for residential habilitation center capacity, including the benefits and disadvantages of maintaining one center in eastern Washington and one center in western Washington;

(c) A plan for efficient consolidation of institutional capacity, including whether one or more centers should be downsized or closed and, if so, a time frame for closure;

(d) Mechanisms through which any savings that result from the downsizing, consolidation, or closure of residential habilitation center capacity can be used to create additional community-based capacity;

(e) Strategies for the use of surplus property that results from the closure of one or more centers;

(f) Strategies for reframing the mission of Yakima Valley School consistent with this act that consider:

(i) The opportunity, where cost-effective, to provide medical services, including centers of excellence, to other clients served by the department; and

(ii) The creation of a treatment team consisting of crisis stabilization and short-term respite services personnel, with the long-term goal of expanding to include the provisions of specialty services such as dental care, physical therapy, occupational therapy, and

specialized nursing care to individuals with developmental disabilities residing in the surrounding community.

(6) The task force shall report their recommendations to the appropriate committees of the legislature by December 1, 2012.

Sec. 9. RCW 71A.18.040 and 1989 c 175 s 142 are each amended to read as follows:

(1) A person who is receiving a service under this title or the person's legal representative may request the secretary to authorize a service that is available under this title in place of a service that the person is presently receiving.

(2) The secretary upon receiving a request for change of service shall consult in the manner provided in RCW 71A.10.070 and within ninety days shall determine whether the following criteria are met:

(a) The alternative plan proposes a less dependent program than the person is participating in under current service;

(b) The alternative service is appropriate under the goals and objectives of the person's individual service plan;

(c) The alternative service is not in violation of applicable state and federal law; and

(d) The service can reasonably be made available.

(3) If the requested alternative service meets all of the criteria of subsection (2) of this section, the service shall be authorized as soon as reasonable, but not later than one hundred twenty days after completion of the determination process, unless the secretary determines that:

(a) The alternative plan is more costly than the current plan;

(b) Current appropriations are not sufficient to implement the alternative service without reducing services to existing clients; or

(c) Providing alternative service would take precedence over other priorities for delivery of service.

(4) The secretary shall give notice as provided in RCW 71A.10.060 of the grant of a request for a change of service. The secretary shall give notice as provided in RCW 71A.10.060 of denial of a request for change of service and of the right to an adjudicative proceeding.

(5)(a) When the secretary has changed service from a residential habilitation center to a setting other than a residential habilitation center, the secretary shall reauthorize service at the residential habilitation center if the secretary in reevaluating the needs of the person finds that the person needs service in a residential habilitation center.

(b) A person who has moved from a residential habilitation center that has closed to a community-based setting shall be offered a right to return to a residential habilitation center during the first year following their move to the community.

(6) If the secretary determines that current appropriations are sufficient to deliver additional services without reducing services to persons who are presently receiving services, the secretary is authorized to give persons notice under RCW 71A.10.060 that they may request the services as new services or as changes of services under this section.

Sec. 10. RCW 71A.20.080 and 1989 c 175 s 143 are each amended to read as follows:

(1) Whenever in the judgment of the secretary, the treatment and training of any resident of a residential habilitation center has progressed to the point that it is deemed advisable to return such resident to the community, the secretary may grant placement on such terms and conditions as the secretary may deem advisable after consultation in the manner provided in RCW 71A.10.070. The secretary shall give written notice of the decision to return a resident to the community as provided in RCW 71A.10.060. The notice must include a statement advising the recipient of the right to an adjudicative proceeding under RCW 71A.10.050 and the time limits for filing an application for an adjudicative proceeding. The notice must also include a statement advising the recipient of the right to

judicial review of an adverse adjudicative order as provided in chapter 34.05 RCW.

(2) A placement decision shall not be implemented at any level during any period during which an appeal can be taken or while an appeal is pending and undecided, unless authorized by court order so long as the appeal is being diligently pursued.

((The department of social and health services shall periodically evaluate at reasonable intervals the adjustment of the resident to the specific placement to determine whether the resident should be continued in the placement or returned to the institution or given a different placement.))

NEW SECTION. Sec. 11. A new section is added to chapter 71A.20 RCW to read as follows:

Beginning November 1, 2012, and annually thereafter, the department shall submit information to the appropriate committees of the legislature regarding persons who have transitioned from residential habilitation centers to the community, for the first two years following each person's new placement, including:

(1) Progress toward meeting the requirements of this act;

(2) Client and guardian satisfaction with services;

(3) Stability of placement and provider turnover, including information on returns to a residential habilitation center under section 7(2)(e) of this act;

(4) Safety and health outcomes;

(5) Types of services received by clients transitioned to the community; and

(6) Continued accessibility of former residents to family.

Sec. 12. RCW 71A.20.170 and 2008 c 265 s 1 are each amended to read as follows:

(1) The developmental disabilities community trust account is created in the state treasury. All net proceeds from the use of excess property identified in the 2002 joint legislative audit and review committee capital study or other studies of the division of developmental disabilities residential habilitation centers ((~~at Lakeland Village, Yakima Valley school, Francis Haddon Morgan Center, and Rainier school~~)) that would not impact current residential habilitation center operations must be deposited into the account.

(2) Proceeds may come from the lease of the land, conservation easements, sale of timber, or other activities short of sale of the property, except as permitted under section 7 of this act.

(3) "Excess property" includes that portion of the property at Rainier school previously under the cognizance and control of Washington State University for use as a dairy/forage research facility.

(4) Only investment income from the principal of the proceeds deposited into the trust account may be spent from the account. For purposes of this section, "investment income" includes lease payments, rent payments, or other periodic payments deposited into the trust account. For purposes of this section, "principal" is the actual excess land from which proceeds are assigned to the trust account.

(5) Moneys in the account may be spent only after appropriation. Expenditures from the account shall be used exclusively to provide family support and/or employment/day services to eligible persons with developmental disabilities who can be served by community-based developmental disability services. It is the intent of the legislature that the account should not be used to replace, supplant, or reduce existing appropriations.

(6) The account shall be known as the Dan Thompson memorial developmental disabilities community trust account.

NEW SECTION. Sec. 13. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 14. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to

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

NEW SECTION. Sec. 15. Section 7 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2011."

Correct the title.

Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Orcutt, Assistant Ranking Minority Member; Carlyle; Cody; Dickerson; Hinkle; Hudgins; Kagi; Kenney; Ross; Seaquist; Springer and Sullivan.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler; Haigh; Haler; Hunt; Ormsby; Parker; Schmick and Wilcox.

May 23, 2011

SSB 5534 Prime Sponsor, Committee on Ways & Means: Concerning the business and occupation taxation of newspapers. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended.

On page 9, after line 9, insert the following:
"NEW SECTION. Sec. 4. This act expires July 1, 2021."
 Correct the title.

Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Dickerson; Haigh; Haler; Hinkle; Hudgins; Hunt; Kagi; Kenney; Ormsby; Parker; Ross; Schmick; Seaquist; Springer; Sullivan and Wilcox.

MINORITY recommendation: Without recommendation. Signed by Representative Hasegawa, Vice Chair.

May 23, 2011

2SSB 5539 Prime Sponsor, Committee on Ways & Means: Concerning Washington's motion picture competitiveness. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended.

On page 7, line 19, after "exceed" strike "three million five hundred" and insert "~~((three million five hundred))~~ one million seven hundred fifty"

Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Dickerson; Haigh; Haler; Hinkle; Hudgins; Hunt; Kagi;

Kenney; Ormsby; Parker; Ross; Schmick; Springer; Sullivan and Wilcox.

MINORITY recommendation: Do not pass. Signed by Representative Seaquist.

May 23, 2011

E2SSB 5669 Prime Sponsor, Committee on Ways & Means: Regarding the consolidation of natural resources agencies and programs. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Dickerson; Hudgins; Hunt; Kagi; Kenney; Ormsby; Seaquist; Springer; Sullivan and Wilcox.

MINORITY recommendation: Do not pass. Signed by Representatives Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Haigh; Haler; Hinkle; Parker; Ross and Schmick.

May 23, 2011

ESSB 5749 Prime Sponsor, Committee on Higher Education & Workforce Development: Regarding the Washington advanced college tuition payment (GET) program. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Dickerson; Haigh; Haler; Hinkle; Hudgins; Hunt; Kagi; Kenney; Ormsby; Parker; Ross; Schmick; Seaquist; Springer; Sullivan and Wilcox.

MINORITY recommendation: Do not pass. Signed by Representative Hasegawa, Vice Chair.

May 23, 2011

SSB 5846 Prime Sponsor, Committee on Ways & Means: Offering health benefit subsidies for certain retired public employees. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 41.05 RCW to read as follows:

From September 1, 2011, through August 31, 2014, the health care authority shall provide an optional subsidy of two hundred fifty dollars per month for health benefit premiums to any member of plan 1 of the teachers' retirement system who:

- (1) Is ineligible for medicare;
- (2) Has signed an employment contract under RCW 28A.405.210 by May 20, 2011, for the 2011-12 school year and has not previously notified the school district of an intent to retire at the conclusion of the 2010-11 school year;
- (3) Applies for retirement under RCW 41.32.480 after May 20, 2011, and before September 1, 2011; and

(4) Receives the first installment of a retirement allowance as provided under RCW 41.32.480 before October 31, 2011."

Correct the title.

Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Cody; Dickerson; Haigh; Haler; Hudgins; Hunt; Kagi; Kenney; Ormsby; Parker; Seaquist; Springer; Sullivan and Wilcox.

MINORITY recommendation: Do not pass. Signed by Representatives Chandler; Hinkle; Ross and Schmick.

May 23, 2011

ESB 5873 Prime Sponsor, Senator Prentice: Concerning the sales and use tax exemption for qualifying businesses of eligible server equipment. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 82.08.986 and 2010 1st sp.s. c 23 s 1601 are each amended to read as follows:

(1) An exemption from the tax imposed by RCW 82.08.020 is provided for sales to qualifying businesses of eligible server equipment to be installed, without intervening use, in an eligible computer data center, and to charges made for labor and services rendered in respect to installing eligible server equipment. The exemption also applies to sales to qualifying businesses of eligible power infrastructure, including labor and services rendered in respect to constructing, installing, repairing, altering, or improving eligible power infrastructure.

(2)(a) In order to claim the exemption under this section, a qualifying business must submit an application to the department for an exemption certificate. The application must include the information necessary, as required by the department, to determine that a business qualifies for the exemption under this section. The department must issue exemption certificates to qualifying businesses. The department may assign a unique identification number to each exemption certificate issued under this section.

(b) A qualifying business claiming the exemption under this section must present the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

(3)(a) Within six years of the date that the department issued an exemption certificate under this section to a qualifying business with respect to an eligible computer data center, the qualifying business must establish that net employment at the eligible computer data center has increased by a minimum of:

(i) Thirty-five family wage employment positions; or

(ii) Three family wage employment positions for each twenty thousand square feet of space or less that is newly dedicated to housing working servers at the eligible computer data center. For qualifying businesses that lease or sublease space at an eligible computer data center, the number of family wage employment positions that must be increased under this subsection (3)(a)(ii) is based only on the space occupied by the lessee or sublessee in the eligible computer data center.

(b) In calculating the net increase in family wage employment positions:

(i) The owner of an eligible computer data center, in addition to its own net increase in family wage employment positions, may include:

(A) The net increase in family wage employment positions employed by qualifying businesses leasing or subleasing space within the eligible computer data center (~~from the owner~~); and

(B) The net increase in family wage employment positions described in (c)(ii)(B) of this subsection (3).

(ii)(A) Lessees (~~of the owner of~~) and sublessees of space within an eligible computer data center, in addition to their own net increase in family wage employment positions, may include:

(I) A portion of the net increase in family wage employment positions employed by the owner; and

(II) A portion of the net increase in family wage employment positions described in (c)(ii)(B) of this subsection (3).

(B) The portion of the net increase in family wage employment positions to be counted under this subsection (3)(b)(ii) by each lessee or sublessee must be in proportion to the amount of space in the eligible computer data center occupied by the lessee or sublessee compared to the total amount of space in the eligible computer data center occupied by all lessees and sublessees that are qualifying businesses.

(c)(i) For purposes of this subsection, family wage employment positions are new permanent employment positions requiring forty hours of weekly work, or their equivalent, on a full-time basis at the eligible computer data center and receiving a wage equivalent to or greater than one hundred fifty percent of the per capita personal income of the county in which the qualified project is located. An employment position may not be counted as a family wage employment position unless the employment position is entitled to health insurance coverage provided by the employer of the employment position. For purposes of this subsection (3)(c), "new permanent employment position" means an employment position that did not exist or that had not previously been filled as of the date that the department issued an exemption certificate to the owner (~~of~~), lessee, or sublessee of an eligible computer data center, as the case may be.

(ii)(A) Family wage employment positions include positions filled by employees of the owner of the eligible computer data center and by employees of qualifying businesses leasing or subleasing space (~~from the owner of~~) within the eligible computer data center.

(B) Family wage employment positions also include individuals performing work at an eligible computer data center as an independent contractor hired by the owner of the eligible computer data center or as an employee of an independent contractor hired by the owner of the eligible computer data center, if the work is necessary for the operation of the computer data center, such as security and building maintenance, and provided that all of the requirements in (c)(i) of this subsection (3) are met.

(d) All previously exempted sales and use taxes are immediately due and payable for a qualifying business that does not meet the requirements of this subsection.

(4) A qualifying business claiming an exemption under this section or RCW 82.12.986 must complete an annual report with the department as required under RCW 82.32.534.

(5)(a) The exemption provided in this section does not apply to:

(i) Any person who has received the benefit of the deferral program under chapter 82.60 RCW on: (A) The construction, renovation, or expansion of a structure or structures used as a computer data center; or (B) machinery or equipment used in a computer data center; and

(ii) Any person affiliated with a person within the scope of (a)(i) of this subsection (5). For purposes of this subsection, "affiliated" means that one person has a direct or indirect ownership interest of at least twenty percent in another person.

(b) If a person claims an exemption under this section and subsequently receives the benefit of the deferral program under chapter 82.60 RCW on either the construction, renovation, or expansion of a structure or structures used as a computer data center or machinery or equipment used in a computer data center, the person must repay the amount of taxes exempted under this section. Interest as provided in chapter 82.32 RCW applies to amounts due under this section until paid in full.

(6) For purposes of this section the following definitions apply unless the context clearly requires otherwise:

(a)(i) "Computer data center" means a facility comprised of one or more buildings, which may be comprised of multiple businesses, constructed or refurbished specifically, and used primarily, to house working servers, where the facility has the following characteristics: (A) Uninterruptible power supplies, generator backup power, or both; (B) sophisticated fire suppression and prevention systems; and (C) enhanced physical security, such as: Restricted access to the facility to selected personnel; permanent security guards; video camera surveillance; an electronic system requiring passcodes, keycards, or biometric scans, such as hand scans and retinal or fingerprint recognition; or similar security features.

(ii) For a computer data center comprised of multiple buildings, each separate building constructed or refurbished specifically, and used primarily, to house working servers is considered a computer data center if it has all of the characteristics listed in (a)(i)(A) through (C) of this subsection (6).

(iii) A facility comprised of one building or more than one building must have a combined square footage of at least one hundred thousand square feet.

(b) "Electronic data storage and data management services" include, but are not limited to: Providing data storage and backup services, providing computer processing power, hosting enterprise software applications, and hosting web sites. The term also includes providing services such as e-mail, web browsing and searching, media applications, and other online services, regardless of whether a charge is made for such services.

(c)(i) "Eligible computer data center" means a computer data center:

(A) Located in a rural county as defined in RCW 82.14.370;

(B) Having at least twenty thousand square feet dedicated to housing working servers, where the server space has not previously been dedicated to housing working servers; and

(C) For which the commencement of construction occurs after March 31, 2010, and before July 1, (~~(2014)~~) 2014. For purposes of this section, "commencement of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for construction of the computer data center. The construction of a computer data center includes the expansion, renovation, or other improvements made to existing facilities, including leased or rented space. "Commencement of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of a computer data center.

(ii) With respect to facilities in existence on April 1, 2010, that are expanded, renovated, or otherwise improved after March 31, 2010, an eligible computer data center includes only the portion of the computer data center meeting the requirements in (c)(i)(B) of this subsection (6).

(d) "Eligible power infrastructure" means all fixtures and equipment necessary for the transformation, distribution, or management of electricity that is required to operate eligible server equipment within an eligible computer data center and is purchased or put to first use before April 1, 2018, or April 1, 2021, in the case of such fixtures and equipment for an eligible computer data center for which commencement of construction occurs after June 30, 2011.

The term includes electrical substations(~~(s)~~); generators(~~(s)~~); wiring(~~(s)~~ ~~and~~); cogeneration equipment; and associated fixtures and equipment, such as electrical switches, batteries, and distribution, testing, and monitoring equipment.

(e) "Eligible server equipment" means the original server equipment installed in an eligible computer data center on or after April 1, 2010, and replacement server equipment. For purposes of this subsection (6)(e), "replacement server equipment" means server equipment that: (i) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and (ii) is installed and put into regular use before April 1, 2018, or April 1, 2021, in the case of server equipment for an eligible computer data center for which the commencement of construction occurs after June 30, 2011.

(f) "Qualifying business" means a business entity that exists for the primary purpose of engaging in commercial activity for profit and that is the owner of an eligible computer data center or the lessee or sublessee of ((at least twenty thousand square feet)) server space within an eligible computer data center ((dedicated to housing working servers, where the server space has not previously been dedicated to housing working servers)). The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasi-municipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state.

(g) ("Server" means blade or rack-mount server computers used in a computer data center exclusively to provide electronic data storage and data management services for internal use by the owner or lessee of the computer data center, for clients of the owner or lessee of the computer data center, or both. "Server" does not include personal computers.

(h) "Server equipment" means the server chassis and all computer hardware contained within the server chassis. "Server equipment" also includes computer software necessary to operate the server. "Server equipment" does not include the racks upon which the server chassis is installed, and computer peripherals such as keyboards, monitors, printers, mice, and other devices that work outside of the computer.) "Server equipment" means the computer hardware located in an eligible computer data center and used exclusively to provide electronic data storage and data management services for internal use by the owner, lessee, or sublessee of the computer data center, for clients of the owner, lessee, or sublessee of the computer data center, or both. "Server equipment" also includes computer software necessary to operate the computer hardware. "Server equipment" does not include personal computers, the racks upon which the server equipment is installed, and computer peripherals such as keyboards, monitors, printers, and mice.

(7) This section expires April 1, (~~(2018)~~) 2021.

Sec. 2. RCW 82.12.986 and 2010 1st sp.s. c 23 s 1602 are each amended to read as follows:

(1) An exemption from the tax imposed by RCW 82.12.020 is provided for the use by qualifying businesses of eligible server equipment to be installed, without intervening use, in an eligible computer data center, and to the use of labor and services rendered in respect to installing such server equipment. The exemption also applies to the use of power infrastructure, including labor and services rendered in respect to installing, repairing, altering, or improving such infrastructure.

(2) A qualifying business is not eligible for the exemption under this section unless the department issued an exemption certificate to the qualifying business for the exemption provided in RCW 82.08.986.

(3)(a) The exemption provided in this section does not apply to:

(i) Any person who has received the benefit of the deferral program under chapter 82.60 RCW on: (A) The construction,

renovation, or expansion of a structure or structures used as a computer data center; or (B) machinery or equipment used in a computer data center; and

(ii) Any person affiliated with a person within the scope of (a)(i) of this subsection (3). For purposes of this subsection, "affiliated" means that one person has a direct or indirect ownership interest of at least twenty percent in another person.

(b) If a person has received the benefit of the exemption under this section and subsequently receives the benefit of the deferral program under chapter 82.60 RCW on either the construction, renovation, or expansion of a structure or structures used as a computer data center or machinery or equipment used in a computer data center, the person must repay the amount of taxes exempted under this section. Interest as provided in chapter 82.32 RCW applies to amounts due under this subsection (3)(b) until paid in full. A person is not required to repay taxes under this subsection with respect to property and services for which the person is required to repay taxes under RCW 82.08.986(5).

(4) The definitions and requirements in RCW 82.08.986 apply to this section.

(5) This section expires April 1, (~~2018~~) 2021.

NEW SECTION. Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011."

Correct the title.

Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Dickerson; Haigh; Haler; Hinkle; Hudgins; Hunt; Kagi; Kenney; Ormsby; Parker; Ross; Schmick; Seaquist; Springer; Sullivan and Wilcox.

May 23, 2011

ESSB 5931 Prime Sponsor, Committee on Ways & Means: Reorganizing and streamlining central service functions, powers, and duties of state government. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"PART I

DEPARTMENT OF ENTERPRISE SERVICES CREATED

NEW SECTION. Sec. 101. To maximize the benefits to the public, state government should be operated in an efficient and effective manner. The department of enterprise services is created to provide centralized leadership in efficiently and cost-effectively managing resources necessary to support the delivery of state government services. The mission of the department is to implement a world-class, customer-focused organization that provides valued products and services to government and state residents.

NEW SECTION. Sec. 102. A new section is added to chapter 43.19 RCW to read as follows:

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

(1) "Department" means the department of enterprise services.

(2) "Director" means the director of enterprise services.

NEW SECTION. Sec. 103. A new section is added to chapter 43.19 RCW to read as follows:

(1) The department of enterprise services is created as an executive branch agency. The department is vested with all powers

and duties transferred to it under this act and such other powers and duties as may be authorized by law.

(2) In addition to the powers and duties as provided in this act, the department shall:

(a) Provide products and services to support state agencies, and may enter into agreements with any other governmental entity or a public benefit nonprofit organization, in compliance with RCW 39.34.055, to furnish such products and services as deemed appropriate by both parties. The agreement shall provide for the reimbursement to the department of the reasonable cost of the products and services furnished. All governmental entities of this state may enter into such agreements, unless otherwise prohibited; and

(b) Make available to state, local, and federal agencies, local governments, and public benefit nonprofit corporations on a full cost-recovery basis information and printing services to include equipment acquisition assistance, including leasing, brokering, and establishing master contracts. For the purposes of this section "public benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, or federal funds either directly or through a public agency other than an Indian tribe or political subdivision of another state.

NEW SECTION. Sec. 104. A new section is added to chapter 43.19 RCW to read as follows:

(1) The executive powers and management of the department shall be administered as described in this section.

(2) The executive head and appointing authority of the department is the director. The director is appointed by the governor, subject to confirmation by the senate. The director serves at the pleasure of the governor. The director is paid a salary fixed by the governor in accordance with RCW 43.03.040. If a vacancy occurs in the position of director while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate at which time he or she shall present to that body his or her nomination for the position.

(3) The director may employ staff members, who are exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter, and such other duties as may be authorized by law. The director may delegate any power or duty vested in him or her by this act or other law, including authority to make final decisions and enter final orders in hearings conducted under chapter 34.05 RCW.

(4) The internal affairs of the department are under the control of the director in order that the director may manage the department in a flexible and intelligent manner as dictated by changing contemporary circumstances. Unless specifically limited by law, the director has complete charge and supervisory powers over the department. The director may create the administrative structures as the director deems appropriate, except as otherwise specified by law, and the director may employ personnel as may be necessary in accordance with chapter 41.06 RCW, except as otherwise provided by law.

(5) Until June 30, 2018, at the beginning of each fiscal biennium, the office of financial management shall conduct a review of the programs and services that are performed by the department to determine whether the program or service may be performed by the private sector in a more cost-efficient and effective manner than being performed by the department. In conducting this review, the office of financial management shall:

(a) Examine the existing activities currently being performed by the department, including but not limited to an examination of services for their performance, staffing, capital requirements, and mission. Programs may be broken down into discrete services or activities or reviewed as a whole; and

(b) Examine the activities to determine which specific services are available in the marketplace and what potential for efficiency gains or savings exist.

(i) As part of the review in this subsection (5), the office of financial management shall select up to six activities or services that have been determined as an activity that may be provided by the private sector at a cost-effective and efficient manner. The office of financial management must consult with the affected industry stakeholders in making its decision on which activities to contract out. Priority for selection shall be given to agency activities or services that are significant, ongoing functions.

(ii) The office of financial management must consider the consequences and potential mitigation of improper or failed performance by the contractor.

(iii) For each of the selected activities, the department shall use a request for information, request for proposal, or other procurement process to determine if a contract for the activity would result in the activity being provided at a reduced cost and with greater efficiency.

(iv) The request for information, request for proposal, or other procurement process must contain measurable standards for the performance of the contract.

(v) The department may contract with one or more vendors to provide the service as a result of the procurement process.

(vi) If the office of financial management determines through the procurement process under this subsection that the activity cannot be provided by the private sector at a reduced cost and greater efficiency, the department may cancel the procurement without entering into a contract and shall promptly notify the legislative fiscal committees of such a decision.

(vii) The department of enterprise services, in consultation with the office of financial management, must establish a contract monitoring process to measure contract performance, costs, service delivery quality, and other contract standards, and to cancel contracts that do not meet those standards. No contracts may be renewed without a review of these measures.

(viii) The office of financial management shall prepare a biennial report summarizing the results of the examination of the agency's programs and services. In addition to the programs and services examined and the result of the examination, the report shall provide information on any procurement process that does not result in a contract for the services.

(ix) The joint legislative audit and review committee shall conduct a performance audit of the contracting out provisions of this subsection (5) and report to the legislature by January 1, 2018, on the results of the performance audit. The report must include additional costs or savings to taxpayers as a result of the contracting out provisions.

NEW SECTION. Sec. 105. (1) The department of enterprise services has powers and duties related to state contracting as provided in chapters 43.19 and 39.29 RCW. The process and procedures in each chapter differ from each other in many respects. In addition, the process and procedures may not represent the best practices for the agency or the public.

(2) In order to effect reform and consolidation of procurement practices, the department shall review current state procurement practices, not including public works, and provide a report to the governor with procurement reform recommendations. The department should review national best practices and the procedures used in other states and by the federal government. The department may also review private sector procedures and model codes such as the American bar association model procurement code. The department shall seek input from stakeholders and interested parties. The department shall submit a report to the governor and the office of financial management by December 31, 2011. The report shall include any draft legislation needed to accomplish the report's recommendations.

NEW SECTION. Sec. 106. A new section is added to chapter 41.06 RCW to read as follows:

In addition to the exemptions under RCW 41.06.070, this chapter does not apply in the department of enterprise services to the director, the director's confidential secretary, deputy and assistant directors, and any other exempt staff members provided for in section 104 of this act.

Sec. 107. RCW 43.17.010 and 2009 c 565 s 25 are each amended to read as follows:

There shall be departments of the state government which shall be known as (1) the department of social and health services, (2) the department of ecology, (3) the department of labor and industries, (4) the department of agriculture, (5) the department of fish and wildlife, (6) the department of transportation, (7) the department of licensing, (8) the department of ~~((general administration))~~ enterprise services, (9) the department of commerce, (10) the department of veterans affairs, (11) the department of revenue, (12) the department of retirement systems, (13) the department of corrections, (14) the department of health, (15) the department of financial institutions, (16) the department of archaeology and historic preservation, (17) the department of early learning, and (18) the Puget Sound partnership, which shall be charged with the execution, enforcement, and administration of such laws, and invested with such powers and required to perform such duties, as the legislature may provide.

Sec. 108. RCW 43.17.020 and 2009 c 565 s 26 are each amended to read as follows:

There shall be a chief executive officer of each department to be known as: (1) The secretary of social and health services, (2) the director of ecology, (3) the director of labor and industries, (4) the director of agriculture, (5) the director of fish and wildlife, (6) the secretary of transportation, (7) the director of licensing, (8) the director of ~~((general administration))~~ enterprise services, (9) the director of commerce, (10) the director of veterans affairs, (11) the director of revenue, (12) the director of retirement systems, (13) the secretary of corrections, (14) the secretary of health, (15) the director of financial institutions, (16) the director of the department of archaeology and historic preservation, (17) the director of early learning, and (18) the executive director of the Puget Sound partnership.

Such officers, except the director of fish and wildlife, shall be appointed by the governor, with the consent of the senate, and hold office at the pleasure of the governor. The director of fish and wildlife shall be appointed by the fish and wildlife commission as prescribed by RCW 77.04.055.

Sec. 109. RCW 42.17A.705 and 2010 c 204 s 902 are each amended to read as follows:

For the purposes of RCW 42.17A.700, "executive state officer" includes:

(1) The chief administrative law judge, the director of agriculture, the director of the department of services for the blind, the chief information officer of the office of the chief information officer, the director of the state system of community and technical colleges, the director of commerce, the director of the consolidated technology services agency, the secretary of corrections, the director of early learning, the director of ecology, the commissioner of employment security, the chair of the energy facility site evaluation council, the director of enterprise services, the secretary of the state finance committee, the director of financial management, the director of fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, ~~((the director of general administration,))~~ the secretary of health, the administrator of the Washington state health care authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the executive secretary of the horse racing commission, the human resources director, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, ~~((the director of the department of information services,))~~ the executive director of the

state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, ~~((the director of personnel,))~~ the executive director of the public disclosure commission, the executive director of the Puget Sound partnership, the director of the recreation and conservation office, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the president of each of the regional and state universities and the president of The Evergreen State College, and each district and each campus president of each state community college;

(2) Each professional staff member of the office of the governor;

(3) Each professional staff member of the legislature; and

(4) Central Washington University board of trustees, the boards of trustees of each community college and each technical college, each member of the state board for community and technical colleges, state convention and trade center board of directors, Eastern Washington University board of trustees, Washington economic development finance authority, Washington energy northwest executive board, The Evergreen State College board of trustees, executive ethics board, fish and wildlife commission, forest practices appeals board, forest practices board, gambling commission, Washington health care facilities authority, higher education coordinating board, higher education facilities authority, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of industrial insurance appeals, ~~((information services board,))~~ state investment board, commission on judicial conduct, legislative ethics board, life sciences discovery fund authority board of trustees, liquor control board, lottery commission, Pacific Northwest electric power and conservation planning council, parks and recreation commission, Washington personnel resources board, board of pilotage commissioners, pollution control hearings board, public disclosure commission, public employees' benefits board, recreation and conservation funding board, salmon recovery funding board, shorelines hearings board, board of tax appeals, transportation commission, University of Washington board of regents, utilities and transportation commission, Washington State University board of regents, and Western Washington University board of trustees.

Sec. 110. RCW 42.17.2401 and 2009 c 565 s 24 are each amended to read as follows:

For the purposes of RCW 42.17.240, the term "executive state officer" includes:

(1) The chief administrative law judge, the director of agriculture, the administrator of the Washington basic health plan, the director of the department of services for the blind, the chief information officer of the office of the chief information officer, the director of the state system of community and technical colleges, the director of commerce, the director of the consolidated technology services agency, the secretary of corrections, the director of early learning, the director of ecology, the commissioner of employment security, the chair of the energy facility site evaluation council, the secretary of the state finance committee, the director of financial management, the director of fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, the director of ~~((general administration))~~ enterprise services, the secretary of health, the administrator of the Washington state health care authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the executive secretary of the horse racing commission, the human resources director, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, ~~((the director of the department of information~~

~~services,))~~ the executive director of the state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, ~~((the director of personnel,))~~ the executive director of the public disclosure commission, the executive director of the Puget Sound partnership, the director of the recreation and conservation office, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the president of each of the regional and state universities and the president of The Evergreen State College, and each district and each campus president of each state community college;

(2) Each professional staff member of the office of the governor;

(3) Each professional staff member of the legislature; and

(4) Central Washington University board of trustees, the boards of trustees of each community college and each technical college, each member of the state board for community and technical colleges, state convention and trade center board of directors, committee for deferred compensation, Eastern Washington University board of trustees, Washington economic development finance authority, The Evergreen State College board of trustees, executive ethics board, forest practices appeals board, forest practices board, gambling commission, life sciences discovery fund authority board of trustees, Washington health care facilities authority, each member of the Washington health services commission, higher education coordinating board, higher education facilities authority, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of industrial insurance appeals, ~~((information services board,))~~ recreation and conservation funding board, state investment board, commission on judicial conduct, legislative ethics board, liquor control board, lottery commission, marine oversight board, Pacific Northwest electric power and conservation planning council, parks and recreation commission, board of pilotage commissioners, pollution control hearings board, public disclosure commission, public pension commission, shorelines hearings board, public employees' benefits board, salmon recovery funding board, board of tax appeals, transportation commission, University of Washington board of regents, utilities and transportation commission, Washington state maritime commission, Washington personnel resources board, Washington public power supply system executive board, Washington State University board of regents, Western Washington University board of trustees, and fish and wildlife commission.

NEW SECTION. Sec. 111. Section 109 of this act takes effect January 1, 2012.

NEW SECTION. Sec. 112. Section 110 of this act expires January 1, 2012.

PART II POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT OF GENERAL ADMINISTRATION

Sec. 201. RCW 43.19.011 and 1999 c 229 s 2 are each amended to read as follows:

(1) The director of ~~((general administration))~~ enterprise services shall supervise and administer the activities of the department of ~~((general administration))~~ enterprise services and shall advise the governor and the legislature with respect to matters under the jurisdiction of the department.

(2) In addition to other powers and duties granted to the director, the director shall have the following powers and duties:

(a) Enter into contracts on behalf of the state to carry out the purposes of this chapter;

(b) Accept and expend gifts and grants that are related to the purposes of this chapter, whether such grants be of federal or other funds;

(c) Appoint ~~((a))~~ deputy ~~((director))~~ and ~~((such))~~ assistant directors and such other special assistants as may be needed to administer the department. These employees are exempt from the provisions of chapter 41.06 RCW;

(d) Adopt rules in accordance with chapter 34.05 RCW and perform all other functions necessary and proper to carry out the purposes of this chapter;

(e) Delegate powers, duties, and functions as the director deems necessary for efficient administration, but the director shall be responsible for the official acts of the officers and employees of the department; ~~((and))~~

(f) Apply for grants from public and private entities, and receive and administer any grant funding received for the purpose and intent of this chapter; and

(g) Perform other duties as are necessary and consistent with law.

(3) The director may establish additional advisory groups as may be necessary to carry out the purposes of this chapter.

~~((4))~~ The internal affairs of the department shall be under the control of the director in order that the director may manage the department in a flexible and intelligent manner as dictated by changing contemporary circumstances. Unless specifically limited by law, the director shall have complete charge and supervisory powers over the department. The director may create such administrative structures as the director deems appropriate, except as otherwise specified by law, and the director may employ such personnel as may be necessary in accordance with chapter 41.06 RCW, except as otherwise provided by law.)

Sec. 202. RCW 43.19.025 and 2002 c 332 s 3 are each amended to read as follows:

The ~~((general administration))~~ enterprise services account is created in the custody of the state treasurer and shall be used for all activities previously budgeted and accounted for in the following internal service funds: The motor transport account, the ~~((general administration))~~ enterprise services management fund, the ~~((general administration))~~ enterprise services facilities and services revolving fund, the central stores revolving fund, the surplus property purchase revolving fund, and the energy efficiency services account. Only the director or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW.

Sec. 203. RCW 43.19.035 and 2005 c 16 s 1 are each amended to read as follows:

(1) The commemorative works account is created in the custody of the state treasurer and shall be used by the department of ~~((general administration))~~ enterprise services for the ongoing care, maintenance, and repair of commemorative works on the state capitol grounds. Only the director or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not necessary for expenditures.

(2) For purposes of this section, "state capitol grounds" means buildings and land owned by the state and otherwise designated as state capitol grounds, including the west capitol campus, the east capitol campus, the north capitol campus, the Tumwater campus, the Lacey campus, Sylvester Park, Centennial Park, the Old Capitol Building, and Capitol Lake.

Sec. 204. RCW 43.19.125 and 2007 c 520 s 6014 are each amended to read as follows:

(1) The director of ~~((general administration, through the division of capitol buildings,))~~ enterprise services shall have custody and control of the capitol buildings and grounds, supervise and direct proper care, heating, lighting and repairing thereof, and designate

rooms in the capitol buildings to be occupied by various state officials.

(2) During the 2007-2009 biennium, responsibility for development of the "Wheeler block" on the capitol campus as authorized in section 6013, chapter 520, Laws of 2007 shall be transferred from the department of general administration to the department of information services. ~~((The department of general administration and the department of information services shall develop a joint operating agreement for the new facilities on the "Wheeler block" and provide copies of that agreement to the appropriate committees of the legislature by December 30, 2008.))~~

~~((3) During the 2007-2009 biennium, responsibility for development of the Pritchard building rehabilitation on the capitol campus as authorized in section 1090, chapter 520, Laws of 2007 shall be transferred from the department of general administration to the statute law committee.))~~

Sec. 205. RCW 43.19.180 and 2009 c 549 s 5063 are each amended to read as follows:

The director of ~~((general administration))~~ shall appoint and deputize an assistant director to be known as the state purchasing and material control director, who shall have charge and supervision of the division of purchasing. In this capacity he or she) enterprise services shall ensure that overall state purchasing and material control policy is implemented by state agencies, including educational institutions, within established time limits.

~~((With the approval of the director of general administration, he or she may appoint and employ such assistants and personnel as may be necessary to carry on the work of the division.))~~

Sec. 206. RCW 43.19.185 and 1987 c 47 s 1 are each amended to read as follows:

(1) The director ~~((of general administration through the state purchasing and material control director))~~ shall develop a system for state agencies and departments to use credit cards or similar devices to make purchases. The director may contract to administer the credit cards.

(2) The director ~~((of general administration through the state purchasing and material control director))~~ shall adopt rules for:

- (a) The distribution of the credit cards;
- (b) The authorization and control of the use of the credit cards;
- (c) The credit limits available on the credit cards;
- (d) Instructing users of gasoline credit cards to use self-service islands whenever possible;
- (e) Payments of the bills; and
- (f) Any other rule necessary to implement or administer the program under this section.

Sec. 207. RCW 43.19.190 and 2002 c 200 s 3 are each amended to read as follows:

The director ~~((of general administration, through the state purchasing and material control director,))~~ shall:

(1) ~~((Establish and staff such administrative organizational units within the division of purchasing as may be necessary for effective administration of the provisions of RCW 43.19.190 through 43.19.1939))~~ Develop rules and standards governing the acquisition and disposition of goods and services;

(2) ~~((Purchase all material, supplies, services, and equipment needed for the support, maintenance, and use of all state institutions, colleges, community colleges, technical colleges, college districts, and universities, the offices of the elective state officers, the supreme court, the court of appeals, the administrative and other departments of state government, and the offices of all appointive officers of the state))~~ Enter into contracts on behalf of the state to carry out the following: To purchase, lease, rent or otherwise acquire, dispose of, and maintain assets, licenses, purchased goods and services, client services, and personal services, or to delegate to other agencies and institutions of state government, under appropriate standards, the authority to purchase, lease, rent or otherwise acquire, dispose of, and

maintain assets, licenses, purchased goods and services, client services, and personal services. Agencies and institutions of state government are expressly prohibited from acquiring or disposing of such assets, licenses, purchased services, and personal services without such delegation of authority: PROVIDED, That the provisions of RCW 43.19.190 through 43.19.1937 do not apply in any manner to the operation of the state legislature except as requested by the legislature: PROVIDED, That any agency may purchase material, supplies, services, and equipment for which the agency has notified the purchasing and material control director that it is more cost-effective for the agency to make the purchase directly from the vendor: PROVIDED, That primary authority for the purchase of specialized equipment, instructional, and research material for their own use shall rest with the colleges, community colleges, and universities: PROVIDED FURTHER, That universities operating hospitals and the ((state purchasing and material control)) director, as the agent for state hospitals as defined in RCW 72.23.010, and for health care programs provided in state correctional institutions as defined in RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and 72.36.070, may make purchases for hospital operation by participating in contracts for materials, supplies, and equipment entered into by nonprofit cooperative hospital group purchasing organizations: PROVIDED FURTHER, That primary authority for the purchase of materials, supplies, and equipment for resale to other than public agencies shall rest with the state agency concerned: PROVIDED FURTHER, That authority to purchase services as included herein does not apply to personal services as defined in chapter 39.29 RCW, unless such organization specifically requests assistance from the ((division of purchasing)) department of enterprise services in obtaining personal services and resources are available within the ((division)) department to provide such assistance: ((PROVIDED FURTHER, That the authority for the purchase of insurance and bonds shall rest with the risk manager under RCW 43.19.1935:)) PROVIDED FURTHER, That, except for the authority of the risk manager to purchase insurance and bonds, the director is not required to provide purchasing services for institutions of higher education that choose to exercise independent purchasing authority under RCW 28B.10.029: PROVIDED FURTHER, That the authority to purchase interpreter services and interpreter brokerage services on behalf of limited-English speaking or sensory-impaired applicants and recipients of public assistance shall rest with the department of social and health services in consultation with the department;

(3) Have authority to delegate to state agencies authorization to purchase or sell, which authorization shall specify restrictions as to dollar amount or to specific types of material, equipment, services, and supplies. Acceptance of the purchasing authorization by a state agency does not relieve such agency from conformance with other sections of RCW 43.19.190 through 43.19.1939, or from policies established by the director. Also, delegation of such authorization to a state agency, including an educational institution to which this section applies, to purchase or sell material, equipment, services, and supplies shall not be granted, or otherwise continued under a previous authorization, if such agency is not in substantial compliance with overall state purchasing and material control policies as established herein;

(4) Contract for the testing of material, supplies, and equipment with public and private agencies as necessary and advisable to protect the interests of the state;

(5) ((Prescribe the manner of inspecting all deliveries of supplies, materials, and equipment purchased through the division)) Develop statewide or interagency procurement policies, standards, and procedures;

(6) ((Prescribe the manner in which supplies, materials, and equipment purchased through the division shall be delivered, stored, and distributed)) Provide direction concerning strategic planning

goals and objectives related to state purchasing and contracts activities. The director shall seek input from the legislature and the judiciary;

(7) ((~~Provide for the maintenance of a catalogue library, manufacturers' and wholesalers' lists, and current market information~~)) Develop and implement a process for the resolution of appeals by;

(a) Vendors concerning the conduct of an acquisition process by an agency or the department; or

(b) A customer agency concerning the provision of services by the department or by other state providers;

(8) Establish policies for the periodic review by the department of agency performance which may include but are not limited to analysis of;

(a) Planning, management, purchasing control, and use of purchased services and personal services;

(b) Training and education; and

(c) Project management;

((~~8~~)) (9) Provide for a commodity classification system and may, in addition, provide for the adoption of standard specifications;
 ((9) Provide for the maintenance of inventory records of supplies, materials, and other property;))

(10) Prepare rules and regulations governing the relationship and procedures between the ((~~division of purchasing~~)) department and state agencies and vendors;

(11) Publish procedures and guidelines for compliance by all state agencies, including those educational institutions to which this section applies, which implement overall state purchasing and material control policies;

(12) Advise state agencies, including educational institutions, regarding compliance with established purchasing and material control policies under existing statutes.

Sec. 208. RCW 43.19.1905 and 2009 c 486 s 10 are each amended to read as follows:

(1) The director of ((~~general administration~~)) enterprise services shall establish overall state policy for compliance by all state agencies, including educational institutions, regarding the following purchasing and material control functions:

(a) Development of a state commodity coding system(, including common stock numbers for items maintained in stores for reissue;

(b) Determination where consolidations, closures, or additions of stores operated by state agencies and educational institutions should be initiated;

(c) Institution of standard criteria for determination of when and where an item in the state supply system should be stocked;

(d) Establishment of stock levels to be maintained in state stores, and formulation of standards for replenishment of stock;

(e) Formulation of an overall distribution and redistribution system for stock items which establishes sources of supply support for all agencies, including interagency supply support;

(f) Determination of what function data processing equipment, including remote terminals, shall perform in statewide purchasing and material control for improvement of service and promotion of economy;

(g) Standardization of records and forms used statewide for supply system activities involving purchasing, receiving, inspecting, storing, requisitioning, and issuing functions, including a));

(b) A standard notification form for state agencies to report cost-effective direct purchases, which shall at least identify the price of the goods as available through the ((division of purchasing)) department, the price of the goods as available from the alternative source, the total savings, and the signature of the notifying agency's director or the director's designee;

((~~h~~)) (c) Screening of supplies, material, and equipment excess to the requirements of one agency for overall state need before sale as surplus;

((i)) Establishment of warehouse operation and storage standards to achieve uniform, effective, and economical stores operations;

(j) Establishment of time limit standards for the issuing of material in store and for processing requisitions requiring purchase;

(k) Formulation of criteria for)

(d) Determining when centralized rather than decentralized purchasing shall be used to obtain maximum benefit of volume buying of identical or similar items, including procurement from federal supply sources;

((+)) (e) Development of criteria for use of leased, rather than state owned, warehouse space based on relative cost and accessibility;

((m)) Institution of standard criteria for purchase and placement of state furnished materials, carpeting, furniture, fixtures, and nonfixed equipment, in newly constructed or renovated state buildings;

(n)) (f) Determination of how transportation costs incurred by the state for materials, supplies, services, and equipment can be reduced by improved freight and traffic coordination and control;

((+)) (g) Establishment of a formal certification program for state employees who are authorized to perform purchasing functions as agents for the state under the provisions of chapter 43.19 RCW;

((+)) (h) Development of performance measures for the reduction of total overall expense for material, supplies, equipment, and services used each biennium by the state;

((+)) (i) Establishment of a standard system for all state organizations to record and report dollar savings and cost avoidance which are attributable to the establishment and implementation of improved purchasing and material control procedures;

((+)) (j) Development of procedures for mutual and voluntary cooperation between state agencies, including educational institutions, and political subdivisions for exchange of purchasing and material control services;

((+)) (k) Resolution of all other purchasing and material matters which require the establishment of overall statewide policy for effective and economical supply management;

((+)) (l) Development of guidelines and criteria for the purchase of vehicles, high gas mileage vehicles, alternate vehicle fuels and systems, equipment, and materials that reduce overall energy-related costs and energy use by the state, including investigations into all opportunities to aggregate the purchasing of clean technologies by state and local governments, and including the requirement that new passenger vehicles purchased by the state meet the minimum standards for passenger automobile fuel economy established by the United States secretary of transportation pursuant to the energy policy and conservation act (15 U.S.C. Sec. 2002);

((+)) (m) Development of goals for state use of recycled or environmentally preferable products through specifications for products and services, processes for requests for proposals and requests for qualifications, contractor selection, and contract negotiations;

((+)) (n) Development of procurement policies and procedures, such as unbundled contracting and subcontracting, that encourage and facilitate the purchase of products and services by state agencies and institutions from Washington small businesses to the maximum extent practicable and consistent with international trade agreement commitments;

((+)) (o) Development of food procurement procedures and materials that encourage and facilitate the purchase of Washington grown food by state agencies and institutions to the maximum extent practicable and consistent with international trade agreement commitments; and

((+)) (p) Development of policies requiring all food contracts to include a plan to maximize to the extent practicable and consistent with international trade agreement commitments the availability of Washington grown food purchased through the contract.

(2) ((The department of general administration shall convene a working group including representatives of the office of financial management, the department of information services, and the state printer. The purpose of the working group is to work collaboratively to develop common policies and procedures that encourage and facilitate state government purchases from Washington small businesses, as required in subsection (1)(v) of this section, and in RCW 39.29.065, 43.78.110, and 43.105.041(1)(j). By December 1, 2009, these central services agencies shall jointly provide a written progress report to the governor and legislature on actions taken and planned, barriers identified, and solutions recommended to reach this goal.

(3)) The definitions in this subsection apply throughout this section and RCW 43.19.1908.

(a) "Common vendor registration and bid notification system" has the definition in RCW 39.29.006.

(b) "Small business" has the definition in RCW 39.29.006.

(c) "Washington grown" has the definition in RCW 15.64.060.

Sec. 209. RCW 43.19.19052 and 1998 c 245 s 54 are each amended to read as follows:

Initial policy determinations for the functions described in RCW 43.19.1905 shall be developed and published within the 1975-77 biennium by the director for guidance and compliance by all state agencies, including educational institutions, involved in purchasing and material control. Modifications to these initial supply management policies established during the 1975-77 biennium shall be instituted by the director in future biennia as required to maintain an efficient and up- to-date state supply management system.

It is the intention of the legislature that measurable improvements in the effectiveness and economy of supply management in state government shall be achieved during the 1975-77 biennium, and each biennium thereafter. All agencies, departments, offices, divisions, boards, and commissions and educational, correctional, and other types of institutions are required to cooperate with and support the development and implementation of improved efficiency and economy in purchasing and material control. To effectuate this legislative intention, the director(~~(, through the state purchasing and material control director, shall have))~~ has the authority to direct and require the submittal of data from all state organizations concerning purchasing and material control matters.

Sec. 210. RCW 43.19.1906 and 2008 c 215 s 5 are each amended to read as follows:

Insofar as practicable, all purchases and sales shall be based on competitive bids, and a formal sealed, electronic, or web-based bid procedure, subject to RCW 43.19.1911, shall be used as standard procedure for all purchases and contracts for purchases and sales executed by the (~~state purchasing and material control~~) director and under the powers granted by RCW 43.19.190 through 43.19.1939. This requirement also applies to purchases and contracts for purchases and sales executed by agencies, including educational institutions, under delegated authority granted in accordance with provisions of RCW 43.19.190 or under RCW 28B.10.029. However, formal sealed, electronic, or web-based competitive bidding is not necessary for:

(1) Emergency purchases made pursuant to RCW 43.19.200 if the sealed bidding procedure would prevent or hinder the emergency from being met appropriately;

(2) ((Purchases not exceeding thirty-five thousand dollars, or subsequent limits as calculated by the office of financial management: PROVIDED, That the state director of general administration shall establish procedures to assure that purchases made by or on behalf of the various state agencies shall not be made so as to avoid the thirty-five thousand dollar bid limitation, or subsequent bid limitations as calculated by the office of financial management: PROVIDED FURTHER, That the state purchasing and material control director is authorized to reduce the formal sealed bid limits of thirty-five

thousand dollars, or subsequent limits as calculated by the office of financial management, to a lower dollar amount for purchases by individual state agencies if considered necessary to maintain full disclosure of competitive procurement or otherwise to achieve overall state efficiency and economy in purchasing and material control. Quotations from three thousand dollars to thirty-five thousand dollars, or subsequent limits as calculated by the office of financial management, shall be secured from at least three vendors to assure establishment of a competitive price and may be obtained by telephone or written quotations, or both. The agency shall invite at least one quotation each from a certified minority and a certified women-owned vendor who shall otherwise qualify to perform such work. Immediately after the award is made, the bid quotations obtained shall be recorded and open to public inspection and shall be available by telephone inquiry. A record of competition for all such purchases from three thousand dollars to thirty-five thousand dollars, or subsequent limits as calculated by the office of financial management, shall be documented for audit purposes. Purchases up to three thousand dollars may be made without competitive bids based on buyer experience and knowledge of the market in achieving maximum quality at minimum cost)) Direct buy purchases and informal competitive bidding, as designated by the director of enterprise services. The director of enterprise services shall establish policies annually to define criteria and dollar thresholds for direct buy purchases and informal competitive bidding limits. These criteria may be adjusted to accommodate special market conditions and to promote market diversity for the benefit of the citizens of the state of Washington;

(3) Purchases which are clearly and legitimately limited to a single source of supply and purchases involving special facilities, services, or market conditions, in which instances the purchase price may be best established by direct negotiation;

(4) Purchases of insurance and bonds by the risk management ((division)) office under RCW 43.41.310 (as recodified by this act);

(5) Purchases and contracts for vocational rehabilitation clients of the department of social and health services: PROVIDED, That this exemption is effective only when the ((state purchasing and material control)) director of enterprise services, after consultation with the director of the division of vocational rehabilitation and appropriate department of social and health services procurement personnel, declares that such purchases may be best executed through direct negotiation with one or more suppliers in order to expeditiously meet the special needs of the state's vocational rehabilitation clients;

(6) Purchases by universities for hospital operation or biomedical teaching or research purposes and by the ((state purchasing and material control)) director of enterprise services, as the agent for state hospitals as defined in RCW 72.23.010, and for health care programs provided in state correctional institutions as defined in RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and 72.36.070, made by participating in contracts for materials, supplies, and equipment entered into by nonprofit cooperative hospital group purchasing organizations;

(7) Purchases for resale by institutions of higher education to other than public agencies when such purchases are for the express purpose of supporting instructional programs and may best be executed through direct negotiation with one or more suppliers in order to meet the special needs of the institution;

(8) Purchases by institutions of higher education ((not exceeding thirty-five thousand dollars: PROVIDED, That for purchases between three thousand dollars and thirty-five thousand dollars quotations shall be secured from at least three vendors to assure establishment of a competitive price and may be obtained by telephone or written quotations, or both. For purchases between three thousand dollars and thirty-five thousand dollars, each institution of higher education shall invite at least one quotation each from a certified minority and a certified women-owned vendor who shall

otherwise qualify to perform such work. A record of competition for all such purchases made from three thousand to thirty-five thousand dollars shall be documented for audit purposes)) under RCW 43.19.190(2), direct buy purchases, and informal competitive bidding, as designated by the director of enterprise services; and

(9) Off-contract purchases of Washington grown food when such food is not available from Washington sources through an existing contract. However, Washington grown food purchased under this subsection must be of an equivalent or better quality than similar food available through the contract and be able to be paid from the agency's existing budget. This requirement also applies to purchases and contracts for purchases executed by state agencies, including institutions of higher education, under delegated authority granted in accordance with RCW 43.19.190 or under RCW 28B.10.029((and

~~—(10) Negotiation of a contract by the department of transportation, valid until June 30, 2001, with registered tow truck operators to provide roving service patrols in one or more Washington state patrol tow zones whereby those registered tow truck operators wishing to participate would cooperatively, with the department of transportation, develop a demonstration project upon terms and conditions negotiated by the parties).~~

Beginning on July 1, 1995, and on July 1st of each succeeding odd-numbered year, the dollar limits specified in this section shall be adjusted as follows: The office of financial management shall calculate such limits by adjusting the previous biennium's limits by the appropriate federal inflationary index reflecting the rate of inflation for the previous biennium. Such amounts shall be rounded to the nearest one hundred dollars. ((However, the three thousand dollar figure in subsections (2) and (8) of this section may not be adjusted to exceed five thousand dollars.))

As used in this section, "Washington grown" has the definition in RCW 15.64.060.

Sec. 211. RCW 43.19.1908 and 2009 c 486 s 11 are each amended to read as follows:

Competitive bidding required by RCW 43.19.190 through 43.19.1939 shall be solicited by public notice, by posting of the contract opportunity on the state's common vendor registration and bid notification system, and through the sending of notices by mail, electronic transmission, or other means to bidders on the appropriate list of bidders who shall have qualified by application to the ((division of purchasing)) department. Bids may be solicited by the ((purchasing division)) department from any source thought to be of advantage to the state. All bids shall be in written or electronic form and conform to rules of the ((division of purchasing)) department.

Sec. 212. RCW 43.19.1913 and 1965 c 8 s 43.19.1913 are each amended to read as follows:

The ((division of purchasing)) department may reject the bid of any bidder who has failed to perform satisfactorily a previous contract with the state.

Sec. 213. RCW 43.19.1915 and 2009 c 549 s 5064 are each amended to read as follows:

When any bid has been accepted, the ((division of purchasing)) department may require of the successful bidder a bond payable to the state in such amount with such surety or sureties as determined by the ((division of purchasing)) department, conditioned that he or she will fully, faithfully and accurately execute the terms of the contract into which he or she has entered. The bond shall be filed in the ((office of the division of purchasing)) department. Bidders who regularly do business with the state shall be permitted to file with the ((division of purchasing)) department an annual bid bond in an amount established by the ((division)) department and such annual bid bond shall be acceptable as surety in lieu of furnishing surety with individual bids.

Sec. 214. RCW 43.19.1917 and 1979 c 88 s 3 are each amended to read as follows:

All state agencies, including educational institutions, shall maintain a perpetual record of ownership of state owned equipment,

which shall be available for the inspection and check of those officers who are charged by law with the responsibility for auditing the records and accounts of the state organizations owning the equipment, or to such other special investigators and others as the governor may direct. In addition, these records shall be made available to members of the legislature, the legislative committees, and legislative staff on request.

All state agencies, including educational institutions, shall account to the office of financial management upon request for state equipment owned by, assigned to, or otherwise possessed by them and maintain such records as the office of financial management deems necessary for proper accountability therefor. The office of financial management shall publish a procedural directive for compliance by all state agencies, including educational institutions, which establishes a standard method of maintaining records for state owned equipment, including the use of standard state forms. This published directive also shall include instructions for reporting to the ~~((division of purchasing))~~ department all state equipment which is excess to the needs of state organizations owning such equipment. The term "state equipment" means all items of machines, tools, furniture, or furnishings other than expendable supplies and materials as defined by the office of financial management.

Sec. 215. RCW 43.19.1919 and 2000 c 183 s 1 are each amended to read as follows:

The ~~((division of purchasing))~~ department shall sell or exchange personal property belonging to the state for which the agency, office, department, or educational institution having custody thereof has no further use, at public or private sale, and cause the moneys realized from the sale of any such property to be paid into the fund from which such property was purchased or, if such fund no longer exists, into the state general fund. This requirement is subject to the following exceptions and limitations:

(1) This section does not apply to property under RCW 27.53.045, 28A.335.180, or 43.19.1920;

(2) Sales of capital assets may be made by the ~~((division of purchasing))~~ department and a credit established ~~((in central stores))~~ for future purchases of capital items as provided for in RCW 43.19.190 through 43.19.1939;

(3) Personal property, excess to a state agency, including educational institutions, shall not be sold or disposed of prior to reasonable efforts by the ~~((division of purchasing))~~ department to determine if other state agencies have a requirement for such personal property. Such determination shall follow sufficient notice to all state agencies to allow adequate time for them to make their needs known. Surplus items may be disposed of without prior notification to state agencies if it is determined by the director ~~((of general administration))~~ to be in the best interest of the state. The ~~((division of purchasing))~~ department shall maintain a record of disposed surplus property, including date and method of disposal, identity of any recipient, and approximate value of the property;

(4) This section does not apply to personal property acquired by a state organization under federal grants and contracts if in conflict with special title provisions contained in such grants or contracts;

(5) A state agency having a surplus personal property asset with a fair market value of less than five hundred dollars may transfer the asset to another state agency without charging fair market value. A state agency conducting this action must maintain adequate records to comply with agency inventory procedures and state audit requirements.

Sec. 216. RCW 43.19.1919 and 1999 c 186 s 1 are each amended to read as follows:

(1) In addition to disposing of property under RCW 28A.335.180, 39.33.010, 43.19.1919, and 43.19.1920, state-owned, surplus computers and computer-related equipment may be donated to any school district or educational service district under the guidelines and

distribution standards established pursuant to subsection (2) of this section.

(2) ~~((By September 1, 1999,))~~ The department and office of the superintendent of public instruction shall jointly develop guidelines and distribution standards for the donation of state-owned, surplus computers and computer-related equipment to school districts and educational service districts. The guidelines and distribution standards shall include considerations for quality, school-district needs, and accountability, and shall give priority to meeting the computer-related needs of children with disabilities, including those disabilities necessitating the portability of laptop computers. The guidelines must be updated as needed.

Sec. 217. RCW 43.19.1920 and 1995 c 399 s 63 are each amended to read as follows:

The ~~((division of purchasing))~~ department may donate state-owned, surplus, tangible personal property to shelters that are: Participants in the department of ~~((community, trade, and economic development's))~~ commerce's emergency shelter assistance program; and operated by nonprofit organizations or units of local government providing emergency or transitional housing for homeless persons. A donation may be made only if all of the following conditions have been met:

(1) The ~~((division of purchasing))~~ department has made reasonable efforts to determine if any state agency has a requirement for such personal property and no such agency has been identified. Such determination shall follow sufficient notice to all state agencies to allow adequate time for them to make their needs known;

(2) The agency owning the property has authorized the ~~((division of purchasing))~~ department to donate the property in accordance with this section;

(3) The nature and quantity of the property in question is directly germane to the needs of the homeless persons served by the shelter and the purpose for which the shelter exists and the shelter agrees to use the property for such needs and purposes; and

(4) The director ~~((of general administration))~~ has determined that the donation of such property is in the best interest of the state.

Sec. 218. RCW 43.19.19201 and 1995 c 399 s 64 are each amended to read as follows:

(1) The department ~~((of general administration))~~ shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department ~~((of general administration))~~ shall provide a copy of the inventory to the department of ~~((community, trade, and economic development))~~ commerce by November 1, 1993, and every November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, the department ~~((of general administration))~~ shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

Sec. 219. RCW 43.19.1921 and 1979 c 151 s 100 are each amended to read as follows:

The director ~~((of general administration, through the division of purchasing,))~~ shall:

(1) Establish and maintain warehouses ~~((hereinafter referred to as "central stores"))~~ for the centralized storage and distribution of such supplies, equipment, and other items of common use in order to effect economies in the purchase of supplies and equipment for state agencies. To provide ~~((central stores))~~ warehouse facilities the ~~((division of purchasing))~~ department may, by arrangement with the state agencies, utilize any surplus available state owned space, and

may acquire other needed warehouse facilities by lease or purchase of the necessary premises;

(2) Provide for the central salvage (~~(, maintenance, repair, and servicing)~~) of equipment, furniture, or furnishings used by state agencies, and also by means of such a service provide an equipment pool for effecting sales and exchanges of surplus and unused property by and between state agencies. (~~(Funds derived from the sale and exchange of property shall be placed to the account of the appropriate state agency on the central stores accounts but such funds may not be expended through central stores without prior approval of the office of financial management.)~~)

Sec. 220. RCW 43.19.1932 and 1989 c 185 s 2 are each amended to read as follows:

The department of corrections shall be exempt from the following provisions of this chapter in respect to goods or services purchased or sold pursuant to the operation of correctional industries: RCW 43.19.180, 43.19.190, 43.19.1901, 43.19.1905, 43.19.1906, 43.19.1908, 43.19.1911, 43.19.1913, 43.19.1915, 43.19.1917, 43.19.1919, 43.19.1921, (~~(43.19.1925,)~~) and 43.19.200.

Sec. 221. RCW 43.19.200 and 2009 c 549 s 5066 are each amended to read as follows:

(1) The governing authorities of the state's educational institutions, the elective state officers, the supreme court, the court of appeals, the administrative and other departments of the state government, and all appointive officers of the state, shall prepare estimates of the supplies required for the proper conduct and maintenance of their respective institutions, offices, and departments, covering periods to be fixed by the director, and forward them to the director in accordance with his or her directions. No such authorities, officers, or departments, or any officer or employee thereof, may purchase any article for the use of their institutions, offices, or departments, except in case of emergency purchases as provided in subsection (2) of this section.

(2) The authorities, officers, and departments enumerated in subsection (1) of this section may make emergency purchases in response to unforeseen circumstances beyond the control of the agency which present a real, immediate, and extreme threat to the proper performance of essential functions or which may reasonably be expected to result in excessive loss or damage to property, bodily injury, or loss of life. When an emergency purchase is made, the agency head shall submit written notification of the purchase, within three days of the purchase, to the director (~~(of general administration)~~). This notification shall contain a description of the purchase, description of the emergency and the circumstances leading up to the emergency, and an explanation of why the circumstances required an emergency purchase.

(3) Purchases made for the state's educational institutions, the offices of the elective state officers, the supreme court, the court of appeals, the administrative and other departments of the state government, and the offices of all appointive officers of the state, shall be paid for out of the moneys appropriated for supplies, material, and service of the respective institutions, offices, and departments.

(4) The director (~~(of general administration)~~) shall submit, on an annual basis, the written notifications required by subsection (2) of this section to the director of financial management.

Sec. 222. RCW 43.19.450 and 1994 c 264 s 15 are each amended to read as follows:

The director (~~(of general administration)~~) shall appoint (~~(and deputize an assistant director to be known as the)~~) a supervisor of engineering and architecture (~~(who shall have charge and supervision of the division of engineering and architecture. With the approval of the director, the supervisor may appoint and employ such assistants and personnel as may be necessary to carry out the work of the division)~~).

~~(No)~~ A person (~~(shall be)~~) is not eligible for appointment as supervisor of engineering and architecture unless he or she is licensed

to practice the profession of engineering or the profession of architecture in the state of Washington and for the last five years prior to his or her appointment has been licensed to practice the profession of engineering or the profession of architecture.

As used in this section, "state facilities" includes all state buildings, related structures, and appurtenances constructed for any elected state officials, institutions, departments, boards, commissions, colleges, community colleges, except the state universities, The Evergreen State College and regional universities. "State facilities" does not include facilities owned by or used for operational purposes and constructed for the department of transportation, department of fish and wildlife, department of natural resources, or state parks and recreation commission.

The director (~~(of general administration, through the division of engineering and architecture)~~) or the director's designee shall:

(1) Prepare cost estimates and technical information to accompany the capital budget and prepare or contract for plans and specifications for new construction and major repairs and alterations to state facilities.

(2) Contract for professional architectural, engineering, and related services for the design of new state facilities and major repair or alterations to existing state facilities.

(3) Provide contract administration for new construction and the repair and alteration of existing state facilities.

(4) In accordance with the public works laws, contract on behalf of the state for the new construction and major repair or alteration of state facilities.

The director may delegate any and all of the functions under subsections (1) through (4) of this section to any agency upon such terms and conditions as considered advisable.

~~((The director may delegate the authority granted to the department under RCW 39.04.150 to any agency upon such terms as considered advisable.))~~

Sec. 223. RCW 43.19.455 and 2005 c 36 s 6 are each amended to read as follows:

Except as provided under RCW 43.17.210, the Washington state arts commission shall determine the amount to be made available for the purchase of art under RCW 43.17.200 in consultation with the director (~~(of general administration)~~), and payments therefor shall be made in accordance with law. The designation of projects and sites, selection, contracting, purchase, commissioning, reviewing of design, execution and placement, acceptance, maintenance, and sale, exchange, or disposition of works of art shall be the responsibility of the Washington state arts commission in consultation with the director (~~(of general administration)~~).

Sec. 224. RCW 43.19.500 and 2005 c 330 s 6 are each amended to read as follows:

The (~~(general administration)~~) enterprise services account shall be used by the department (~~(of general administration)~~) for the payment of certain costs, expenses, and charges, as specified in this section, incurred by it in the operation and administration of the department in the rendering of services, the furnishing or supplying of equipment, supplies and materials, and for providing or allocating facilities, including the operation, maintenance, rehabilitation, or furnishings thereof to other agencies, offices, departments, activities, and other entities enumerated in RCW 43.01.090 and including the rendering of services in acquiring real estate under RCW 43.82.010 and the operation and maintenance of public and historic facilities at the state capitol, as defined in RCW 79.24.710. The department shall treat the rendering of services in acquiring real estate and the operation and maintenance of state capitol public and historic facilities as separate operating entities within the account for financial accounting and control.

The schedule of services, facilities, equipment, supplies, materials, maintenance, rehabilitation, furnishings, operations, and administration to be so financed and recovered shall be determined

jointly by the director (~~(of general administration)~~) and the director of financial management, in equitable amounts which, together with any other income or appropriation, will provide the department (~~(of general administration)~~) with funds to meet its anticipated expenditures during any allotment period.

The director (~~(of general administration)~~) may adopt rules governing the provisions of RCW 43.01.090 and this section and the relationships and procedures between the department (~~(of general administration)~~) and such other entities.

Sec. 225. RCW 43.19.501 and 2009 c 564 s 932 are each amended to read as follows:

The Thurston county capital facilities account is created in the state treasury. The account is subject to the appropriation and allotment procedures under chapter 43.88 RCW. Moneys in the account may be expended for capital projects in facilities owned and managed by the department (~~(of general administration)~~) in Thurston county. For the 2007-2009 biennium, moneys in the account may be used for predesign identified in section 1037, chapter 328, Laws of 2008.

During the 2009-2011 fiscal biennium, the legislature may transfer from the Thurston county capital facilities account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 226. RCW 43.19.530 and 2005 c 204 s 2 are each amended to read as follows:

The state agencies and departments are hereby authorized to purchase products and/or services manufactured or provided by (~~(1) community rehabilitation programs of the department of social and health services~~ ~~(2) Until December 31, 2009, businesses owned and operated by persons with disabilities~~).

Such purchases shall be at the fair market price of such products and services as determined by the (~~(division of purchasing of the)~~ department of (~~(general administration)~~) enterprise services. To determine the fair market price the (~~(division)~~) department shall use the last comparable bid on the products and/or services or in the alternative the last price paid for the products and/or services. The increased cost of labor, materials, and other documented costs since the last comparable bid or the last price paid are additional cost factors which shall be considered in determining fair market price. Upon the establishment of the fair market price as provided for in this section the (~~(division)~~) department is hereby empowered to negotiate directly for the purchase of products or services with officials in charge of the community rehabilitation programs of the department of social and health services (~~(and, until December 31, 2007, businesses owned and operated by persons with disabilities)~~).

Sec. 227. RCW 43.19.534 and 2009 c 470 s 717 are each amended to read as follows:

(1) State agencies, the legislature, and departments shall purchase for their use all goods and services required by the legislature, agencies, or departments that are produced or provided in whole or in part from class II inmate work programs operated by the department of corrections through state contract. These goods and services shall not be purchased from any other source unless, upon application by the department or agency: (a) The department (~~(of general administration)~~) finds that the articles or products do not meet the reasonable requirements of the agency or department, (b) are not of equal or better quality, or (c) the price of the product or service is higher than that produced by the private sector. However, the criteria contained in (a), (b), and (c) of this (~~(section)~~) subsection for purchasing goods and services from sources other than correctional industries do not apply to goods and services produced by correctional industries that primarily replace goods manufactured or services obtained from outside the state. The department of corrections and department (~~(of general administration)~~) shall adopt administrative rules that implement this section.

(2) During the 2009-2011 fiscal biennium, and in conformance with section 223(11), chapter 470, Laws of 2009, this section does not apply to the purchase of uniforms by the Washington state ferries.

Sec. 228. RCW 43.19.538 and 1991 c 297 s 5 are each amended to read as follows:

(1) The director (~~(of general administration, through the state purchasing director)~~) shall develop specifications and adopt rules for the purchase of products which will provide for preferential purchase of products containing recycled material by:

(a) The use of a weighting factor determined by the amount of recycled material in a product, where appropriate and known in advance to potential bidders, to determine the lowest responsible bidder. The actual dollars bid shall be the contracted amount. If the department determines, according to criteria established by rule that the use of this weighting factor does not encourage the use of more recycled material, the department shall consider and award bids without regard to the weighting factor. In making this determination, the department shall consider but not be limited to such factors as adequate competition, economics or environmental constraints, quality, and availability.

(b) Requiring a written statement of the percentage range of recycled content from the bidder providing products containing recycled [material]. The range may be stated in five percent increments.

(2) The director shall develop a directory of businesses that supply products containing significant quantities of recycled materials. This directory may be combined with and made accessible through the database of recycled content products to be developed under RCW 43.19A.060.

(3) The director shall encourage all parties using the state purchasing office to purchase products containing recycled materials.

(4) The rules, specifications, and bid evaluation shall be consistent with recycled content standards adopted under RCW 43.19A.020.

Sec. 229. RCW 43.19.539 and 2006 c 183 s 36 are each amended to read as follows:

(1) The department (~~(of general administration)~~) shall establish purchasing and procurement policies that establish a preference for electronic products that meet environmental performance standards relating to the reduction or elimination of hazardous materials.

(2) The department (~~(of general administration)~~) shall ensure that their surplus electronic products, other than those sold individually to private citizens, are managed only by registered transporters and by processors meeting the requirements of RCW 70.95N.250 (~~(and section 26 of this act)~~).

(3) The department (~~(of general administration)~~) shall ensure that their surplus electronic products are directed to legal secondary materials markets by requiring a chain of custody record that documents to whom the products were initially delivered through to the end use manufacturer.

Sec. 230. RCW 43.19.560 and 1983 c 187 s 3 are each amended to read as follows:

As used in RCW 43.19.565 through 43.19.635, 43.41.130 and 43.41.140, the following definitions shall apply:

(1) "Passenger motor vehicle" means any sedan, station wagon, bus, or light truck which is designed for carrying ten passengers or less and is used primarily for the transportation of persons;

(2) "State agency" shall include any state office, agency, commission, department, or institution financed in whole or in part from funds appropriated by the legislature. It shall also include the Washington state school director's association (~~(and the state printer)~~), but it shall not include (a) the state supreme court or any agency of the judicial branch or (b) the legislature or any of its statutory, standing, special, or interim committees, other than at the option of the judicial or legislative agency or committee concerned;

(3) "Employee commuting" shall mean travel by a state officer or employee to or from his or her official residence or other domicile to or from his or her official duty station or other place of work;

(4) "Motor vehicle transportation services" shall include but not be limited to the furnishing of motor vehicles for the transportation of persons or property, with or without drivers, and may also include furnishing of maintenance, storage, and other support services to state agencies for the conduct of official state business.

Sec. 231. RCW 43.19.565 and 2005 c 214 s 1 are each amended to read as follows:

The department (~~(of general administration)~~) shall establish a motor vehicle transportation service which is hereby empowered to:

(1) Provide suitable motor vehicle transportation services to ~~(any)~~ state ~~(agency)~~ agencies on either a temporary or permanent basis ~~(upon requisition from a state agency)~~ and upon such demonstration of need as the department may require;

(2) Provide motor pools for the use of state agencies located in the Olympia area and such additional motor pools at other locations in the state as may be necessary to provide economic, efficient, and effective motor vehicle transportation services to state agencies. Such additional motor pools may be under either the direct control of the department or under the supervision of another state agency by agreement with the department;

(3) Establish an equitable schedule of rental and mileage charges to agencies for motor vehicle transportation services furnished which shall be designed to provide funds to ~~(cover replacement of vehicles, the purchase of additional vehicles, and to)~~ recover the actual total costs of motor pool operations including but not limited to vehicle operation expense, depreciation expense, overhead, and nonrecoverable collision or other damage to vehicles; and

(4) Establish guidelines, procedures, and standards for fleet operations that other state agencies and institutions of higher education may adopt. The guidelines, procedures, and standards shall be consistent with and carry out the objectives of any general policies adopted by the office of financial management under RCW 43.41.130.

Unless otherwise determined by the director after consultation with the office of financial management, vehicles owned and managed by the department of transportation, the department of natural resources, and the Washington state patrol are exempt from the requirements of subsections (1), (2), and (4) of this section.

Sec. 232. RCW 43.19.585 and 1975 1st ex.s. c 167 s 7 are each amended to read as follows:

The director ~~(of general administration shall appoint a supervisor of motor transport, who)~~ or the director's designee shall have general charge and supervision of state motor pools and motor vehicle transportation services under departmental administration and control. ~~(The appointment of all personnel, except the supervisor, shall be made pursuant to chapter 41.06 RCW, the state civil service law, as now or hereafter amended.~~

~~—With the approval of)~~ The director ~~(, the supervisor shall (1) appoint and employ such assistants and personnel as may be necessary, (2))~~ or the director's designee shall (1) acquire by purchase or otherwise a sufficient number of motor vehicles to fulfill state agency needs for motor vehicle transportation service, ~~((3))~~ (2) provide for necessary ~~(storage,)~~ upkeep~~(,)~~ and repair, and ~~((4))~~ (3) provide for servicing motor pool vehicles with fuel, lubricants, and other operating requirements.

Sec. 233. RCW 43.19.600 and 2009 c 549 s 5068 are each amended to read as follows:

(1) ~~(On or after July 1, 1975,)~~ Any passenger motor vehicles currently owned or hereafter acquired by any state agency ~~(, except vehicles acquired from federal granted funds and over which the federal government retains jurisdiction and control, may)~~ shall be purchased by or transferred to the department ~~(of general administration with the consent of the state agency concerned).~~ The

director ~~(of general administration)~~ may accept vehicles subject to the provisions of RCW 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 prior to July 1, 1975, if he or she deems it expedient to accomplish an orderly transition.

(2) The department, in cooperation with the office of financial management, shall study and ascertain current and prospective needs of state agencies for passenger motor vehicles and shall ~~(recommend)~~ direct the transfer to a state motor pool or other appropriate disposition of any vehicle found not to be required by a state agency.

(3) The department shall direct the transfer of passenger motor vehicles from a state agency to a state motor pool or other disposition as appropriate, based on a study under subsection (2) of this section, ~~(or after a public hearing held by the department,)~~ if a finding is made based on ~~(testimony and)~~ data therein submitted that the economy, efficiency, or effectiveness of state government would be improved by such a transfer or other disposition of passenger motor vehicles. Any dispute over the accuracy of ~~(testimony and)~~ data submitted as to the benefits in state governmental economy, efficiency, and effectiveness to be gained by such transfer shall be resolved by the ~~(governor or the governor's designee)~~ director and the director of financial management. Unless otherwise determined by the director after consultation with the office of financial management, vehicles owned and managed by the department of transportation, the department of natural resources, and the Washington state patrol are exempt from the requirements of subsections (1) through (3) of this section.

Sec. 234. RCW 43.19.610 and 1998 c 105 s 12 are each amended to read as follows:

All moneys, funds, proceeds, and receipts as ~~(provided in RCW 43.19.615 and as may otherwise be)~~ provided by law shall be paid into the ~~(general administration)~~ enterprise services account. Disbursements therefrom shall be made in accordance with the provisions of RCW 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 as authorized by the director or a duly authorized representative and as may be provided by law.

Sec. 235. RCW 43.19.620 and 2009 c 549 s 5069 are each amended to read as follows:

The director ~~(of general administration, through the supervisor of motor transport,)~~ shall adopt ~~(, promulgate,)~~ and enforce ~~(such regulations)~~ rules as may be deemed necessary to accomplish the purpose of RCW 43.19.560 through 43.19.630, 43.41.130, and 43.41.140. ~~(Such regulations)~~ The rules, in addition to other matters, shall provide authority for any agency director or his or her delegate to approve the use on official state business of personally owned or commercially owned rental passenger motor vehicles. Before such an authorization is made, it must first be reasonably determined that state owned passenger vehicles or other suitable transportation is not available at the time or location required or that the use of such other transportation would not be conducive to the economical, efficient, and effective conduct of business.

~~(Such regulations)~~ The rules shall be consistent with and shall carry out the objectives of the general policies and guidelines adopted by the office of financial management pursuant to RCW 43.41.130.

Sec. 236. RCW 43.19.635 and 2009 c 549 s 5071 are each amended to read as follows:

(1) The governor, acting through the department ~~(of general administration)~~ and any other appropriate agency or agencies as he or she may direct, is empowered to utilize all reasonable means for detecting the unauthorized use of state owned motor vehicles, including the execution of agreements with the state patrol for compliance enforcement. Whenever such illegal use is discovered which involves a state employee, the employing agency shall proceed as provided by law to establish the amount, extent, and dollar value of any such use, including an opportunity for notice and hearing for the employee involved. When such illegal use is so established, the

agency shall assess its full cost of any mileage illegally used and shall recover such amounts by deductions from salary or allowances due to be paid to the offending official or employee by other means.

Recovery of costs by the state under this subsection shall not preclude disciplinary or other action by the appropriate appointing authority or employing agency under subsection (2) of this section.

(2) Any ~~((willful))~~ willful and knowing violation of any provision of RCW 43.19.560 through 43.19.620, 43.41.130 and 43.41.140 shall subject the state official or employee committing such violation to disciplinary action by the appropriate appointing or employing agency. Such disciplinary action may include, but shall not be limited to, suspension without pay, or termination of employment in the case of repeated violations.

(3) Any casual or inadvertent violation of RCW 43.19.560 through 43.19.620, 43.41.130 and 43.41.140 may subject the state official or employee committing such violation to disciplinary action by the appropriate appointing authority or employing agency. Such disciplinary action may include, but need not be limited to, suspension without pay.

Sec. 237. RCW 43.19.646 and 2006 c 338 s 12 are each amended to read as follows:

(1) The department ~~((of general administration))~~ must assist state agencies seeking to meet the biodiesel fuel requirements in RCW 43.19.642 by coordinating the purchase and delivery of biodiesel if requested by any state agency. The department may use long-term contracts of up to ten years, when purchasing from in-state suppliers who use predominantly in-state feedstock, to secure a sufficient and stable supply of biodiesel for use by state agencies.

(2) The department shall compile and analyze the reports submitted under RCW 43.19.642~~((4))~~ (3) and report in an electronic format its findings and recommendations to the governor and committees of the legislature with responsibility for energy issues, within sixty days from the end of each reporting period. The governor shall consider these reports in determining whether to temporarily suspend minimum renewable fuel content requirements as authorized under RCW 19.112.160.

Sec. 238. RCW 43.19.663 and 2002 c 285 s 4 are each amended to read as follows:

(1) The department ~~((of general administration))~~, in cooperation with public agencies, shall investigate opportunities to aggregate the purchase of clean technologies with other public agencies to determine whether or not combined purchasing can reduce the unit cost of clean technologies.

(2) State agencies that are retail electric customers shall investigate opportunities to aggregate the purchase of electricity produced from generation resources that are fueled by wind or solar energy for their facilities located within a single utility's service area, to determine whether or not combined purchasing can reduce the unit cost of those resources.

(3) No public agency is required under this section to purchase clean technologies at prohibitive costs.

(4)(a) "Electric utility" shall have the same meaning as provided under RCW 19.29A.010.

(b) "Clean technology" includes, but may not be limited to, alternative fueled hybrid-electric and fuel cell vehicles, and distributive power generation.

(c) "Distributive power generation" means the generation of electricity from an integrated or stand-alone power plant that generates electricity from wind energy, solar energy, or fuel cells.

(d) "Retail electric customer" shall have the same meaning as provided under RCW 19.29A.010.

(e) "Facility" means any building owned or leased by a public agency.

Sec. 239. RCW 43.19.685 and 1982 c 48 s 4 are each amended to read as follows:

The director ~~((of general administration))~~ shall develop lease covenants, conditions, and terms which:

(1) Obligate the lessor to conduct or have conducted a walk-through survey of the leased premises;

(2) Obligate the lessor to implement identified energy conservation maintenance and operating procedures upon completion of the walk-through survey; and

(3) Obligate the lessor to undertake technical assistance studies and subsequent acquisition and installation of energy conservation measures if the director ~~((of general administration))~~, in accordance with rules adopted by the department, determines that these studies and measures will both conserve energy and can be accomplished with a state funding contribution limited to the savings which would result in utility expenses during the term of the lease.

These lease covenants, conditions, and terms shall be incorporated into all specified new, renewed, and renegotiated leases executed on or after January 1, 1983. This section applies to all leases under which state occupancy is at least half of the facility space and includes an area greater than three thousand square feet.

Sec. 240. RCW 43.19.702 and 1983 c 183 s 2 are each amended to read as follows:

The director ~~((of general administration))~~ shall compile a list of the statutes and regulations, relating to state purchasing, of each state, which statutes and regulations the director believes grant a preference to vendors located within the state or goods manufactured within the state. At least once every twelve months the director shall update the list.

Sec. 241. RCW 43.19.704 and 1983 c 183 s 3 are each amended to read as follows:

The director ~~((of general administration))~~ shall adopt and apply rules designed to provide for some reciprocity in bidding between Washington and those states having statutes or regulations on the list under RCW 43.19.702. The director ~~((of general administration))~~ shall have broad discretionary power in developing these rules and the rules shall provide for reciprocity only to the extent and in those instances where the director considers it appropriate. For the purpose of determining the lowest responsible bidder pursuant to RCW 43.19.1911, such rules shall (1) require the director to impose a reciprocity increase on bids when appropriate under the rules and (2) establish methods for determining the amount of the increase. In no instance shall such increase, if any, be paid to a vendor whose bid is accepted.

Sec. 242. RCW 43.19.708 and 2010 c 5 s 5 are each amended to read as follows:

The department ~~((of general administration))~~ shall identify in the department's vendor registry all vendors that are veteran-owned businesses as certified by the department of veterans affairs under RCW 43.60A.195.

Sec. 243. RCW 43.19.710 and 1993 c 219 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this section and RCW 43.19.715.

(1) "Consolidated mail service" means incoming, outgoing, and internal mail processing.

(2) ("Department" means the department of general administration.

(3) "Director" means the director of the department of general administration.

(4) "Agency" means:

(a) The office of the governor; and

(b) Any office, department, board, commission, or other separate unit or division, however designated, of the state government, together with all personnel thereof: Upon which the statutes confer powers and impose duties in connection with operations of either a governmental or proprietary nature; and that has as its chief executive officer a person or combination of persons such as a commission,

board, or council, by law empowered to operate it, responsible either to: (i) No other public officer or (ii) the governor.

(5))) "Incoming mail" means mail, packages, or similar items received by an agency, through the United States postal service, private carrier services, or other courier services.

((6)) (3) "Outgoing mail" means mail, packages, or similar items processed for agencies to be sent through the United States postal service, private carrier services, or other courier services.

((7)) (4) "Internal mail" means interagency mail, packages, or similar items that are delivered or to be delivered to a state agency, the legislature, the supreme court, or the court of appeals, and their officers and employees.

Sec. 244. RCW 19.27.070 and 2010 c 275 s 1 are each amended to read as follows:

There is hereby established a state building code council, to be appointed by the governor.

(1) The state building code council shall consist of fifteen members:

(a) Two members must be county elected legislative body members or elected executives;

(b) Two members must be city elected legislative body members or mayors;

(c) One member must be a local government building code enforcement official;

(d) One member must be a local government fire service official;

(e) One member shall represent general construction, specializing in commercial and industrial building construction;

(f) One member shall represent general construction, specializing in residential and multifamily building construction;

(g) One member shall represent the architectural design profession;

(h) One member shall represent the structural engineering profession;

(i) One member shall represent the mechanical engineering profession;

(j) One member shall represent the construction building trades;

(k) One member shall represent manufacturers, installers, or suppliers of building materials and components;

(l) One member must be a person with a physical disability and shall represent the disability community; and

(m) One member shall represent the general public.

(2) At least six of these fifteen members shall reside east of the crest of the Cascade mountains.

(3) The council shall include: Two members of the house of representatives appointed by the speaker of the house, one from each caucus; two members of the senate appointed by the president of the senate, one from each caucus; and an employee of the electrical division of the department of labor and industries, as ex officio, nonvoting members with all other privileges and rights of membership.

(4)(a) Terms of office shall be for three years, or for so long as the member remains qualified for the appointment.

(b) The council shall elect a member to serve as chair of the council for one-year terms of office.

(c) Any member who is appointed by virtue of being an elected official or holding public employment shall be removed from the council if he or she ceases being such an elected official or holding such public employment.

(d) Any member who is appointed to represent a specific private sector industry must maintain sufficiently similar employment or circumstances throughout the term of office to remain qualified to represent the specified industry. Retirement or unemployment is not cause for termination. However, if a councilmember enters into employment outside of the industry he or she has been appointed to represent, then he or she shall be removed from the council.

(e) Any member who no longer qualifies for appointment under this section may not vote on council actions, but may participate as an ex officio, nonvoting member until a replacement member is appointed. A member must notify the council staff and the governor's office within thirty days of the date the member no longer qualifies for appointment under this section. The governor shall appoint a qualified replacement for the member within sixty days of notice.

(5) Before making any appointments to the building code council, the governor shall seek nominations from recognized organizations which represent the entities or interests identified in this section.

(6) Members shall not be compensated but shall receive reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(7) The department of ~~(commerce)~~ enterprise services shall provide administrative and clerical assistance to the building code council.

Sec. 245. RCW 19.27A.140 and 2010 c 271 s 305 are each amended to read as follows:

The definitions in this section apply to RCW 19.27A.130 through 19.27A.190 and 19.27A.020 unless the context clearly requires otherwise.

(1) "Benchmark" means the energy used by a facility as recorded monthly for at least one year and the facility characteristics information inputs required for a portfolio manager.

(2) "Conditioned space" means conditioned space, as defined in the Washington state energy code.

(3) "Consumer-owned utility" includes a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a cooperative formed under chapter 23.86 RCW, a mutual corporation or association formed under chapter 24.06 RCW, a port district formed under Title 53 RCW, or a water-sewer district formed under Title 57 RCW, that is engaged in the business of distributing electricity to one or more retail electric customers in the state.

(4) "Cost-effectiveness" means that a project or resource is forecast:

(a) To be reliable and available within the time it is needed; and

(b) To meet or reduce the power demand of the intended consumers at an estimated incremental system cost no greater than that of the least- cost similarly reliable and available alternative project or resource, or any combination thereof.

(5) "Council" means the state building code council.

(6) "Embodied energy" means the total amount of fossil fuel energy consumed to extract raw materials and to manufacture, assemble, transport, and install the materials in a building and the life-cycle cost benefits including the recyclability and energy efficiencies with respect to building materials, taking into account the total sum of current values for the costs of investment, capital, installation, operating, maintenance, and replacement as estimated for the lifetime of the product or project.

(7) "Energy consumption data" means the monthly amount of energy consumed by a customer as recorded by the applicable energy meter for the most recent twelve-month period.

(8) "Energy service company" has the same meaning as in RCW 43.19.670.

(9) "~~(General administration)~~ Enterprise services" means the department of ~~(general administration)~~ enterprise services.

(10) "Greenhouse gas" and "greenhouse gases" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

(11) "Investment grade energy audit" means an intensive engineering analysis of energy efficiency and management measures for the facility, net energy savings, and a cost-effectiveness determination.

(12) "Investor-owned utility" means a corporation owned by investors that meets the definition of "corporation" as defined in

RCW 80.04.010 and is engaged in distributing either electricity or natural gas, or both, to more than one retail electric customer in the state.

(13) "Major facility" means any publicly owned or leased building, or a group of such buildings at a single site, having ten thousand square feet or more of conditioned floor space.

(14) "National energy performance rating" means the score provided by the energy star program, to indicate the energy efficiency performance of the building compared to similar buildings in that climate as defined in the United States environmental protection agency "ENERGY STAR® Performance Ratings Technical Methodology."

(15) "Net zero energy use" means a building with net energy consumption of zero over a typical year.

(16) "Portfolio manager" means the United States environmental protection agency's energy star portfolio manager or an equivalent tool adopted by the department of (~~general administration~~) enterprise services.

(17) "Preliminary energy audit" means a quick evaluation by an energy service company of the energy savings potential of a building.

(18) "Qualifying public agency" includes all state agencies, colleges, and universities.

(19) "Qualifying utility" means a consumer-owned or investor-owned gas or electric utility that serves more than twenty-five thousand customers in the state of Washington.

(20) "Reporting public facility" means any of the following:

(a) A building or structure, or a group of buildings or structures at a single site, owned by a qualifying public agency, that exceed ten thousand square feet of conditioned space;

(b) Buildings, structures, or spaces leased by a qualifying public agency that exceeds ten thousand square feet of conditioned space, where the qualifying public agency purchases energy directly from the investor-owned or consumer-owned utility;

(c) A wastewater treatment facility owned by a qualifying public agency; or

(d) Other facilities selected by the qualifying public agency.

(21) "State portfolio manager master account" means a portfolio manager account established to provide a single shared portfolio that includes reports for all the reporting public facilities.

Sec. 246. RCW 39.34.055 and 1994 c 98 s 1 are each amended to read as follows:

The (~~office of state procurement within the~~) department of (~~general administration~~) enterprise services may enter into an agreement with a public benefit nonprofit corporation to allow the public benefit nonprofit corporation to participate in state contracts for purchases administered by the (~~office of state procurement~~) department. Such agreement must comply with the requirements of RCW 39.34.030 through 39.34.050. For the purposes of this section "public benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, or federal funds either directly or through a public agency other than an Indian tribe or a political subdivision of another state.

Sec. 247. RCW 39.35.030 and 2001 c 214 s 16 are each amended to read as follows:

For the purposes of this chapter the following words and phrases shall have the following meanings unless the context clearly requires otherwise:

(1) "Public agency" means every state office, officer, board, commission, committee, bureau, department, and all political subdivisions of the state.

(2) "Department" means the state department of (~~general administration~~) enterprise services.

(3) "Major facility" means any publicly owned or leased building having twenty-five thousand square feet or more of usable floor space.

(4) "Initial cost" means the moneys required for the capital construction or renovation of a major facility.

(5) "Renovation" means additions, alterations, or repairs within any twelve-month period which exceed fifty percent of the value of a major facility and which will affect any energy system.

(6) "Economic life" means the projected or anticipated useful life of a major facility as expressed by a term of years.

(7) "Energy management system" means a program, energy efficiency equipment, technology, device, or other measure including, but not limited to, a management, educational, or promotional program, smart appliance, meter reading system that provides energy information capability, computer software or hardware, communications equipment or hardware, thermostat or other control equipment, together with related administrative or operational programs, that allows identification and management of opportunities for improvement in the efficiency of energy use, including but not limited to a measure that allows:

(a) Energy consumers to obtain information about their energy usage and the cost of energy in connection with their usage;

(b) Interactive communication between energy consumers and their energy suppliers;

(c) Energy consumers to respond to energy price signals and to manage their purchase and use of energy; or

(d) For other kinds of dynamic, demand-side energy management.

(8) "Life-cycle cost" means the initial cost and cost of operation of a major facility over its economic life. This shall be calculated as the initial cost plus the operation, maintenance, and energy costs over its economic life, reflecting anticipated increases in these costs discounted to present value at the current rate for borrowing public funds, as determined by the office of financial management. The energy cost projections used shall be those provided by the department. The department shall update these projections at least every two years.

(9) "Life-cycle cost analysis" includes, but is not limited to, the following elements:

(a) The coordination and positioning of a major facility on its physical site;

(b) The amount and type of fenestration employed in a major facility;

(c) The amount of insulation incorporated into the design of a major facility;

(d) The variable occupancy and operating conditions of a major facility; and

(e) An energy-consumption analysis of a major facility.

(10) "Energy systems" means all utilities, including, but not limited to, heating, air-conditioning, ventilating, lighting, and the supplying of domestic hot water.

(11) "Energy-consumption analysis" means the evaluation of all energy systems and components by demand and type of energy including the internal energy load imposed on a major facility by its occupants, equipment, and components, and the external energy load imposed on a major facility by the climatic conditions of its location. An energy- consumption analysis of the operation of energy systems of a major facility shall include, but not be limited to, the following elements:

(a) The comparison of three or more system alternatives, at least one of which shall include renewable energy systems, and one of which shall comply at a minimum with the sustainable design guidelines of the United States green building council leadership in energy and environmental design silver standard or similar design standard as may be adopted by rule by the department;

(b) The simulation of each system over the entire range of operation of such facility for a year's operating period; and

(c) The evaluation of the energy consumption of component equipment in each system considering the operation of such components at other than full or rated outputs.

The energy-consumption analysis shall be prepared by a professional engineer or licensed architect who may use computers or such other methods as are capable of producing predictable results.

(12) "Renewable energy systems" means methods of facility design and construction and types of equipment for the utilization of renewable energy sources including, but not limited to, hydroelectric power, active or passive solar space heating or cooling, domestic solar water heating, windmills, waste heat, biomass and/or refuse-derived fuels, photovoltaic devices, and geothermal energy.

(13) "Cogeneration" means the sequential generation of two or more forms of energy from a common fuel or energy source. Where these forms are electricity and thermal energy, then the operating and efficiency standards established by 18 C.F.R. Sec. 292.205 and the definitions established by 18 C.F.R. 292.202 (c) through (m) as of July 28, 1991, shall apply.

(14) "Selected buildings" means educational, office, residential care, and correctional facilities that are designed to comply with the design standards analyzed and recommended by the department.

(15) "Design standards" means the heating, air-conditioning, ventilating, and renewable resource systems identified, analyzed, and recommended by the department as providing an efficient energy system or systems based on the economic life of the selected buildings.

Sec. 248. RCW 39.35C.010 and 2007 c 39 s 4 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Cogeneration" means the sequential generation of two or more forms of energy from a common fuel or energy source. If these forms are electricity and thermal energy, then the operating and efficiency standards established by 18 C.F.R. Sec. 292.205 and the definitions established by 18 C.F.R. Sec. 292.202 (c) through (m) apply.

(2) "Conservation" means reduced energy consumption or energy cost, or increased efficiency in the use of energy, and activities, measures, or equipment designed to achieve such results, but does not include thermal or electric energy production from cogeneration. "Conservation" also means reductions in the use or cost of water, wastewater, or solid waste.

(3) "Cost-effective" means that the present value to a state agency or school district of the energy reasonably expected to be saved or produced by a facility, activity, measure, or piece of equipment over its useful life, including any compensation received from a utility or the Bonneville power administration, is greater than the net present value of the costs of implementing, maintaining, and operating such facility, activity, measure, or piece of equipment over its useful life, when discounted at the cost of public borrowing.

(4) "Energy" means energy as defined in RCW 43.21F.025(((+)))
(5).

(5) "Energy audit" has the definition provided in RCW 43.19.670, and may include a determination of the water or solid waste consumption characteristics of a facility.

(6) "Energy efficiency project" means a conservation or cogeneration project.

(7) "Energy efficiency services" means assistance furnished by the department to state agencies and school districts in identifying, evaluating, and implementing energy efficiency projects.

(8) "Department" means the state department of ((~~general administration~~)) enterprise services.

(9) "Performance-based contracting" means contracts for which payment is conditional on achieving contractually specified energy savings.

(10) "Public agency" means every state office, officer, board, commission, committee, bureau, department, and all political subdivisions of the state.

(11) "Public facility" means a building or structure, or a group of buildings or structures at a single site, owned by a state agency or school district.

(12) "State agency" means every state office or department, whether elective or appointive, state institutions of higher education, and all boards, commissions, or divisions of state government, however designated.

(13) "State facility" means a building or structure, or a group of buildings or structures at a single site, owned by a state agency.

(14) "Utility" means privately or publicly owned electric and gas utilities, electric cooperatives and mutuals, whether located within or without Washington state.

(15) "Local utility" means the utility or utilities in whose service territory a public facility is located.

Sec. 249. RCW 39.35D.020 and 2006 c 263 s 330 are each amended to read as follows:

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

(1) "Department" means the department of ((~~general administration~~)) enterprise services.

(2) "High-performance public buildings" means high-performance public buildings designed, constructed, and certified to a standard as identified in this chapter.

(3) "Institutions of higher education" means the state universities, the regional universities, The Evergreen State College, the community colleges, and the technical colleges.

(4) "LEED silver standard" means the United States green building council leadership in energy and environmental design green building rating standard, referred to as silver standard.

(5)(a) "Major facility project" means: (i) A construction project larger than five thousand gross square feet of occupied or conditioned space as defined in the Washington state energy code; or (ii) a building renovation project when the cost is greater than fifty percent of the assessed value and the project is larger than five thousand gross square feet of occupied or conditioned space as defined in the Washington state energy code.

(b) "Major facility project" does not include: (i) Projects for which the department, public school district, or other applicable agency and the design team determine the LEED silver standard or the Washington sustainable school design protocol to be not practicable; or (ii) transmitter buildings, pumping stations, hospitals, research facilities primarily used for sponsored laboratory experimentation, laboratory research, or laboratory training in research methods, or other similar building types as determined by the department. When the LEED silver standard is determined to be not practicable for a project, then it must be determined if any LEED standard is practicable for the project. If LEED standards or the Washington sustainable school design protocol are not followed for the project, the public school district or public agency shall report these reasons to the department.

(6) "Public agency" means every state office, officer, board, commission, committee, bureau, department, and public higher education institution.

(7) "Public school district" means a school district eligible to receive state basic education moneys pursuant to RCW 28A.150.250 and 28A.150.260.

(8) "Washington sustainable school design protocol" means the school design protocol and related information developed by the office of the superintendent of public instruction, in conjunction with school districts and the school facilities advisory board.

Sec. 250. RCW 43.19A.010 and 1992 c 174 s 12 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Compost products" means mulch, soil amendments, ground cover, or other landscaping material derived from the biological or mechanical conversion of biosolids or cellulose-containing waste materials.

(2) "Department" means the department of ~~((general administration))~~ enterprise services.

(3) "Director" means the director of the department of ~~((general administration))~~ enterprise services.

(4) "Local government" means a city, town, county, special purpose district, school district, or other municipal corporation.

(5) "Lubricating oil" means petroleum-based oils for reducing friction in engine parts and other mechanical parts.

(6) "Mixed waste paper" means assorted low-value grades of paper that have not been separated into individual grades of paper at the point of collection.

(7) "Municipal sewage sludge" means a semisolid substance consisting of settled sewage solids combined with varying amounts of water and dissolved materials generated from a publicly owned wastewater treatment plant.

(8) "Biosolids" means municipal sewage sludge or septic tank septage sludge that meets the requirements of chapter 70.95J.

(9) "Paper and paper products" means all items manufactured from paper or paperboard.

(10) "Postconsumer waste" means a material or product that has served its intended use and has been discarded for disposal or recovery by a final consumer.

(11) "Procurement officer" means the person that has the primary responsibility for procurement of materials or products.

(12) "State agency" means all units of state government, including divisions of the governor's office, the legislature, the judiciary, state agencies and departments, correctional institutions, vocational technical institutions, and universities and colleges.

(13) "Recycled content product" or "recycled product" means a product containing recycled materials.

(14) "Recycled materials" means waste materials and by-products that have been recovered or diverted from solid waste and that can be utilized in place of a raw or virgin material in manufacturing a product and consists of materials derived from postconsumer waste, manufacturing waste, industrial scrap, agricultural wastes, and other items, all of which can be used in the manufacture of new or recycled products.

(15) "Re-refined oils" means used lubricating oils from which the physical and chemical contaminants acquired through previous use have been removed through a refining process. Re-refining may include distillation, hydrotreating, or treatments employing acid, caustic, solvent, clay, or other chemicals, or other physical treatments other than those used in reclaiming.

(16) "USEPA product standards" means the product standards of the United States environmental protection agency for recycled content published in the code of federal regulations.

Sec. 251. RCW 43.19A.022 and 2009 c 356 s 2 are each amended to read as follows:

(1) ~~((By December 31, 2009,))~~ All state agencies shall purchase one hundred percent recycled content white cut sheet bond paper used in office printers and copiers. State agencies are encouraged to give priority to purchasing from companies that produce paper in facilities that generate energy from a renewable energy source.

(2) State agencies that utilize office printers and copiers that, after reasonable attempts, cannot be calibrated to utilize such paper referenced in subsection (1) of this section, must for those models of equipment:

(a) Purchase paper at the highest recycled content that can be utilized efficiently by the copier or printer;

(b) At the time of lease renewal or at the end of the life-cycle, either lease or purchase a model that will efficiently utilize one hundred percent recycled content white cut sheet bond paper;

(3) Printed projects that require the use of high volume production inserters or high-speed digital devices, such as those used by ~~((the state printer, department of information services, and))~~ the department of ~~((general administration))~~ enterprise services, are not required to meet the one hundred percent recycled content white cut sheet bond paper standard, but must utilize the highest recycled content that can be utilized efficiently by such equipment and not impede the business of agencies.

(4) The ~~((state printer,))~~ department of ~~((general administration,))~~ enterprise services and the department of information services shall work together to identify for use by agencies one hundred percent recycled paper products that process efficiently through high-speed production equipment and do not impede the business of agencies.

Sec. 252. RCW 39.32.035 and 1998 c 105 s 3 are each amended to read as follows:

The ~~((general administration))~~ enterprise services account shall be administered by the director of ~~((general administration))~~ enterprise services and be used for the purchase, lease or other acquisition from time to time of surplus property from any federal, state, or local government surplus property disposal agency. The director may purchase, lease or acquire such surplus property on the requisition of an eligible donee and without such requisition at such time or times as he or she deems it advantageous to do so; and in either case he or she shall be responsible for the care and custody of the property purchased so long as it remains in his or her possession.

Sec. 253. RCW 43.01.225 and 1995 c 215 s 2 are each amended to read as follows:

There is hereby established an account in the state treasury to be known as the "state vehicle parking account." All parking rental income resulting from parking fees established by the department of ~~((general administration))~~ enterprise services under RCW 46.08.172 at state-owned or leased property shall be deposited in the "state vehicle parking account." Revenue deposited in the "state vehicle parking account" shall be first applied to pledged purposes. Unpledged parking revenues deposited in the "state vehicle parking account" may be used to:

(1) Pay costs incurred in the operation, maintenance, regulation, and enforcement of vehicle parking and parking facilities;

(2) Support the lease costs and/investment costs of vehicle parking and parking facilities; and

(3) Support agency commute trip reduction programs under RCW 70.94.521 through 70.94.551.

Sec. 254. RCW 43.82.120 and 1998 c 105 s 14 are each amended to read as follows:

All rental income collected by the department of ~~((general administration))~~ enterprise services from rental of state buildings shall be deposited in the ~~((general administration))~~ enterprise services account.

Sec. 255. RCW 43.82.125 and 1998 c 105 s 15 are each amended to read as follows:

The ~~((general administration))~~ enterprise services account shall be used to pay all costs incurred by the department in the operation of real estate managed under the terms of this chapter. Moneys received into the ~~((general administration))~~ enterprise services account shall be used to pay rent to the owner of the space for occupancy of which the charges have been made and to pay utility and operational costs of the space utilized by the occupying agency: PROVIDED, That moneys received into the account for occupancy of space owned by the state where utilities and other operational costs are covered by appropriation to the department of ~~((general administration))~~ enterprise services shall be immediately transmitted to the general fund.

Sec. 256. RCW 43.99H.070 and 1995 c 215 s 6 are each amended to read as follows:

In addition to any other charges authorized by law and to assist in the reimbursement of principal and interest payments on bonds issued for the purposes of RCW 43.99H.020(15), the following revenues may be collected:

(1) The director of (~~(general administration)~~) enterprise services may assess a charge against each state board, commission, agency, office, department, activity, or other occupant of the facility or building constructed with bonds issued for the purposes of RCW 43.99H.020(15) for payment of a proportion of costs for each square foot of floor space assigned to or occupied by the entity. Payment of the amount billed to the entity for such occupancy shall be made quarterly during each fiscal year. The director of (~~(general administration)~~) enterprise services shall deposit the payment in the capitol campus reserve account.

(2) The director of (~~(general administration)~~) enterprise services may pledge a portion of the parking rental income collected by the department of (~~(general administration)~~) enterprise services from parking space developed as a part of the facility constructed with bonds issued for the purposes of RCW 43.99H.020(15). The pledged portion of this income shall be deposited in the capitol campus reserve account. The unpledged portion of this income shall continue to be deposited in the state vehicle parking account.

(3) The state treasurer shall transfer four million dollars from the capitol building construction account to the capitol campus reserve account each fiscal year from 1990 to 1995. Beginning in fiscal year 1996, the director of (~~(general administration)~~) enterprise services, in consultation with the state finance committee, shall determine the necessary amount for the state treasurer to transfer from the capitol building construction account to the capitol campus reserve account for the purpose of repayment of the general fund of the costs of the bonds issued for the purposes of RCW 43.99H.020(15).

(4) Any remaining balance in the state building and parking bond redemption account after the final debt service payment shall be transferred to the capitol campus reserve account.

Sec. 257. RCW 73.24.020 and 1937 c 36 s 1 are each amended to read as follows:

The director of the department of (~~(finance, budget and business)~~) enterprise services is hereby authorized and directed to contract with Olympia Lodge No. 1, F. & A.M., a corporation for the improvement and perpetual care of the state veterans' plot in the Masonic cemetery at Olympia; such care to include the providing of proper curbs and walks, cultivating, reseeding and fertilizing grounds, repairing and resetting the bases and monuments in place on the ground, leveling grounds, and transporting and setting headstones for graves of persons hereafter buried on the plot.

NEW SECTION. Sec. 258. The following acts or parts of acts are each repealed:

(1) RCW 43.19.010 (Director--Authority, appointment, salary) and 1999 c 229 s 1, 1993 c 472 s 19, 1988 c 25 s 10, 1975 1st ex.s. c 167 s 1, & 1965 c 8 s 43.19.010;

(2) RCW 43.19.1923 (General administration services account--Use) and 2001 c 292 s 3, 1998 c 105 s 6, 1991 sp.s. c 16 s 921, 1987 c 504 s 17, 1975-76 2nd ex.s. c 21 s 12, 1967 ex.s. c 104 s 5, & 1965 c 8 s 43.19.1923;

(3) RCW 43.19.1925 (Combined purchases of commonly used items-- Advance payments by state agencies--Costs of operating central stores) and 1998 c 105 s 7, 1975 c 40 s 8, 1973 c 104 s 2, & 1965 c 8 s 43.19.1925;

(4) RCW 43.19.590 (Motor vehicle transportation service--Transfer of employees--Retention of employment rights) and 1975 1st ex.s. c 167 s 8;

(5) RCW 43.19.595 (Motor vehicle transportation service--Transfer of motor vehicles, property, etc., from motor pool to department) and 2009 c 549 s 5067 & 1975 1st ex.s. c 167 s 9;

(6) RCW 43.19.615 (Motor vehicle transportation service--Deposits-- Disbursements) and 2005 c 214 s 2, 1998 c 105 s 13, & 1975 1st ex.s. c 167 s 13;

(7) RCW 43.19.675 (Energy audits of state-owned facilities required--Completion dates) and 2001 c 214 s 26, 1982 c 48 s 2, & 1980 c 172 s 4;

(8) RCW 43.19.680 (Implementation of energy conservation and maintenance procedures after walk-through survey--Investment grade audit--Reports--Contracts with energy service companies, staffing) and 2001 c 214 s 27, 1996 c 186 s 506, 1986 c 325 s 2, 1983 c 313 s 1, 1982 c 48 s 3, & 1980 c 172 s 5; and

(9) 2010 c 271 s 301.

NEW SECTION. Sec. 259. RCW 43.19.123 is decodified.

PART III

POWERS AND DUTIES TRANSFERRED FROM THE PUBLIC PRINTER

Sec. 301. RCW 43.78.030 and 2010 1st sp.s. c 37 s 927 are each amended to read as follows:

(1) The (~~(public printer)~~) department shall print and bind the session laws, the journals of the two houses of the legislature, all bills, resolutions, documents, and other printing and binding of either the senate or house, as (~~(the same)~~) may be ordered by the legislature; and such forms, blanks, record books, and printing and binding (~~(of every description)~~) as may be ordered by (~~(all state officers, boards, commissions, and institutions, and)~~) the supreme court, and the court of appeals (~~(and officers thereof, as the same may be ordered on requisition, from time to time, by the proper authorities)~~), and material with sensitive or personally identifiable information not publicly available. This section shall not apply to the printing of the supreme court and the court of appeals reports(~~(s)~~) or to the printing of bond certificates or bond offering disclosure documents(~~(s to the printing of educational publications of the state historical societies, or to any printing done or contracted for by institutions of higher education: PROVIDED, That institutions of higher education, in consultation with the public printer, develop vendor selection procedures comparable to those used by the public printer for contracted printing jobs. Where any institution or institution of higher learning of the state is or may become equipped with facilities for doing such work, it may do any printing: (1) For itself, or (2) for any other state institution when such printing is done as part of a course of study relative to the profession of printer. Any printing and binding of whatever description as may be needed by any institution or agency of the state department of social and health services not at Olympia, or the supreme court or the court of appeals or any officer thereof, the estimated cost of which shall not exceed one thousand dollars, may be done by any private printing company in the general vicinity within the state of Washington so ordering, if in the judgment of the officer of the agency so ordering, the saving in time and processing justifies the award to such local private printing concern.~~— Beginning on July 1, 1989, and on July 1 of each succeeding odd-numbered year, the dollar limit specified in this section shall be adjusted as follows: The office of financial management shall calculate such limit by adjusting the previous biennium's limit by an appropriate federal inflationary index reflecting the rate of inflation for the previous biennium. Such amounts shall be rounded to the nearest fifty dollars.

— During the 2009-2011 fiscal biennium, this section does not apply to pilot printing projects authorized by the office of financial management to allow state agencies and institutions to directly acquire printing services).

(2) State agencies, boards, commissions, and institutions of higher education requiring the services of a print shop may use the department without bid. If a print job is put out for bid, the department must be included in the bid solicitation. All solicitations must be posted on the state's common vendor registration and bid notification system. All solicitations must include the requirement to

use recycled copy and printing paper for all jobs printed on white copy and printing paper as is required under RCW 43.78.170 (as recodified by this act). All bid specifications must require the use of biodegradable ink, if feasible for the print job.

Sec. 302. RCW 43.78.070 and 2009 c 549 s 5148 are each amended to read as follows:

(The public printer shall use the state printing plant upon the following conditions, to wit:

(1) He or she shall do the public printing, and charge therefor the fees as provided by law. He or she may print the Washington Reports for the publishers thereof under a contract approved in writing by the governor.

(2) The gross income of the public printer shall be deposited in an account designated "state printing plant revolving fund" in depositories approved by the state treasurer, and shall be disbursed by the public printer by check and only as follows:

First, in payment of the actual cost of labor, material, supplies, replacements, repairs, water, light, heat, telephone, rent, and all other expenses necessary in the operation of the plant: PROVIDED, That no machinery shall be purchased except on written approval of the governor;

Second, in payment of the cost of reasonable insurance upon the printing plant, payable to the state and of all fidelity bonds required by law of the public printer;

Third, in payment to the public printer of a salary which shall be fixed by the governor in accordance with the provisions of RCW 43.03.040;

Fourth, in remitting the balance to the state treasurer for the general fund: PROVIDED, That a reasonable sum to be determined by the governor, the public printer, and the director of financial management shall be retained in the fund for working capital for the public printer.)

(1) The department must use the state printing plant and must charge fees as provided by law.

(2) The department may print the Washington Reports for the publishers under a contract.

(3) The director must update the budgeted hourly rate model for printing, as needed, to accurately reflect its operational costs.

(4) The director must transfer any residual funds remaining in the state printing plant revolving fund to the public printing revolving account established in section 303 of this act.

NEW SECTION. Sec. 303. A new section is added to chapter 43.19 RCW to read as follows:

The public printing revolving account is created in the custody of the state treasurer. All receipts from public printing must be deposited in the account. Expenditures from the account may be used only for administrative and operating purposes related to public printing. Only the director or his or her designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Sec. 304. RCW 43.78.110 and 2009 c 486 s 12 are each amended to read as follows:

(1) Whenever in the judgment of the ~~((public printer))~~ department certain printing, ruling, binding, or supplies can be secured from private sources more economically than by doing the work or preparing the supplies in the state printing plant, the ~~((public printer))~~ director may obtain such work or supplies from such private sources. The bid solicitation ~~((for the contract opportunity))~~ must be posted ~~((on the state's common vendor registration and bid))~~ to the public printer vendor notification system. The ~~((public printer))~~ director shall develop procurement policies and procedures, such as unbundled contracting and subcontracting, that encourage and facilitate the purchase of such services or supplies from Washington small businesses to the maximum extent practicable and consistent with international trade agreement commitments.

(2) In the event any work or supplies are secured on behalf of the state under this section the ~~((state printing plant shall be entitled to))~~ department may add up to five percent to the cost ~~((thereof))~~ to cover the handling of the orders ~~((which shall be added to the bills and charged to the respective authorities ordering the work or supplies. The five percent handling charge shall not apply to contracts with institutions of higher education.~~

~~—(3) The definitions in this subsection apply throughout this section.~~

~~—(a) "Common vendor registration and bid notification system" has the definition in RCW 39.29.006).~~

~~((b))~~ (3) For purposes of this section, "small business" has the definition in RCW 39.29.006.

NEW SECTION. Sec. 305. A new section is added to chapter 43.19 RCW to read as follows:

(1) The department shall broker print management contracts for state agencies that are required to utilize print management contracts under this section.

(2) The department is authorized to broker print management contracts for other state agencies that choose to utilize these services.

(3) Except as provided under subsection (6) of this section, all state agencies with total annual average full-time equivalent staff that exceeds five hundred as determined by the office of financial management shall utilize print management services brokered by the department, as follows:

(a) Any agency with a copier and multifunctional device contract that is set to expire on or before December 31, 2012, may opt to:

- (i) Renew the copier and multifunctional device contract; or
- (ii) Enter a print management contract;

(b) Any agency with a copier and multifunctional device contract that is set to expire on or after January 1, 2011, shall begin planning for the transition to a print management contract six months prior to the expiration date of the contract. Upon expiration of the copier and multifunctional device contract, the agency shall utilize a print management contract; and

(c) Any agency with a copier and multifunctional device contract that is terminated on or after January 1, 2012, shall enter a print management contract.

(4) Until December 31, 2016, for each agency transitioning from a copier and multifunctional device contract to a print management contract, the print management contract should result in savings in comparison with the prior copier and multifunctional device contract.

(5) If an agency has more full-time equivalent employees than it had when it entered its most recently completed print management contract, the cost of a new print management contract may exceed the cost of the most recently completed print management contract.

(6) The director of financial management may exempt a state agency, or a program within a state agency, from the requirements of this section if he or she deems it unfeasible or the department and agency could not reasonably reach an agreement regarding print management.

NEW SECTION. Sec. 306. A new section is added to chapter 43.19 RCW to read as follows:

(1) The department shall consult with the office of financial management and state agencies to more efficiently manage the use of envelopes by standardizing them to the extent feasible given the business needs of state agencies.

(2) All state agencies with total annual average full-time equivalent staff that exceeds five hundred as determined by the office of financial management shall cooperate with the department in efforts to standardize envelopes under subsection (1) of this section. In the event that an agency is updating a mailing, the agency shall transition to an envelope recommended by the department, unless the office of financial management considers the change unfeasible.

(3) State agencies with five hundred total annual average full-time equivalent staff or less, as determined by the office of financial

management, are encouraged to cooperate with the office to standardize envelopes under this section.

NEW SECTION. Sec. 307. A new section is added to chapter 43.19 RCW to read as follows:

For every printing job and binding job ordered by a state agency, the department shall advise the agency on how to choose more economic and efficient options to reduce costs.

NEW SECTION. Sec. 308. A new section is added to chapter 43.19 RCW to read as follows:

To improve the efficiency and minimize the costs of agency-based printing, the department shall establish rules and guidelines for all agencies to use in managing their printing operations, including both agency-based printing and those jobs that require the services of a print shop, as based on the successes of implementation of existing print management programs in state agencies. At a minimum, the rules and guidelines must implement managed print strategies to track, manage, and reduce agency-based printing.

NEW SECTION. Sec. 309. The department must determine which agencies have print shops and must prepare proposed legislation by December 31, 2011, to transfer print shop personnel, equipment, and activities of state agencies and institutions of higher education, as defined in RCW 28B.10.016, to the department. A transfer under this section does not imply that any print shop operations will close at the affected agencies and institutions of higher education.

NEW SECTION. Sec. 310. A new section is added to chapter 43.09 RCW to read as follows:

By November 1, 2016, building on the findings of the 2011 audit, the state auditor shall conduct a comprehensive performance audit of state printing services in accordance with RCW 43.09.470.

Following the audit in 2016, the state auditor shall conduct follow-up audits as deemed necessary to ensure effective implementation of this act.

Sec. 311. RCW 1.08.039 and 1955 c 235 s 8 are each amended to read as follows:

The committee may enter into contracts or otherwise arrange for the publication and/or distribution, provided for in RCW 1.08.038, with or without calling for bids, by the ~~((public printer))~~ department or by private printer, upon specifications formulated under the authority of RCW 1.08.037, and upon such basis as the committee deems to be most expeditious and economical. Any such contract may be upon such terms as the committee deems to be most advantageous to the state and to potential purchasers of such publications. The committee shall fix terms and prices for such publications.

Sec. 312. RCW 28A.300.040 and 2009 c 556 s 10 are each amended to read as follows:

In addition to any other powers and duties as provided by law, the powers and duties of the superintendent of public instruction shall be:

- (1) To have supervision over all matters pertaining to the public schools of the state;
- (2) To report to the governor and the legislature such information and data as may be required for the management and improvement of the schools;
- (3) To prepare and have printed such forms, registers, courses of study, rules for the government of the common schools, and such other material and books as may be necessary for the discharge of the duties of teachers and officials charged with the administration of the laws relating to the common schools, and to distribute the same to educational service district superintendents;
- (4) To travel, without neglecting his or her other official duties as superintendent of public instruction, for the purpose of attending educational meetings or conventions, of visiting schools, and of consulting educational service district superintendents or other school officials;

(5) To prepare and from time to time to revise a manual of the Washington state common school code, copies of which shall be made available online and which shall be sold at approximate actual cost of publication and distribution per volume to public and nonpublic agencies or individuals, said manual to contain Titles 28A and 28C RCW, rules related to the common schools, and such other matter as the state superintendent or the state board of education shall determine. Proceeds of the sale of such code shall be ~~((transmitted to the public printer who shall credit the state superintendent's account within))~~ deposited in the ((state)) public printing ((plant)) revolving ((fund by a like amount)) account and credited to the state superintendent's account within the account;

(6) To file all papers, reports and public documents transmitted to the superintendent by the school officials of the several counties or districts of the state, each year separately. Copies of all papers filed in the superintendent's office, and the superintendent's official acts, may, or upon request, shall be certified by the superintendent and attested by the superintendent's official seal, and when so certified shall be evidence of the papers or acts so certified to;

(7) To require annually, on or before the 15th day of August, of the president, manager, or principal of every educational institution in this state, a report as required by the superintendent of public instruction; and it is the duty of every president, manager, or principal, to complete and return such forms within such time as the superintendent of public instruction shall direct;

(8) To keep in the superintendent's office a record of all teachers receiving certificates to teach in the common schools of this state;

(9) To issue certificates as provided by law;

(10) To keep in the superintendent's office at the capital of the state, all books and papers pertaining to the business of the superintendent's office, and to keep and preserve in the superintendent's office a complete record of statistics, as well as a record of the meetings of the state board of education;

(11) With the assistance of the office of the attorney general, to decide all points of law which may be submitted to the superintendent in writing by any educational service district superintendent, or that may be submitted to the superintendent by any other person, upon appeal from the decision of any educational service district superintendent; and the superintendent shall publish his or her rulings and decisions from time to time for the information of school officials and teachers; and the superintendent's decision shall be final unless set aside by a court of competent jurisdiction;

(12) To administer oaths and affirmations in the discharge of the superintendent's official duties;

(13) To deliver to his or her successor, at the expiration of the superintendent's term of office, all records, books, maps, documents and papers of whatever kind belonging to the superintendent's office or which may have been received by the superintendent's for the use of the superintendent's office;

(14) To administer family services and programs to promote the state's policy as provided in RCW 74.14A.025;

(15) To promote the adoption of school-based curricula and policies that provide quality, daily physical education for all students, and to encourage policies that provide all students with opportunities for physical activity outside of formal physical education classes;

(16) To perform such other duties as may be required by law.

Sec. 313. RCW 28B.10.029 and 2010 c 61 s 1 are each amended to read as follows:

(1)(a) An institution of higher education may exercise independently those powers otherwise granted to the director of ~~((general administration))~~ enterprise services in chapter 43.19 RCW in connection with the purchase and disposition of all material, supplies, services, and equipment needed for the support, maintenance, and use of the respective institution of higher education.

(b) Property disposition policies followed by institutions of higher education shall be consistent with policies followed by the department of ~~((general administration))~~ enterprise services.

(c) Purchasing policies and procedures followed by institutions of higher education shall be in compliance with chapters 39.19, 39.29, and 43.03 RCW, and RCW 43.19.1901, 43.19.1906, 43.19.1911, 43.19.1917, 43.19.1937, 43.19.534, 43.19.685, 43.19.700 through 43.19.704, and 43.19.560 through 43.19.637.

(d) Purchases under chapter 39.29, 43.19, or 43.105 RCW by institutions of higher education may be made by using contracts for materials, supplies, services, or equipment negotiated or entered into by, for, or through group purchasing organizations.

(e) The community and technical colleges shall comply with RCW 43.19.450.

(f) Except for the University of Washington, institutions of higher education shall comply with RCW 43.41.310, 43.41.290, and 43.41.350 (as recodified by this act).

(g) If an institution of higher education can satisfactorily demonstrate to the director of the office of financial management that the cost of compliance is greater than the value of benefits from any of the following statutes, then it shall be exempt from them: RCW 43.19.685, 43.19.534, and 43.19.637.

(h) Any institution of higher education that chooses to exercise independent purchasing authority for a commodity or group of commodities shall notify the director of ~~((general administration))~~ enterprise services. Thereafter the director of ~~((general administration))~~ enterprise services shall not be required to provide those services for that institution for the duration of the ~~((general administration))~~ department of enterprise services contract term for that commodity or group of commodities.

(2) The council of presidents and the state board for community and technical colleges shall convene its correctional industries business development advisory committee, and work collaboratively with correctional industries, to:

(a) Reaffirm purchasing criteria and ensure that quality, service, and timely delivery result in the best value for expenditure of state dollars;

(b) Update the approved list of correctional industries products from which higher education shall purchase; and

(c) Develop recommendations on ways to continue to build correctional industries' business with institutions of higher education.

(3) Higher education and correctional industries shall develop a plan to build higher education business with correctional industries to increase higher education purchases of correctional industries products, based upon the criteria established in subsection (2) of this section. The plan shall include the correctional industries' production and sales goals for higher education and an approved list of products from which higher education institutions shall purchase, based on the criteria established in subsection (2) of this section. Higher education and correctional industries shall report to the legislature regarding the plan and its implementation no later than January 30, 2005.

(4) Institutions of higher education shall set as a target to contract, beginning not later than June 30, 2006, to purchase one percent of the total goods and services required by the institutions each year produced or provided in whole or in part from class II inmate work programs operated by the department of corrections. Institutions of higher education shall set as a target to contract, beginning not later than June 30, 2008, to purchase two percent of the total goods and services required by the institutions each year produced or provided in whole or in part from class II inmate work programs operated by the department of corrections.

(5) An institution of higher education may exercise independently those powers otherwise granted to the ~~((public printer in chapter 43.78 RCW))~~ department of enterprise services in connection with the production or purchase of any printing and binding needed by the respective institution of higher education. Purchasing policies and

procedures followed by institutions of higher education shall be in compliance with chapter 39.19 RCW. Any institution of higher education that chooses to exercise independent printing production or purchasing authority shall notify the ~~((public printer))~~ department of enterprise services. Thereafter the ~~((public printer))~~ department shall not be required to provide those services for that institution.

Sec. 314. RCW 40.04.030 and 1995 c 24 s 1 are each amended to read as follows:

The ~~((public printer))~~ department of enterprise services shall deliver to the statute law committee all bound volumes of the session laws. The ~~((public printer))~~ department shall deliver the house and senate journals as they are published to the chief clerk of the house of representatives and the secretary of the senate, as appropriate. The publisher of the supreme court reports and the court of appeals reports of the state of Washington shall deliver the copies that are purchased by the supreme court for the use of the state to the state law librarian.

Sec. 315. RCW 40.06.030 and 2006 c 199 s 5 are each amended to read as follows:

(1) Every state agency shall promptly submit to the state library copies of published information that are state publications.

(a) For state publications available only in print format, each state agency shall deposit, at a minimum, two copies of each of its publications with the state library. For the purposes of broad public access, state agencies may deposit additional copies with the state library for distribution to additional depository libraries.

(b) For state publications available only in electronic format, each state agency shall deposit one copy of each of its publications with the state library.

(c) For state publications available in both print and electronic format, each state agency shall deposit two print copies and one electronic copy of the publication with the state library.

(2) Annually, each state agency shall provide the state library with a listing of all its publications made available to state government and the public during the preceding year, including those published in electronic form. The secretary of state shall, by rule, establish the annual date by which state agencies must provide the list of its publications to the state library.

(3) In the interest of economy and efficiency, the state librarian may specifically or by general rule exempt a given state publication or class of publications from the requirements of this section in full or in part.

(4) Upon consent of the issuing state agency, such state publications as are printed by the ~~((public printer shall))~~ department of enterprise services must be delivered directly to the center.

Sec. 316. RCW 40.07.050 and 1986 c 158 s 5 are each amended to read as follows:

Neither the ~~((public printer))~~ department of enterprise services nor any state agency shall print or authorize for printing any state publication that has been determined by the director to be inconsistent with RCW 40.07.030 except to the extent this requirement may conflict with the laws of the United States or any rules or regulations lawfully promulgated under those laws. A copy of any state publication printed without the approval of the director under the exceptions authorized in this section shall be filed with the director with a letter of transmittal citing the federal statute, rule, or regulation requiring the publication.

Sec. 317. RCW 43.08.061 and 1993 c 38 s 1 are each amended to read as follows:

The ~~((public printer))~~ department shall print all state treasury warrants for distribution as directed by the state treasurer. All warrants redeemed by the state treasurer shall be retained for a period of one year, following their redemption, after which they may be destroyed without regard to the requirements imposed for their destruction by chapter 40.14 RCW.

NEW SECTION. Sec. 318. The following acts or parts of acts are each repealed:

(1) RCW 15.24.085 (Promotional printing not restricted by public printer laws) and 2002 c 313 s 121 & 1961 c 11 s 15.24.085;

(2) RCW 15.62.190 (Promotional printing and literature--Exempt from public printing requirements) and 1989 c 5 s 19;

(3) RCW 16.67.170 (Promotional printing not restricted by public printer laws) and 1969 c 133 s 16;

(4) RCW 43.78.010 (Appointment of public printer) and 2009 c 549 s 5146, 1981 c 338 s 6, & 1965 c 8 s 43.78.010;

(5) RCW 43.78.020 (Bond) and 2009 c 549 s 5147 & 1965 c 8 s 43.78.020;

(6) RCW 43.78.040 (Requisitions) and 1965 c 8 s 43.78.040;

(7) RCW 43.78.050 (Itemized statement of charges) and 1965 c 8 s 43.78.050;

(8) RCW 43.78.080 (Printing specifications) and 1972 ex.s. c 1 s 1, 1969 c 6 s 7, & 1965 c 8 s 43.78.080;

(9) RCW 43.78.090 (Reprinting) and 1965 c 8 s 43.78.090;

(10) RCW 43.78.100 (Stock to be furnished) and 1993 c 379 s 106 & 1965 c 8 s 43.78.100; and

(11) RCW 43.78.105 (Printing for institutions of higher education-- Interlocal agreements) and 1993 c 379 s 105.

NEW SECTION. Sec. 319. RCW 43.78.030, 43.78.070, 43.78.110, 43.78.130, 43.78.140, 43.78.150, 43.78.160, and 43.78.170 are each recodified as sections in chapter 43.19 RCW.

PART IV

POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT OF PERSONNEL

Sec. 401. RCW 41.06.020 and 1993 c 281 s 19 are each amended to read as follows:

Unless the context clearly indicates otherwise, the words used in this chapter have the meaning given in this section.

(1) "Agency" means an office, department, board, commission, or other separate unit or division, however designated, of the state government and all personnel thereof; it includes any unit of state government established by law, the executive officer or members of which are either elected or appointed, upon which the statutes confer powers and impose duties in connection with operations of either a governmental or proprietary nature.

(2) "Board" means the Washington personnel resources board established under the provisions of RCW 41.06.110, except that this definition does not apply to the words "board" or "boards" when used in RCW 41.06.070.

(3) "Classified service" means all positions in the state service subject to the provisions of this chapter.

(4) "Competitive service" means all positions in the classified service for which a competitive examination is required as a condition precedent to appointment.

(5) "Comparable worth" means the provision of similar salaries for positions that require or impose similar responsibilities, judgments, knowledge, skills, and working conditions.

(6) "Noncompetitive service" means all positions in the classified service for which a competitive examination is not required.

(7) "Department" means an agency of government that has as its governing officer a person, or combination of persons such as a commission, board, or council, by law empowered to operate the agency responsible either to (a) no other public officer or (b) the governor.

(8) "Career development" means the progressive development of employee capabilities to facilitate productivity, job satisfaction, and upward mobility through work assignments as well as education and training that are both state-sponsored and are achieved by individual employee efforts, all of which shall be consistent with the needs and obligations of the state and its agencies.

(9) "Training" means activities designed to develop job-related knowledge and skills of employees.

(10) "Director" means the human resources director (~~(of personnel appointed under the provisions of RCW 41.06.130)) within~~

the office of financial management and appointed under section 430 of this act.

(11) "Affirmative action" means a procedure by which racial minorities, women, persons in the protected age category, persons with disabilities, Vietnam-era veterans, and disabled veterans are provided with increased employment opportunities. It shall not mean any sort of quota system.

(12) "Institutions of higher education" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, and the various state community colleges.

(13) "Related boards" means the state board for community and technical colleges; and such other boards, councils, and commissions related to higher education as may be established.

Sec. 402. RCW 41.06.076 and 1997 c 386 s 1 are each amended to read as follows:

In addition to the exemptions set forth in RCW 41.06.070, the provisions of this chapter shall not apply in the department of social and health services to the secretary; the secretary's executive assistant, if any; not to exceed six assistant secretaries, thirteen division directors, six regional directors; one confidential secretary for each of the above-named officers; not to exceed six bureau chiefs; (~~(all social worker V positions;))~~ and all superintendents of institutions of which the average daily population equals or exceeds one hundred residents(~~(- PROVIDED, That each such confidential secretary must meet the minimum qualifications for the class of secretary II as determined by the Washington personnel resources board. — This section expires June 30, 2005)).~~

Sec. 403. RCW 41.06.080 and 1970 ex.s. c 12 s 2 are each amended to read as follows:

Notwithstanding the provisions of this chapter, the (~~(department of personnel))~~ office of financial management and the department of enterprise services may make (~~(its))~~ their human resource services available on request, on a reimbursable basis, to:

(1) Either the legislative or the judicial branch of the state government;

(2) Any county, city, town, or other municipal subdivision of the state;

(3) The institutions of higher learning;

(4) Any agency, class, or position set forth in RCW 41.06.070.

Sec. 404. RCW 41.06.093 and 1993 c 281 s 24 are each amended to read as follows:

In addition to the exemptions set forth in RCW 41.06.070, the provisions of this chapter shall not apply in the Washington state patrol to confidential secretaries of agency bureau chiefs, or their functional equivalent, and a confidential secretary for the chief of staff(~~(- PROVIDED, That each confidential secretary must meet the minimum qualifications for the class of secretary II as determined by the Washington personnel resources board)).~~

Sec. 405. RCW 41.06.110 and 2002 c 354 s 210 are each amended to read as follows:

(1) There is hereby created a Washington personnel resources board composed of three members appointed by the governor, subject to confirmation by the senate. The members of the personnel board serving June 30, 1993, shall be the members of the Washington personnel resources board, and they shall complete their terms as under the personnel board. Each odd-numbered year thereafter the governor shall appoint a member for a six-year term. Each member shall continue to hold office after the expiration of the member's term until a successor has been appointed. Persons so appointed shall have clearly demonstrated an interest and belief in the merit principle, shall not hold any other employment with the state, shall not have been an officer of a political party for a period of one year immediately prior to such appointment, and shall not be or become a candidate for

partisan elective public office during the term to which they are appointed;

(2) Each member of the board shall be compensated in accordance with RCW 43.03.250. The members of the board may receive any number of daily payments for official meetings of the board actually attended. Members of the board shall also be reimbursed for travel expenses incurred in the discharge of their official duties in accordance with RCW 43.03.050 and 43.03.060.

(3) At its first meeting following the appointment of all of its members, and annually thereafter, the board shall elect a chair and vice chair from among its members to serve one year. The presence of at least two members of the board shall constitute a quorum to transact business. A written public record shall be kept by the board of all actions of the board. The director (~~(of personnel)~~) shall serve as secretary.

(4) The board may appoint and compensate hearing officers to hear and conduct appeals. Such compensation shall be paid on a contractual basis for each hearing, in accordance with the provisions of chapter 43.88 RCW and rules adopted pursuant thereto, as they relate to personal service contracts.

Sec. 406. RCW 41.06.120 and 1981 c 311 s 17 are each amended to read as follows:

(1) In the necessary conduct of its work, the board shall meet monthly unless there is no pending business requiring board action and may hold hearings, such hearings to be called by (a) the chairman of the board, or (b) a majority of the members of the board. An official notice of the calling of the hearing shall be filed with the secretary, and all members shall be notified of the hearing within a reasonable period of time prior to its convening.

(2) No release of material or statement of findings shall be made except with the approval of a majority of the board;

(3) In the conduct of hearings or investigations, a member of the board or the director (~~(of personnel)~~), or the hearing officer, may administer oaths.

Sec. 407. RCW 41.06.133 and 2010 c 2 s 3 and 2010 c 1 s 2 are each reenacted and amended to read as follows:

(1) The director shall adopt rules, consistent with the purposes and provisions of this chapter and with the best standards of personnel administration, regarding the basis and procedures to be followed for:

(a) The reduction, dismissal, suspension, or demotion of an employee;

(b) Training and career development;

(c) Probationary periods of six to twelve months and rejections of probationary employees, depending on the job requirements of the class, except (~~that~~) as follows:

(i) Entry level state park rangers shall serve a probationary period of twelve months; and

(ii) The probationary period of campus police officer appointees who are required to attend the Washington state criminal justice training commission basic law enforcement academy shall extend from the date of appointment until twelve months from the date of successful completion of the basic law enforcement academy, or twelve months from the date of appointment if academy training is not required. The director shall adopt rules to ensure that employees promoting to campus police officer who are required to attend the Washington state criminal justice training commission basic law enforcement academy shall have the trial service period extend from the date of appointment until twelve months from the date of successful completion of the basic law enforcement academy, or twelve months from the date of appointment if academy training is not required;

(d) Transfers;

(e) Promotional preferences;

(f) Sick leaves and vacations;

(g) Hours of work;

(h) Layoffs when necessary and subsequent reemployment, except for the financial basis for layoffs;

(i) The number of names to be certified for vacancies;

(j) Adoption and revision of a state salary schedule to reflect the prevailing rates in Washington state private industries and other governmental units. The rates in the salary schedules or plans shall be increased if necessary to attain comparable worth under an implementation plan under RCW 41.06.155 and, for institutions of higher education and related boards, shall be competitive for positions of a similar nature in the state or the locality in which an institution of higher education or related board is located. Such adoption and revision is subject to approval by the director of financial management in accordance with chapter 43.88 RCW;

(k) Increment increases within the series of steps for each pay grade based on length of service for all employees whose standards of performance are such as to permit them to retain job status in the classified service. From February 18, 2009, through June 30, 2011, a salary or wage increase shall not be granted to any exempt position under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or negotiated by the nonprofit corporation formed under chapter 67.40 RCW, and except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(i) The salary increase can be paid within existing resources; and

(ii) The salary increase will not adversely impact the provision of client services;

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases;

(l) Optional lump sum relocation compensation approved by the agency director, whenever it is reasonably necessary that a person make a domiciliary move in accepting a transfer or other employment with the state. An agency must provide lump sum compensation within existing resources. If the person receiving the relocation payment terminates or causes termination with the state, for reasons other than layoff, disability separation, or other good cause as determined by an agency director, within one year of the date of the employment, the state is entitled to reimbursement of the lump sum compensation from the person;

(m) Providing for veteran's preference as required by existing statutes, with recognition of preference in regard to layoffs and subsequent reemployment for veterans and their surviving spouses by giving such eligible veterans and their surviving spouses additional credit in computing their seniority by adding to their unbroken state service, as defined by the director, the veteran's service in the military not to exceed five years. For the purposes of this section, "veteran" means any person who has one or more years of active military service in any branch of the armed forces of the United States or who has less than one year's service and is discharged with a disability incurred in the line of duty or is discharged at the convenience of the government and who, upon termination of such service, has received an honorable discharge, a discharge for physical reasons with an honorable record, or a release from active military service with evidence of service other than that for which an undesirable, bad conduct, or dishonorable discharge shall be given. However, the surviving spouse of a veteran is entitled to the benefits of this section regardless of the veteran's length of active military service. For the purposes of this section, "veteran" does not include any person who has voluntarily retired with twenty or more years of active military service and whose military retirement pay is in excess of five hundred dollars per month.

(2) Rules adopted under this section by the director shall provide for local administration and management by the institutions of higher education and related boards, subject to periodic audit and review by the director.

(3) Rules adopted by the director under this section may be superseded by the provisions of a collective bargaining agreement negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130. The supersession of such rules shall only affect employees in the respective collective bargaining units.

(4)(a) The director shall require that each state agency report annually the following data:

(i) The number of classified, Washington management service, and exempt employees in the agency and the change compared to the previous report;

(ii) The number of bonuses and performance-based incentives awarded to agency staff and the base wages of such employees; and

(iii) The cost of each bonus or incentive awarded.

(b) A report that compiles the data in (a) of this subsection for all agencies will be provided annually to the governor and the appropriate committees of the legislature and must be posted for the public on the ~~((department of personnel's))~~ office of financial management's agency web site.

(5) From February 15, 2010, until June 30, 2011, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.

Sec. 408. RCW 41.06.142 and 2008 c 267 s 9 are each amended to read as follows:

(1) Any department, agency, or institution of higher education may purchase services, including services that have been customarily and historically provided by employees in the classified service under this chapter, by contracting with individuals, nonprofit organizations, businesses, employee business units, or other entities if the following criteria are met:

(a) The invitation for bid or request for proposal contains measurable standards for the performance of the contract;

(b) Employees in the classified service whose positions or work would be displaced by the contract are provided an opportunity to offer alternatives to purchasing services by contract and, if these alternatives are not accepted, compete for the contract under competitive contracting procedures in subsection (4) of this section;

(c) The contract with an entity other than an employee business unit includes a provision requiring the entity to consider employment of state employees who may be displaced by the contract;

(d) The department, agency, or institution of higher education has established a contract monitoring process to measure contract performance, costs, service delivery quality, and other contract standards, and to cancel contracts that do not meet those standards; and

(e) The department, agency, or institution of higher education has determined that the contract results in savings or efficiency improvements. The contracting agency must consider the consequences and potential mitigation of improper or failed performance by the contractor.

(2) Any provision contrary to or in conflict with this section in any collective bargaining agreement in effect on July 1, 2005, is not effective beyond the expiration date of the agreement.

(3) Contracting for services that is expressly mandated by the legislature or was authorized by law prior to July 1, 2005, including contracts and agreements between public entities, shall not be subject to the processes set forth in subsections (1), (4), and (5) of this section.

(4) Competitive contracting shall be implemented as follows:

(a) At least ninety days prior to the date the contracting agency requests bids from private entities for a contract for services provided

by classified employees, the contracting agency shall notify the classified employees whose positions or work would be displaced by the contract. The employees shall have sixty days from the date of notification to offer alternatives to purchasing services by contract, and the agency shall consider the alternatives before requesting bids.

(b) If the employees decide to compete for the contract, they shall notify the contracting agency of their decision. Employees must form one or more employee business units for the purpose of submitting a bid or bids to perform the services.

(c) The ~~((director of personnel))~~ department of enterprise services, with the advice and assistance of the ~~((department of general administration))~~ office of financial management, shall develop and make available to employee business units training in the bidding process and general bid preparation.

(d) The director of ~~((general administration))~~ enterprise services, with the advice and assistance of the ~~((department of personnel))~~ office of financial management, shall, by rule, establish procedures to ensure that bids are submitted and evaluated in a fair and objective manner and that there exists a competitive market for the service. Such rules shall include, but not be limited to: (i) Prohibitions against participation in the bid evaluation process by employees who prepared the business unit's bid or who perform any of the services to be contracted; (ii) provisions to ensure no bidder receives an advantage over other bidders and that bid requirements are applied equitably to all parties; and (iii) procedures that require the contracting agency to receive complaints regarding the bidding process and to consider them before awarding the contract. Appeal of an agency's actions under this subsection is an adjudicative proceeding and subject to the applicable provisions of chapter 34.05 RCW, the administrative procedure act, with the final decision to be rendered by an administrative law judge assigned under chapter 34.12 RCW.

(e) An employee business unit's bid must include the fully allocated costs of the service, including the cost of the employees' salaries and benefits, space, equipment, materials, and other costs necessary to perform the function. An employee business unit's cost shall not include the state's indirect overhead costs unless those costs can be attributed directly to the function in question and would not exist if that function were not performed in state service.

(f) A department, agency, or institution of higher education may contract with the department of ~~((general administration))~~ enterprise services to conduct the bidding process.

(5) As used in this section:

(a) "Employee business unit" means a group of employees who perform services to be contracted under this section and who submit a bid for the performance of those services under subsection (4) of this section.

(b) "Indirect overhead costs" means the pro rata share of existing agency administrative salaries and benefits, and rent, equipment costs, utilities, and materials associated with those administrative functions.

(c) "Competitive contracting" means the process by which classified employees of a department, agency, or institution of higher education compete with businesses, individuals, nonprofit organizations, or other entities for contracts authorized by subsection (1) of this section.

(6) The ~~((requirements))~~ processes set forth in subsections (1), (4), and (5) of this section do not apply to:

(a) RCW 74.13.031(5);

(b) The acquisition of printing services by a state agency pursuant to RCW 43.78.030 (as recodified by this act);

(c) Contracting out provisions in section 104 of this act until June 30, 2018. Any services contracted out under the provisions of section 104 of this act will continue to be exempted until the existing contract expires.

Sec. 409. RCW 41.06.150 and 2002 c 371 s 906, 2002 c 354 s 203, 2002 c 354 s 202, and 2002 c 110 s 1 are each reenacted and amended to read as follows:

The director shall adopt rules, consistent with the purposes and provisions of this chapter and with the best standards of personnel administration, regarding the basis and procedures to be followed for:

- (1) Certification of names for vacancies;
- (2) Examinations for all positions in the competitive and noncompetitive service;
- (3) Appointments;
- (4) ((Adoption and revision of a comprehensive classification plan, in accordance with rules adopted by the board under RCW 41.06.136, for all positions in the classified service, based on investigation and analysis of the duties and responsibilities of each such position and allocation and reallocation of positions within the classification plan.

(a) The director shall not adopt job classification revisions or class studies unless implementation of the proposed revision or study will result in net cost savings, increased efficiencies, or improved management of personnel or services, and the proposed revision or study has been approved by the director of financial management in accordance with chapter 43.88 RCW.

(b) Reclassifications, class studies, and salary adjustments are governed by (a) of this subsection and RCW 41.06.152;

(5)) Permitting agency heads to delegate the authority to appoint, reduce, dismiss, suspend, or demote employees within their agencies if such agency heads do not have specific statutory authority to so delegate: PROVIDED, That the director may not authorize such delegation to any position lower than the head of a major subdivision of the agency;

((6)) (5) Assuring persons who are or have been employed in classified positions before July 1, 1993, will be eligible for employment, reemployment, transfer, and promotion in respect to classified positions covered by this chapter;

((7)) (6) Affirmative action in appointment, promotion, transfer, recruitment, training, and career development; development and implementation of affirmative action goals and timetables; and monitoring of progress against those goals and timetables.

The director shall consult with the human rights commission in the development of rules pertaining to affirmative action. ((The department of personnel shall transmit a report annually to the human rights commission which states the progress each state agency has made in meeting affirmative action goals and timetables.))

Rules adopted under this section by the director shall provide for local administration and management by the institutions of higher education and related boards, subject to periodic audit and review by the director.

Sec. 410. RCW 41.06.152 and 2007 c 489 s 1 are each amended to read as follows:

(1) The director shall adopt only those job classification revisions, class studies, and salary adjustments under ((RCW 41.06.150(4))) section 411 of this act that:

(a) As defined by the director, are due to documented recruitment or retention difficulties, salary compression or inversion, classification plan maintenance, higher level duties and responsibilities, or inequities; and

(b) Are such that the office of financial management has reviewed the affected agency's fiscal impact statement and has concurred that the affected agency can absorb the biennialized cost of the reclassification, class study, or salary adjustment within the agency's current authorized level of funding for the current fiscal biennium and subsequent fiscal biennia.

(2) This section does not apply to the higher education hospital special pay plan or to any adjustments to the classification plan under ((RCW 41.06.150(4))) section 411 of this act that are due to emergent conditions. Emergent conditions are defined as emergency conditions

requiring the establishment of positions necessary for the preservation of the public health, safety, or general welfare.

NEW SECTION. Sec. 411. A new section is added to chapter 41.06 RCW to read as follows:

(1) To promote the most effective use of the state's workforce and improve the effectiveness and efficiency of the delivery of services to the citizens of the state, the director shall adopt and maintain a comprehensive classification plan for all positions in the classified service. The classification plan must:

- (a) Be simple and streamlined;
- (b) Support state agencies in responding to changing technologies, economic and social conditions, and the needs of its citizens;
- (c) Value workplace diversity;
- (d) Facilitate the reorganization and decentralization of governmental services;
- (e) Enhance mobility and career advancement opportunities; and
- (f) Consider rates in other public employment and private employment in the state.

(2) An appointing authority and an employee organization representing classified employees of the appointing authority for collective bargaining purposes may jointly request the human resources director to initiate a classification study.

(3) For institutions of higher education and related boards, the director may adopt special salary ranges to be competitive with positions of a similar nature in the state or the locality in which the institution of higher education or related board is located.

(4) The director may undertake salary surveys of positions in other public and private employment to establish market rates. Any salary survey information collected from private employers which identifies a specific employer with salary rates which the employer pays to its employees shall not be subject to public disclosure under chapter 42.56 RCW.

NEW SECTION. Sec. 412. A new section is added to chapter 41.06 RCW to read as follows:

The director of financial management shall adopt and maintain a state salary schedule. Such adoption and revision is subject to approval by the director in accordance with chapter 43.88 RCW.

Sec. 413. RCW 41.06.167 and 2005 c 274 s 279 are each amended to read as follows:

The ((department of personnel)) human resources director shall undertake comprehensive compensation surveys for officers and entry-level officer candidates of the Washington state patrol, with such surveys to be conducted in the year prior to the convening of every other one hundred five day regular session of the state legislature. Salary and fringe benefit survey information collected from private employers which identifies a specific employer with the salary and fringe benefit rates which that employer pays to its employees shall not be subject to public disclosure under chapter 42.56 RCW.

Sec. 414. RCW 41.06.169 and 1985 c 461 s 3 are each amended to read as follows:

After consultation with state agency heads, employee organizations, and other interested parties, the ((state personnel)) director shall develop standardized employee performance evaluation procedures and forms which shall be used by state agencies for the appraisal of employee job performance at least annually. These procedures shall include means whereby individual agencies may supplement the standardized evaluation process with special performance factors peculiar to specific organizational needs. Performance evaluation procedures shall place primary emphasis on recording how well the employee has contributed to efficiency, effectiveness, and economy in fulfilling state agency and job objectives.

Sec. 415. RCW 41.06.170 and 2009 c 534 s 3 are each amended to read as follows:

(1) The director, in the adoption of rules governing suspensions for cause, shall not authorize an appointing authority to suspend an employee for more than fifteen calendar days as a single penalty or more than thirty calendar days in any one calendar year as an accumulation of several penalties. The director shall require that the appointing authority give written notice to the employee not later than one day after the suspension takes effect, stating the reasons for and the duration thereof.

(2) Any employee who is reduced, dismissed, suspended, or demoted, after completing his or her probationary period of service as provided by the rules of the director, or any employee who is adversely affected by a violation of the state civil service law, chapter 41.06 RCW, or rules adopted under it, shall have the right to appeal, either individually or through his or her authorized representative, not later than thirty days after the effective date of such action ~~((to the personnel appeals board through June 30, 2005, and))~~ to the Washington personnel resources board ~~((after June 30, 2005))~~. The employee shall be furnished with specified charges in writing when a reduction, dismissal, suspension, or demotion action is taken. Such appeal shall be in writing. Decisions of the Washington personnel resources board on appeals filed after June 30, 2005, shall be final and not subject to further appeal.

(3) Any employee whose position has been exempted after July 1, 1993, shall have the right to appeal, either individually or through his or her authorized representative, not later than thirty days after the effective date of such action to the ~~((personnel appeals board through June 30, 2005, and to the))~~ Washington personnel resources board ~~((after June 30, 2005))~~. If the position being exempted is vacant, the exclusive bargaining unit representative may act in lieu of an employee for the purposes of appeal.

(4) An employee incumbent in a position at the time of its allocation or reallocation, or the agency utilizing the position, may appeal the allocation or reallocation to the ~~((personnel appeals board through December 31, 2005, and to the))~~ Washington personnel resources board ~~((after December 31, 2005))~~. Notice of such appeal must be filed in writing within thirty days of the action from which appeal is taken.

(5) Subsections (1) and (2) of this section do not apply to any employee who is subject to the provisions of a collective bargaining agreement negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130.

Sec. 416. RCW 41.06.220 and 1961 c 1 s 22 are each amended to read as follows:

((1) An employee who is terminated from state service may request the board to place his name on an appropriate reemployment list and the board shall grant this request where the circumstances are found to warrant reemployment.

(2)) Any employee, when fully reinstated after appeal, shall be guaranteed all employee rights and benefits, including back pay, sick leave, vacation accrual, retirement and OASDI credits.

Sec. 417. RCW 41.06.260 and 1961 c 1 s 26 are each amended to read as follows:

If any part of this chapter shall be found to be in conflict with federal requirements which are a condition precedent to the allocation of federal funds to the state, such conflicting part of this chapter is hereby declared to be inoperative solely to the extent of such conflict and with respect to the agencies directly affected, and such findings or determination shall not affect the operation of the remainder of this chapter in its application to the agencies concerned. The ~~((board))~~ office of financial management and the department of enterprise services, as appropriate, shall make such rules and regulations as may be necessary to meet federal requirements which are a condition precedent to the receipt of federal funds by the state.

Sec. 418. RCW 41.06.270 and 2002 c 354 s 217 are each amended to read as follows:

A disbursing officer shall not pay any employee holding a position covered by this chapter unless the employment is in accordance with this chapter or the rules, regulations and orders issued hereunder. The directors of ~~((personnel))~~ enterprise services and financial management shall jointly establish procedures for the certification of payrolls.

Sec. 419. RCW 41.06.280 and 1993 c 379 s 309 are each amended to read as follows:

There is hereby created a fund within the state treasury, designated as the ~~((department of))~~ personnel service fund, to be used by the ~~((board))~~ office of financial management and the department of enterprise services as a revolving fund for the payment of salaries, wages, and operations required for the administration of the provisions of this chapter, applicable provisions of chapter 41.04 RCW, and chapter 41.60 RCW. An amount not to exceed one and one-half percent of the ~~((approved allotments of))~~ salaries and wages for all positions in the classified service in each of the agencies subject to this chapter, except the institutions of higher education, shall be charged to the operations appropriations of each agency and credited to the ~~((department of))~~ personnel service fund as the allotments are approved pursuant to chapter 43.88 RCW. Subject to the above limitations, the amount shall be charged against the allotments pro rata, at a rate to be fixed by the director from time to time which, together with income derived from services rendered under RCW 41.06.080, will provide the ~~((department))~~ office of financial management and the department of enterprise services with funds to meet its anticipated expenditures during the allotment period, including the training requirements in RCW 41.06.50041.06.530.

The director ~~((of personnel))~~ shall fix the terms and charges for services rendered by the department of ~~((personnel))~~ enterprise services and the office of financial management pursuant to RCW 41.06.080, which amounts shall be credited to the ~~((department of))~~ personnel service fund and charged against the proper fund or appropriation of the recipient of such services on a ~~((quarterly))~~ monthly basis. Payment for services so rendered under RCW 41.06.080 shall be made on a ~~((quarterly))~~ monthly basis to the state treasurer and deposited ~~((by him))~~ in the ~~((department of))~~ personnel service fund.

Moneys from the ~~((department of))~~ personnel service fund shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the ~~((board))~~ office of financial management and the department of enterprise services.

Sec. 420. RCW 41.06.285 and 1998 c 245 s 41 are each amended to read as follows:

(1) There is hereby created a fund within the state treasury, designated as the "higher education personnel service fund," to be used by the ~~((board))~~ office of financial management as a revolving fund for the payment of salaries, wages, and operations required for the administration of ~~((institutions of higher education and related boards, the budget for which shall be subject to review and approval and appropriation by the legislature))~~ the provisions of chapter 41.06 RCW and applicable provisions of chapters 41.04 and 41.60 RCW. Subject to the requirements of subsection (2) of this section, an amount not to exceed one-half of one percent of the salaries and wages for all positions in the classified service shall be contributed from the operations appropriations of each institution and the state board for community and technical colleges and credited to the higher education personnel service fund as such allotments are approved pursuant to chapter 43.88 RCW. Subject to the above limitations, such amount shall be charged against the allotments pro rata, at a rate to be fixed by the director of financial management from time to time, which will provide the ~~((board))~~ office of financial management with funds to meet its anticipated expenditures during the allotment period.

(2) If employees of institutions of higher education cease to be classified under this chapter pursuant to an agreement authorized by RCW 41.56.201, each institution of higher education and the state

board for community and technical colleges shall continue, for six months after the effective date of the agreement, to make contributions to the higher education personnel service fund based on employee salaries and wages that includes the employees under the agreement. At the expiration of the six-month period, the director of financial management shall make across-the-board reductions in allotments of the higher education personnel service fund for the remainder of the biennium so that the charge to the institutions of higher education and state board for community and technical colleges based on the salaries and wages of the remaining employees of institutions of higher education and related boards classified under this chapter does not increase during the biennium, unless an increase is authorized by the legislature.

(3) Moneys from the higher education personnel service fund shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the ~~((board))~~ office of financial management.

Sec. 421. RCW 41.06.350 and 2002 c 354 s 218 are each amended to read as follows:

The director is authorized to receive federal funds now available or hereafter made available for the assistance and improvement of public personnel administration, which may be expended in addition to the ~~((department of))~~ personnel service fund established by RCW 41.06.280.

Sec. 422. RCW 41.06.395 and 2007 c 76 s 1 are each amended to read as follows:

The director shall adopt rules establishing guidelines for policies, procedures, and mandatory training programs on sexual harassment for state employees to be adopted by state agencies ~~(and establishing))~~. The department of enterprise services shall establish reporting requirements for state agencies on compliance with RCW 43.01.135.

Sec. 423. RCW 41.06.400 and 2002 c 354 s 219 are each amended to read as follows:

(1) In addition to other powers and duties specified in this chapter, the ~~((director))~~ department of enterprise services in consultation with the office of financial management shall ~~(;);~~

~~(a) By rule, prescribe the purpose and minimum standards for training and career development programs and, in so doing, regularly consult with and consider the needs of individual agencies and employees~~ ~~(-~~

~~(2) In addition to other powers and duties specified in this chapter, the director shall:~~

~~(a) Provide for the evaluation of training and career development programs and plans of agencies. The director shall report the results of such evaluations to the agency which is the subject of the evaluation~~ ~~(;);~~

(b) Provide training and career development programs which may be conducted more efficiently and economically on an interagency basis;

(c) Promote interagency sharing of resources for training and career development;

(d) Monitor and review the impact of training and career development programs to ensure that the responsibilities of the state to provide equal employment opportunities are diligently carried out.

~~((3))~~ (2) At an agency's request, the ((director)) department of enterprise services may provide training and career development programs for an agency's internal use which may be conducted more efficiently and economically by the department of ((personnel)) enterprise services.

Sec. 424. RCW 41.06.410 and 2002 c 354 s 220 are each amended to read as follows:

Each agency subject to the provisions of this chapter shall:

(1) Prepare an employee training and career development plan which shall at least meet minimum standards established by the ~~((director. A copy of such plan shall be submitted to the director for~~

~~purposes of administering the provisions of RCW 41.06.400(2))) department of enterprise services;~~

(2) Provide for training and career development for its employees in accordance with the agency plan;

(3) ~~((Report on its training and career development program operations and costs to the director in accordance with reporting procedures adopted by the director;~~

~~((4))) Budget for training and career development in accordance with procedures of the office of financial management.~~

Sec. 425. RCW 41.06.420 and 1980 c 118 s 6 are each amended to read as follows:

(1) The ~~((board))~~ office of financial management, by rule, shall prescribe the conditions under which an employee appointed to a supervisory or management position after June 12, 1980, shall be required to successfully complete an entry-level management training course as approved by the director. Such training shall not be required of any employee who has completed a management training course prior to the employee's appointment which is, in the judgment of the director, at least equivalent to the entry-level course required by this section.

(2) The ~~((board))~~ office of financial management, by rule, shall establish procedures for the suspension of the entry-level training requirement in cases where the ability of an agency to perform its responsibilities is adversely affected, or for the waiver of this requirement in cases where a person has demonstrated experience as a substitute for training.

(3) Agencies subject to the provisions of this chapter, in accordance with rules prescribed by the ~~((board))~~ office of financial management, shall designate individual positions, or groups of positions, as being "supervisory" or "management" positions. Such designations shall be subject to review by the director ~~((as part of the director's evaluation of training and career development programs prescribed by RCW 41.06.400(2))).~~

Sec. 426. RCW 41.06.476 and 2001 c 296 s 6 are each amended to read as follows:

(1) The ~~((board))~~ office of financial management shall amend any existing rules established under RCW 41.06.475 and adopt rules developed in cooperation and agreement with the department of social and health services to implement the provisions of chapter 296, Laws of 2001.

(2) The legislature's delegation of authority to the agency under chapter 296, Laws of 2001 is strictly limited to:

(a) The minimum delegation necessary to administer the clear and unambiguous directives of chapter 296, Laws of 2001; and

(b) The administration of circumstances and behaviors foreseeable at the time of enactment.

Sec. 427. RCW 41.06.490 and 2002 c 354 s 223 are each amended to read as follows:

~~((+))~~ In addition to the rules adopted under RCW 41.06.150, the director shall adopt rules establishing a state employee return-to-work program. The program shall, at a minimum:

~~((+))~~ (1) Direct each agency to adopt a return-to-work policy. The program shall allow each agency program to take into consideration the special nature of employment in the agency;

~~((+))~~ (2) Provide for eligibility in the return-to-work program, for a minimum of two years from the date the temporary disability commenced, for any permanent employee who is receiving compensation under RCW 51.32.090 and who is, by reason of his or her temporary disability, unable to return to his or her previous work, but who is physically capable of carrying out work of a lighter or modified nature;

~~((+))~~ Allow opportunity for return-to-work statewide when appropriate job classifications are not available in the agency that is the appointing authority at the time of injury;

~~((+))~~ (3) Require each agency to name an agency representative

responsible for coordinating the return-to-work program of the agency;

~~((#))~~ (4) Provide that applicants receiving appointments for classified service receive an explanation of the return-to-work policy;

~~((#))~~ (5) Require training of supervisors on implementation of the return-to-work policy, including but not limited to assessment of the appropriateness of the return-to-work job for the employee; and

~~((#))~~ (6) Coordinate participation of applicable employee assistance programs, as appropriate.

((2)) The agency full-time equivalents necessary to implement the return-to-work program established under this section shall be used only for the purposes of the return-to-work program and the net increase in full-time equivalents shall be temporary.)

Sec. 428. RCW 41.06.510 and 1993 c 281 s 10 are each amended to read as follows:

Each institution of higher education and each related board shall designate an officer who shall perform duties as personnel officer. The personnel officer at each institution or related board shall direct, supervise, and manage administrative and technical personnel activities for the classified service at the institution or related board consistent with policies established by the institution or related board and in accordance with the provisions of this chapter and the rules adopted under this chapter. Institutions may undertake jointly with one or more other institutions to appoint a person qualified to perform the duties of personnel officer, provide staff and financial support and may engage consultants to assist in the performance of specific projects. The services of the department of ~~((personnel))~~ enterprise services and the office of financial management may also be used by the institutions or related boards pursuant to RCW 41.06.080.

The state board for community and technical colleges shall have general supervision and control over activities undertaken by the various community colleges pursuant to this section.

Sec. 429. RCW 41.06.530 and 1993 c 281 s 12 are each amended to read as follows:

(1) The legislature recognizes that:

(a) The labor market and the state government workforce are diverse in terms of gender, race, ethnicity, age, and the presence of disabilities.

(b) The state's personnel resource and management practices must be responsive to the diverse nature of its workforce composition.

(c) Managers in all agencies play a key role in the implementation of all critical personnel policies.

It is therefore the policy of the state to create an organizational culture in state government that respects and values individual differences and encourages the productive potential of every employee.

(2) To implement this policy~~((the department shall))~~:

(a) The office of financial management shall, in consultation with agencies, employee organizations, employees, institutions of higher education, and related boards, review civil service rules and related policies to ensure that they support the state's policy of valuing and managing diversity in the workplace; and

(b) (In consultation with agencies, employee organizations, and employees, institutions of higher education, and related boards, develop model policies, procedures, and technical information to be made available to such entities for the support of workplace diversity programs, including, but not limited to:

(i) Voluntary mentorship programs;

(ii) Alternative testing practices for persons of disability where deemed appropriate;

(iii) Career counseling;

(iv) Training opportunities, including management and employee awareness and skills training, English as a second language, and individual tutoring;

(v) Recruitment strategies;

(vi) Management performance appraisal techniques that focus on

valuing and managing diversity in the workplace; and

(vii) Alternative work arrangements;

(c)) The department of enterprise services, in consultation with agencies, employee organizations, and employees, institutions of higher education, and related boards, develop training programs for all managers to enhance their ability to implement diversity policies and to provide a thorough grounding in all aspects of the state civil service law and merit system rules, and how the proper implementation and application thereof can facilitate and further the mission of the agency.

(3) The department of enterprise services and the office of financial management shall coordinate implementation of this section with the ~~((office of financial management and))~~ institutions of higher education and related boards to reduce duplication of effort.

NEW SECTION. Sec. 430. A new section is added to chapter 43.41 RCW to read as follows:

(1) The office of financial management shall direct and supervise the personnel policy and application of the civil service laws, chapter 41.06 RCW.

(2) The human resources director is created in the office of financial management. The human resources director shall be appointed by the governor, and shall serve at the pleasure of the governor. The director shall receive a salary in an amount fixed by the governor.

(3) The human resources director has the authority and shall perform the functions as prescribed in chapter 41.06 RCW, or as otherwise prescribed by law.

(4) The human resources director may delegate to any agency the authority to perform administrative and technical personnel activities if the agency requests such authority and the human resources director is satisfied that the agency has the personnel management capabilities to effectively perform the delegated activities. The human resources director shall prescribe standards and guidelines for the performance of delegated activities. If the human resources director determines that an agency is not performing delegated activities within the prescribed standards and guidelines, the director shall withdraw the authority from the agency to perform such activities.

Sec. 431. RCW 34.05.030 and 2006 c 300 s 4 are each amended to read as follows:

(1) This chapter shall not apply to:

(a) The state militia, or

(b) The board of clemency and pardons, or

(c) The department of corrections or the indeterminate sentencing review board with respect to persons who are in their custody or are subject to the jurisdiction of those agencies.

(2) The provisions of RCW 34.05.410 through 34.05.598 shall not apply:

(a) To adjudicative proceedings of the board of industrial insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

(b) Except for actions pursuant to chapter 46.29 RCW, to the denial, suspension, or revocation of a driver's license by the department of licensing;

(c) To the department of labor and industries where another statute expressly provides for review of adjudicative proceedings of a department action, order, decision, or award before the board of industrial insurance appeals;

(d) To actions of the Washington personnel resources board ~~((or the director of personnel))~~, the human resources director, or the office of financial management and the department of enterprise services when carrying out their duties under chapter 41.06 RCW;

(e) To adjustments by the department of revenue of the amount of the surcharge imposed under RCW 82.04.261; or

(f) To the extent they are inconsistent with any provisions of chapter 43.43 RCW.

(3) Unless a party makes an election for a formal hearing pursuant to RCW 82.03.140 or 82.03.190, RCW 34.05.410 through 34.05.598 do not apply to a review hearing conducted by the board of tax appeals.

(4) The rule-making provisions of this chapter do not apply to:

(a) Reimbursement unit values, fee schedules, arithmetic conversion factors, and similar arithmetic factors used to determine payment rates that apply to goods and services purchased under contract for clients eligible under chapter 74.09 RCW; and

(b) Adjustments by the department of revenue of the amount of the surcharge imposed under RCW 82.04.261.

(5) All other agencies, whether or not formerly specifically excluded from the provisions of all or any part of the administrative procedure act, shall be subject to the entire act.

Sec. 432. RCW 41.04.340 and 2002 c 354 s 227 are each amended to read as follows:

(1) An attendance incentive program is established for all eligible employees. As used in this section the term "eligible employee" means any employee of the state, other than eligible employees of the community and technical colleges and the state board for community and technical colleges identified in RCW 28B.50.553, and teaching and research faculty at the state and regional universities and The Evergreen State College, entitled to accumulate sick leave and for whom accurate sick leave records have been maintained. No employee may receive compensation under this section for any portion of sick leave accumulated at a rate in excess of one day per month. The state and regional universities and The Evergreen State College shall maintain complete and accurate sick leave records for all teaching and research faculty.

(2) In January of the year following any year in which a minimum of sixty days of sick leave is accrued, and each January thereafter, any eligible employee may receive remuneration for unused sick leave accumulated in the previous year at a rate equal to one day's monetary compensation of the employee for each four full days of accrued sick leave in excess of sixty days. Sick leave for which compensation has been received shall be deducted from accrued sick leave at the rate of four days for every one day's monetary compensation.

(3) At the time of separation from state service due to retirement or death, an eligible employee or the employee's estate may elect to receive remuneration at a rate equal to one day's current monetary compensation of the employee for each four full days of accrued sick leave.

(4) Remuneration or benefits received under this section shall not be included for the purpose of computing a retirement allowance under any public retirement system in this state.

(5) Except as provided in subsections (7) through (9) of this section for employees not covered by chapter 41.06 RCW, this section shall be administered, and rules shall be adopted to carry out its purposes, by the human resources director (~~(of personnel)~~) for persons subject to chapter 41.06 RCW: PROVIDED, That determination of classes of eligible employees shall be subject to approval by the office of financial management.

(6) Should the legislature revoke any remuneration or benefits granted under this section, no affected employee shall be entitled thereafter to receive such benefits as a matter of contractual right.

(7) In lieu of remuneration for unused sick leave at retirement as provided in subsection (3) of this section, an agency head or designee may with equivalent funds, provide eligible employees with a benefit plan that provides for reimbursement for medical expenses. This plan shall be implemented only after consultation with affected groups of employees. For eligible employees covered by chapter 41.06 RCW, procedures for the implementation of these plans shall be adopted by the human resources director (~~(of personnel)~~). For eligible employees exempt from chapter 41.06 RCW, and classified employees who have opted out of coverage of chapter 41.06 RCW as provided in RCW

41.56.201, implementation procedures shall be adopted by an agency head having jurisdiction over the employees.

(8) Implementing procedures adopted by the human resources director (~~(of personnel)~~) or agency heads shall require that each medical expense plan authorized by subsection (7) of this section apply to all eligible employees in any one of the following groups: (a) Employees in an agency; (b) employees in a major organizational subdivision of an agency; (c) employees at a major operating location of an agency; (d) exempt employees under the jurisdiction of an elected or appointed Washington state executive; (e) employees of the Washington state senate; (f) employees of the Washington state house of representatives; (g) classified employees in a bargaining unit established by the director of personnel; or (h) other group of employees defined by an agency head that is not designed to provide an individual-employee choice regarding participation in a medical expense plan. However, medical expense plans for eligible employees in any of the groups under (a) through (h) of this subsection who are covered by a collective bargaining agreement shall be implemented only by written agreement with the bargaining unit's exclusive representative and a separate medical expense plan may be provided for unrepresented employees.

(9) Medical expense plans authorized by subsection (7) of this section must require as a condition of participation in the plan that employees in the group affected by the plan sign an agreement with the employer. The agreement must include a provision to hold the employer harmless should the United States government find that the employer or the employee is in debt to the United States as a result of the employee not paying income taxes due on the equivalent funds placed into the plan, or as a result of the employer not withholding or deducting a tax, assessment, or other payment on the funds as required by federal law. The agreement must also include a provision that requires an eligible employee to forfeit remuneration under subsection (3) of this section if the employee belongs to a group that has been designated to participate in the medical expense plan permitted under this section and the employee refuses to execute the required agreement.

Sec. 433. RCW 41.04.385 and 2006 c 265 s 201 are each amended to read as follows:

The legislature finds that (1) demographic, economic, and social trends underlie a critical and increasing demand for child care in the state of Washington; (2) working parents and their children benefit when the employees' child care needs have been resolved; (3) the state of Washington should serve as a model employer by creating a supportive atmosphere, to the extent feasible, in which its employees may meet their child care needs; and (4) the state of Washington should encourage the development of partnerships between state agencies, state employees, state employee labor organizations, and private employers to expand the availability of affordable quality child care. The legislature finds further that resolving employee child care concerns not only benefits the employees and their children, but may benefit the employer by reducing absenteeism, increasing employee productivity, improving morale, and enhancing the employer's position in recruiting and retaining employees. Therefore, the legislature declares that it is the policy of the state of Washington to assist state employees by creating a supportive atmosphere in which they may meet their child care needs. Policies and procedures for state agencies to address employee child care needs will be the responsibility of the director of (~~(personnel)~~) enterprise services in consultation with the director of the department of early learning and state employee representatives.

Sec. 434. RCW 41.04.395 and 1994 sp.s. c 9 s 801 are each amended to read as follows:

(1) The disability accommodation revolving fund is created in the custody of the state treasurer. Disbursements from the fund shall be on authorization of the director of (~~(the department of personnel)~~) financial management or the director's designee. The fund is subject

to the allotment procedure provided under chapter 43.88 RCW, but no appropriation is required for disbursements. The fund shall be used exclusively by state agencies to accommodate the unanticipated job site or equipment needs of persons of disability in state employ.

(2) The director of ~~(the department of personnel)~~ financial management or the director's designee shall consult with the governor's committee on disability issues and employment regarding requests for disbursements from the disability accommodation revolving fund. The department shall establish application procedures, adopt criteria, and provide technical assistance to users of the fund.

(3) Agencies that receive moneys from the disability accommodation revolving fund shall return to the fund the amount received from the fund by no later than the end of the first month of the following fiscal biennium.

Sec. 435. RCW 41.04.665 and 2010 1st sp.s. c 32 s 10 and 2010 c 168 s 1 are each reenacted and amended to read as follows:

(1) An agency head may permit an employee to receive leave under this section if:

(a)(i) The employee suffers from, or has a relative or household member suffering from, an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature;

(ii) The employee has been called to service in the uniformed services;

(iii) A state of emergency has been declared anywhere within the United States by the federal or any state government and the employee has needed skills to assist in responding to the emergency or its aftermath and volunteers his or her services to either a governmental agency or to a nonprofit organization engaged in humanitarian relief in the devastated area, and the governmental agency or nonprofit organization accepts the employee's offer of volunteer services;

(iv) The employee is a victim of domestic violence, sexual assault, or stalking; or

(v) During the 2009-2011 fiscal biennium only, the employee is eligible to use leave in lieu of temporary layoff under section 3(5), chapter 32, Laws of 2010 1st sp. sess.;

(b) The illness, injury, impairment, condition, call to service, emergency volunteer service, or consequence of domestic violence, sexual assault, temporary layoff under section 3(5), chapter 32, Laws of 2010 1st sp. sess., or stalking has caused, or is likely to cause, the employee to:

(i) Go on leave without pay status; or

(ii) Terminate state employment;

(c) The employee's absence and the use of shared leave are justified;

(d) The employee has depleted or will shortly deplete his or her:

(i) Annual leave and sick leave reserves if he or she qualifies

under (a)(i) of this subsection;

(ii) Annual leave and paid military leave allowed under RCW 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or

(iii) Annual leave if he or she qualifies under (a)(iii), (iv), or (v) of this subsection;

(e) The employee has abided by agency rules regarding:

(i) Sick leave use if he or she qualifies under (a)(i) or (iv) of this subsection; or

(ii) Military leave if he or she qualifies under (a)(ii) of this subsection; and

(f) The employee has diligently pursued and been found to be ineligible for benefits under chapter 51.32 RCW if he or she qualifies under (a)(i) of this subsection.

(2) The agency head shall determine the amount of leave, if any, which an employee may receive under this section. However, an employee shall not receive a total of more than five hundred twenty-two days of leave, except that, a supervisor may authorize leave in excess of five hundred twenty-two days in extraordinary

circumstances for an employee qualifying for the shared leave program because he or she is suffering from an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature. Shared leave received under the uniformed service shared leave pool in RCW 41.04.685 is not included in this total.

(3) An employee may transfer annual leave, sick leave, and his or her personal holiday, as follows:

(a) An employee who has an accrued annual leave balance of more than ten days may request that the head of the agency for which the employee works transfer a specified amount of annual leave to another employee authorized to receive leave under subsection (1) of this section. In no event may the employee request a transfer of an amount of leave that would result in his or her annual leave account going below ten days. For purposes of this subsection (3)(a), annual leave does not accrue if the employee receives compensation in lieu of accumulating a balance of annual leave.

(b) An employee may transfer a specified amount of sick leave to an employee requesting shared leave only when the donating employee retains a minimum of one hundred seventy-six hours of sick leave after the transfer.

(c) An employee may transfer, under the provisions of this section relating to the transfer of leave, all or part of his or her personal holiday, as that term is defined under RCW 1.16.050, or as such holidays are provided to employees by agreement with a school district's board of directors if the leave transferred under this subsection does not exceed the amount of time provided for personal holidays under RCW 1.16.050.

(4) An employee of an institution of higher education under RCW 28B.10.016, school district, or educational service district who does not accrue annual leave but does accrue sick leave and who has an accrued sick leave balance of more than twenty-two days may request that the head of the agency for which the employee works transfer a specified amount of sick leave to another employee authorized to receive leave under subsection (1) of this section. In no event may such an employee request a transfer that would result in his or her sick leave account going below twenty-two days. Transfers of sick leave under this subsection are limited to transfers from employees who do not accrue annual leave. Under this subsection, "sick leave" also includes leave accrued pursuant to RCW 28A.400.300(2) or 28A.310.240(1) with compensation for illness, injury, and emergencies.

(5) Transfers of leave made by an agency head under subsections (3) and (4) of this section shall not exceed the requested amount.

(6) Leave transferred under this section may be transferred from employees of one agency to an employee of the same agency or, with the approval of the heads of both agencies, to an employee of another state agency.

(7) While an employee is on leave transferred under this section, he or she shall continue to be classified as a state employee and shall receive the same treatment in respect to salary, wages, and employee benefits as the employee would normally receive if using accrued annual leave or sick leave.

(a) All salary and wage payments made to employees while on leave transferred under this section shall be made by the agency employing the person receiving the leave. The value of leave transferred shall be based upon the leave value of the person receiving the leave.

(b) In the case of leave transferred by an employee of one agency to an employee of another agency, the agencies involved shall arrange for the transfer of funds and credit for the appropriate value of leave.

(i) Pursuant to rules adopted by the office of financial management, funds shall not be transferred under this section if the transfer would violate any constitutional or statutory restrictions on the funds being transferred.

(ii) The office of financial management may adjust the appropriation authority of an agency receiving funds under this section only if and to the extent that the agency's existing appropriation authority would prevent it from expending the funds received.

(iii) Where any questions arise in the transfer of funds or the adjustment of appropriation authority, the director of financial management shall determine the appropriate transfer or adjustment.

(8) Leave transferred under this section shall not be used in any calculation to determine an agency's allocation of full time equivalent staff positions.

(9) The value of any leave transferred under this section which remains unused shall be returned at its original value to the employee or employees who transferred the leave when the agency head finds that the leave is no longer needed or will not be needed at a future time in connection with the illness or injury for which the leave was transferred or for any other qualifying condition. Before the agency head makes a determination to return unused leave in connection with an illness or injury, or any other qualifying condition, he or she must receive from the affected employee a statement from the employee's doctor verifying that the illness or injury is resolved. To the extent administratively feasible, the value of unused leave which was transferred by more than one employee shall be returned on a pro rata basis.

(10) An employee who uses leave that is transferred to him or her under this section may not be required to repay the value of the leave that he or she used.

(11) The human resources director (~~(of personnel)~~) may adopt rules as necessary to implement subsection (2) ~~((a) through (e))~~ of this section.

Sec. 436. RCW 41.04.670 and 1993 c 281 s 18 are each amended to read as follows:

The (~~Washington personnel resources board~~) office of financial management and other personnel authorities shall each adopt rules applicable to employees under their respective jurisdictions: (1) Establishing appropriate parameters for the program which are consistent with the provisions of RCW 41.04.650 through 41.04.665; (2) providing for equivalent treatment of employees between their respective jurisdictions and allowing transfers of leave in accordance with RCW 41.04.665(5); (3) establishing procedures to ensure that the program does not significantly increase the cost of providing leave; and (4) providing for the administration of the program and providing for maintenance and collection of sufficient information on the program to allow a thorough legislative review.

Sec. 437. RCW 41.04.680 and 2006 c 356 s 1 are each amended to read as follows:

The (~~department of personnel~~) office of financial management and other personnel authorities shall adopt rules or policies governing the accumulation and use of sick leave for state agency and department employees, expressly for the establishment of a plan allowing participating employees to pool sick leave and allowing any sick leave thus pooled to be used by any participating employee who has used all of the sick leave, annual leave, and compensatory leave that has been personally accrued by him or her. Each department or agency of the state may allow employees to participate in a sick leave pool established by the (~~department of personnel~~) office of financial management and other personnel authorities.

(1) For purposes of calculating maximum sick leave that may be donated or received by any one employee, pooled sick leave:

(a) Is counted and converted in the same manner as sick leave under the Washington state leave sharing program as provided in this chapter; and

(b) Does not create a right to sick leave in addition to the amount that may be donated or received under the Washington state leave sharing program as provided in this chapter.

(2) The (~~department~~) office of financial management and other personnel authorities, except the personnel authorities for higher education institutions, shall adopt rules which provide:

(a) That employees are eligible to participate in the sick leave pool after one year of employment with the state or agency of the state if the employee has accrued a minimum amount of unused sick leave, to be established by rule;

(b) That participation in the sick leave pool shall, at all times, be voluntary on the part of the employees;

(c) That any sick leave pooled shall be removed from the personally accumulated sick leave balance of the employee contributing the leave;

(d) That any sick leave in the pool that is used by a participating employee may be used only for the employee's personal illness, accident, or injury;

(e) That a participating employee is not eligible to use sick leave accumulated in the pool until all of his or her personally accrued sick, annual, and compensatory leave has been used;

(f) A maximum number of days of sick leave in the pool that any one employee may use;

(g) That a participating employee who uses sick leave from the pool is not required to recontribute such sick leave to the pool, except as otherwise provided in this section;

(h) That an employee who cancels his or her membership in the sick leave pool is not eligible to withdraw the days of sick leave contributed by that employee to the pool;

(i) That an employee who transfers from one position in state government to another position in state government may transfer from one pool to another if the eligibility criteria of the pools are comparable and the administrators of the pools have agreed on a formula for transfer of credits;

(j) That alleged abuse of the use of the sick leave pool shall be investigated, and, on a finding of wrongdoing, the employee shall repay all of the sick leave credits drawn from the sick leave pool and shall be subject to such other disciplinary action as is determined by the agency head;

(k) That sick leave credits may be drawn from the sick leave pool by a part-time employee on a pro rata basis; and

(l) That each department or agency shall maintain accurate and reliable records showing the amount of sick leave which has been accumulated and is unused by employees, in accordance with guidelines established by the department of personnel.

(3) Personnel authorities for higher education institutions shall adopt policies consistent with the needs of the employees under their respective jurisdictions.

Sec. 438. RCW 41.04.685 and 2007 c 25 s 1 are each amended to read as follows:

(1) The uniformed service shared leave pool is created to allow employees to donate leave to be used as shared leave for any employee who has been called to service in the uniformed services and who meets the requirements of RCW 41.04.665. Participation in the pool shall, at all times, be voluntary on the part of the employee. The military department, in consultation with the (~~department of personnel and the~~) office of financial management, shall administer the uniformed service shared leave pool.

(2) Employees as defined in subsection (10) of this section who are eligible to donate leave under RCW 41.04.665 may donate leave to the uniformed service shared leave pool.

(3) An employee as defined in subsection (10) of this section who has been called to service in the uniformed services and is eligible for shared leave under RCW 41.04.665 may request shared leave from the uniformed service shared leave pool.

(4) It shall be the responsibility of the employee who has been called to service to provide an earnings statement verifying military salary, orders of service, and notification of a change in orders of service or military salary.

(5) Shared leave under this section may not be granted unless the pool has a sufficient balance to fund the requested shared leave for the expected term of service.

(6) Shared leave paid under this section, in combination with military salary, shall not exceed the level of the employee's state monthly salary.

(7) Any leave donated shall be removed from the personally accumulated leave balance of the employee donating the leave.

(8) An employee who receives shared leave from the pool is not required to retribute such leave to the pool, except as otherwise provided in this section.

(9) Leave that may be donated or received by any one employee shall be calculated as in RCW 41.04.665.

(10) As used in this section:

(a) "Employee" has the meaning provided in RCW 41.04.655, except that "employee" as used in this section does not include employees of school districts and educational service districts.

(b) "Service in the uniformed services" has the meaning provided in RCW 41.04.655.

(c) "Military salary" includes base, specialty, and other pay, but does not include allowances such as the basic allowance for housing.

(d) "Monthly salary" includes monthly salary and special pay and shift differential, or the monthly equivalent for hourly employees. "Monthly salary" does not include:

- (i) Overtime pay;
- (ii) Call back pay;
- (iii) Standby pay; or
- (iv) Performance bonuses.

(11) The ~~((department of personnel))~~ office of financial management, in consultation with the military department ~~((and the office of financial management))~~, shall adopt rules and policies governing the donation and use of shared leave from the uniformed service shared leave pool, including definitions of pay and allowances and guidelines for agencies to use in recordkeeping concerning shared leave.

(12) Agencies shall investigate any alleged abuse of the uniformed service shared leave pool and on a finding of wrongdoing, the employee may be required to repay all of the shared leave received from the uniformed service shared leave pool.

(13) Higher education institutions shall adopt policies consistent with the needs of the employees under their respective jurisdictions.

Sec. 439. RCW 41.04.720 and 1990 c 60 s 303 are each amended to read as follows:

The director of ~~((human resources))~~ enterprise services shall:

(1) Administer the state employee assistance program to assist employees who have personal problems that adversely affect their job performance or have the potential of doing so;

(2) Develop policies, procedures, and activities for the program;

(3) Encourage and promote the voluntary use of the employee assistance program by increasing employee awareness and disseminating educational materials;

(4) Provide technical assistance and training to agencies on how to use the employee assistance program;

(5) Assist and encourage supervisors to identify and refer employees with problems that impair their performance by incorporating proper use of the program in management training, management performance criteria, ongoing communication with agencies, and other appropriate means;

(6) Offer substance abuse prevention and awareness activities to be provided through the employee assistance program and the state employee wellness program;

(7) Monitor and evaluate the effectiveness of the program, including the collection, analysis, and publication of relevant statistical information; and

(8) Consult with state agencies, institutions of higher education, and employee organizations in carrying out the purposes of RCW 41.04.700 through 41.04.730.

Sec. 440. RCW 41.04.770 and 1997 c 287 s 4 are each amended to read as follows:

The department of social and health services and the department of ~~((personnel))~~ enterprise services shall, after consultation with supported employment provider associations and other interested parties, encourage, educate, and assist state agencies in implementing supported employment programs. The department of ~~((personnel))~~ enterprise services shall provide human resources technical assistance to agencies implementing supported employment programs. ~~((The department of personnel shall make available, upon request of the legislature, an annual report that evaluates the overall progress of supported employment in state government.))~~

Sec. 441. RCW 41.07.020 and 1979 c 151 s 62 are each amended to read as follows:

The department of ~~((personnel))~~ enterprise services is authorized to administer, maintain, and operate the central personnel-payroll system and to provide its services for any state agency designated jointly by the director of the department of ~~((personnel))~~ enterprise services and the director of financial management.

The system shall be operated through state data processing centers. State agencies shall convert personnel and payroll processing to the central personnel-payroll system as soon as administratively and technically feasible as determined by the office of financial management and the department of ~~((personnel))~~ enterprise services. It is the intent of the legislature to provide, through the central personnel-payroll system, for uniform reporting to the office of financial management and to the legislature regarding salaries and related costs, and to reduce present costs of manual procedures in personnel and payroll record keeping and reporting.

Sec. 442. RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each amended to read as follows:

The costs of administering, maintaining, and operating the central personnel-payroll system shall be distributed to the using state agencies. In order to insure proper and equitable distribution of costs the department of ~~((personnel))~~ enterprise services shall utilize cost accounting procedures to identify all costs incurred in the administration, maintenance, and operation of the central personnel-payroll system. In order to facilitate proper and equitable distribution of costs to the using state agencies the department of ~~((personnel))~~ enterprise services is authorized to utilize the data processing revolving fund created by RCW 43.105.080 ~~((as recodified by this act))~~ and the ~~((department of))~~ personnel service fund created by RCW 41.06.280.

Sec. 443. RCW 41.60.015 and 2000 c 139 s 1 are each amended to read as follows:

(1) There is hereby created the productivity board, which may also be known as the employee involvement and recognition board. The board shall administer the employee suggestion program and the teamwork incentive program under this chapter.

(2) The board shall be composed of:

(a) The secretary of state who shall act as chairperson;

(b) ~~((The director of personnel appointed under the provisions of RCW 41.06.130 or the director's designee;~~

~~((c))~~ The director of financial management or the director's designee;

~~((d))~~ ~~((c))~~ The director of ~~((general administration))~~ enterprise services or the director's designee;

~~((e))~~ ~~((d))~~ Three persons with experience in administering incentives such as those used by industry, with the governor, lieutenant governor, and speaker of the house of representatives each appointing one person. The governor's appointee shall be a representative of an employee organization certified as an exclusive representative of at least one bargaining unit of classified employees;

((#)) (e) Two persons representing state agencies and institutions with employees subject to chapter 41.06 RCW, and one person representing those subject to chapter 28B.16 RCW, both appointed by the governor; and

((#)) (f) In addition, the governor and board chairperson may jointly appoint persons to the board on an ad hoc basis. Ad hoc members shall serve in an advisory capacity and shall not have the right to vote.

Members under subsection (2)((#))(d) and ((#)) (e) of this section shall be appointed to serve three-year terms.

Members of the board appointed pursuant to subsection (2)((#))(d) of this section may be compensated in accordance with RCW 43.03.240. Any board member who is not a state employee may be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

Sec. 444. RCW 41.80.005 and 2002 c 354 s 321 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Agency" means any agency as defined in RCW 41.06.020 and covered by chapter 41.06 RCW.

(2) "Collective bargaining" means the performance of the mutual obligation of the representatives of the employer and the exclusive bargaining representative to meet at reasonable times and to bargain in good faith in an effort to reach agreement with respect to the subjects of bargaining specified under RCW 41.80.020. The obligation to bargain does not compel either party to agree to a proposal or to make a concession, except as otherwise provided in this chapter.

(3) "Commission" means the public employment relations commission.

(4) "Confidential employee" means an employee who, in the regular course of his or her duties, assists in a confidential capacity persons who formulate, determine, and effectuate management policies with regard to labor relations or who, in the regular course of his or her duties, has authorized access to information relating to the effectuation or review of the employer's collective bargaining policies, or who assists or aids a manager. "Confidential employee" also includes employees who assist assistant attorneys general who advise and represent managers or confidential employees in personnel or labor relations matters, or who advise or represent the state in tort actions.

(5) "Director" means the director of the public employment relations commission.

(6) "Employee" means any employee, including employees whose work has ceased in connection with the pursuit of lawful activities protected by this chapter, covered by chapter 41.06 RCW, except:

(a) Employees covered for collective bargaining by chapter 41.56 RCW;

(b) Confidential employees;

(c) Members of the Washington management service;

(d) Internal auditors in any agency; or

(e) Any employee of the commission, the office of financial management, ~~((or the department of personnel))~~ or the office of risk management within the department of enterprise services.

(7) "Employee organization" means any organization, union, or association in which employees participate and that exists for the purpose, in whole or in part, of collective bargaining with employers.

(8) "Employer" means the state of Washington.

(9) "Exclusive bargaining representative" means any employee organization that has been certified under this chapter as the representative of the employees in an appropriate bargaining unit.

(10) "Institutions of higher education" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington

University, The Evergreen State College, and the various state community colleges.

(11) "Labor dispute" means any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment with respect to the subjects of bargaining provided in this chapter, regardless of whether the disputants stand in the proximate relation of employer and employee.

(12) "Manager" means "manager" as defined in RCW 41.06.022.

(13) "Supervisor" means an employee who has authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, direct, reward, or discipline employees, or to adjust employee grievances, or effectively to recommend such action, if the exercise of the authority is not of a merely routine nature but requires the consistent exercise of individual judgment. However, no employee who is a member of the Washington management service may be included in a collective bargaining unit established under this section.

(14) "Unfair labor practice" means any unfair labor practice listed in RCW 41.80.110.

Sec. 445. RCW 41.80.020 and 2010 c 283 s 16 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, the matters subject to bargaining include wages, hours, and other terms and conditions of employment, and the negotiation of any question arising under a collective bargaining agreement.

(2) The employer is not required to bargain over matters pertaining to:

(a) Health care benefits or other employee insurance benefits, except as required in subsection (3) of this section;

(b) Any retirement system or retirement benefit; or

(c) Rules of the human resources director ~~((of personnel))~~, the director of enterprise services, or the Washington personnel resources board adopted under ~~((section 203, chapter 354, Laws of 2002))~~ section 411 of this act.

(3) Matters subject to bargaining include the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits. However, except as provided otherwise in this subsection for institutions of higher education, negotiations regarding the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits shall be conducted between the employer and one coalition of all the exclusive bargaining representatives subject to this chapter. The exclusive bargaining representatives for employees that are subject to chapter 47.64 RCW shall bargain the dollar amount expended on behalf of each employee for health care benefits with the employer as part of the coalition under this subsection. Any such provision agreed to by the employer and the coalition shall be included in all master collective bargaining agreements negotiated by the parties. For institutions of higher education, promotional preferences and the number of names to be certified for vacancies shall be bargained under the provisions of RCW 41.80.010(4).

(4) The employer and the exclusive bargaining representative shall not agree to any proposal that would prevent the implementation of approved affirmative action plans or that would be inconsistent with the comparable worth agreement that provided the basis for the salary changes implemented beginning with the 1983-1985 biennium to achieve comparable worth.

(5) The employer and the exclusive bargaining representative shall not bargain over matters pertaining to management rights established in RCW 41.80.040.

(6) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of

employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.

(7) This section does not prohibit bargaining that affects contracts authorized by RCW 41.06.142.

Sec. 446. RCW 42.16.010 and 2008 c 186 s 1 are each amended to read as follows:

(1) Except as provided otherwise in subsections (2) and (3) of this section, all state officers and employees shall be paid for services rendered from the first day of the month through the fifteenth day of the month and for services rendered from the sixteenth day of the month through the last calendar day of the month. Paydates for these two pay periods shall be established by the director of financial management through the administrative hearing process and the official paydates shall be established six months prior to the beginning of each subsequent calendar year. Under no circumstance shall the paydate be established more than ten days after the pay period in which the wages are earned except when the designated paydate falls on Sunday, in which case the paydate shall not be later than the following Monday. Payment shall be deemed to have been made by the established paydates if: (a) The salary warrant is available at the geographic work location at which the warrant is normally available to the employee; or (b) the salary has been electronically transferred into the employee's account at the employee's designated financial institution; or (c) the salary warrants are mailed at least two days before the established paydate for those employees engaged in work in remote or varying locations from the geographic location at which the payroll is prepared, provided that the employee has requested payment by mail.

The office of financial management shall develop the necessary policies and operating procedures to assure that all remuneration for services rendered including basic salary, shift differential, standby pay, overtime, penalty pay, salary due based on contractual agreements, and special pay provisions, as provided for by law, (~~Washington personnel resources board rules,~~) agency policy or rule, or contract, shall be available to the employee on the designated paydate. Overtime, penalty pay, and special pay provisions may be paid by the next following paydate if the postponement of payment is attributable to: The employee's not making a timely or accurate report of the facts which are the basis for the payment, or the employer's lack of reasonable opportunity to verify the claim.

Compensable benefits payable because of separation from state service shall be paid with the earnings for the final period worked unless the employee separating has not provided the agency with the proper notification of intent to terminate.

One-half of the employee's basic monthly salary shall be paid in each pay period. Employees paid on an hourly basis or employees who work less than a full pay period shall be paid for actual salary earned.

(2) Subsection (1) of this section shall not apply in instances where it would conflict with contractual rights or, with the approval of the office of financial management, to short-term, intermittent, noncareer state employees, to student employees of institutions of higher education, to national or state guard members participating in state active duty, and to liquor control agency managers who are paid a percentage of monthly liquor sales.

(3) When a national or state guard member is called to participate in state active duty, the paydate shall be no more than seven days following completion of duty or the end of the pay period, whichever is first. When the seventh day falls on Sunday, the paydate shall not be later than the following Monday. This subsection shall apply only to the pay a national or state guard member receives from the military department for state active duty.

(4) Notwithstanding subsections (1) and (2) of this section, a bargained contract at an institution of higher education may include a

provision for paying part-time academic employees on a pay schedule that coincides with all the paydays used for full-time academic employees.

Sec. 447. RCW 42.17.370 and 2010 1st sp.s. c 7 s 4 are each amended to read as follows:

The commission is empowered to:

(1) Adopt, promulgate, amend, and rescind suitable administrative rules to carry out the policies and purposes of this chapter, which rules shall be adopted under chapter 34.05 RCW. Any rule relating to campaign finance, political advertising, or related forms that would otherwise take effect after June 30th of a general election year shall take effect no earlier than the day following the general election in that year;

(2) Appoint and set, within the limits established by the (~~department of personnel~~) office of financial management under RCW 43.03.028, the compensation of an executive director who shall perform such duties and have such powers as the commission may prescribe and delegate to implement and enforce this chapter efficiently and effectively. The commission shall not delegate its authority to adopt, amend, or rescind rules nor shall it delegate authority to determine whether an actual violation of this chapter has occurred or to assess penalties for such violations;

(3) Prepare and publish such reports and technical studies as in its judgment will tend to promote the purposes of this chapter, including reports and statistics concerning campaign financing, lobbying, financial interests of elected officials, and enforcement of this chapter;

(4) Make from time to time, on its own motion, audits and field investigations;

(5) Make public the time and date of any formal hearing set to determine whether a violation has occurred, the question or questions to be considered, and the results thereof;

(6) Administer oaths and affirmations, issue subpoenas, and compel attendance, take evidence and require the production of any books, papers, correspondence, memorandums, or other records relevant or material for the purpose of any investigation authorized under this chapter, or any other proceeding under this chapter;

(7) Adopt and promulgate a code of fair campaign practices;

(8) Relieve, by rule, candidates or political committees of obligations to comply with the provisions of this chapter relating to election campaigns, if they have not received contributions nor made expenditures in connection with any election campaign of more than one thousand dollars;

(9) Adopt rules prescribing reasonable requirements for keeping accounts of and reporting on a quarterly basis costs incurred by state agencies, counties, cities, and other municipalities and political subdivisions in preparing, publishing, and distributing legislative information. The term "legislative information," for the purposes of this subsection, means books, pamphlets, reports, and other materials prepared, published, or distributed at substantial cost, a substantial purpose of which is to influence the passage or defeat of any legislation. The state auditor in his or her regular examination of each agency under chapter 43.09 RCW shall review the rules, accounts, and reports and make appropriate findings, comments, and recommendations in his or her examination reports concerning those agencies;

(10) After hearing, by order approved and ratified by a majority of the membership of the commission, suspend or modify any of the reporting requirements of this chapter in a particular case if it finds that literal application of this chapter works a manifestly unreasonable hardship and if it also finds that the suspension or modification will not frustrate the purposes of the chapter. The commission shall find that a manifestly unreasonable hardship exists if reporting the name of an entity required to be reported under RCW 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive position of any entity in which the person filing the report or any member of his or her immediate family holds any office, directorship, general

partnership interest, or an ownership interest of ten percent or more. Any suspension or modification shall be only to the extent necessary to substantially relieve the hardship. The commission shall act to suspend or modify any reporting requirements only if it determines that facts exist that are clear and convincing proof of the findings required under this section. Requests for renewals of reporting modifications may be heard in a brief adjudicative proceeding as set forth in RCW 34.05.482 through 34.05.494 and in accordance with the standards established in this section. No initial request may be heard in a brief adjudicative proceeding and no request for renewal may be heard in a brief adjudicative proceeding if the initial request was granted more than three years previously or if the applicant is holding an office or position of employment different from the office or position held when the initial request was granted. The commission shall adopt administrative rules governing the proceedings. Any citizen has standing to bring an action in Thurston county superior court to contest the propriety of any order entered under this section within one year from the date of the entry of the order; ~~(and)~~

(11) Revise, at least once every five years but no more often than every two years, the monetary reporting thresholds and reporting code values of this chapter. The revisions shall be only for the purpose of recognizing economic changes as reflected by an inflationary index recommended by the office of financial management. The revisions shall be guided by the change in the index for the period commencing with the month of December preceding the last revision and concluding with the month of December preceding the month the revision is adopted. As to each of the three general categories of this chapter (reports of campaign finance, reports of lobbyist activity, and reports of the financial affairs of elected and appointed officials), the revisions shall equally affect all thresholds within each category. Revisions shall be adopted as rules under chapter 34.05 RCW. The first revision authorized by this subsection shall reflect economic changes from the time of the last legislative enactment affecting the respective code or threshold through December 1985; ~~and~~

(12) Develop and provide to filers a system for certification of reports required under this chapter which are transmitted by facsimile or electronically to the commission. Implementation of the program is contingent on the availability of funds.

Sec. 448. RCW 42.17A.110 and 2010 1st sp.s. c 7 s 4 and 2010 c 204 s 303 are each reenacted and amended to read as follows:

The commission is empowered to:

(1) Adopt, promulgate, amend, and rescind suitable administrative rules to carry out the policies and purposes of this chapter, which rules shall be adopted under chapter 34.05 RCW. Any rule relating to campaign finance, political advertising, or related forms that would otherwise take effect after June 30th of a general election year shall take effect no earlier than the day following the general election in that year;

(2) Appoint and set, within the limits established by the ~~((committee on agency officials' salaries))~~ office of financial management under RCW 43.03.028, the compensation of an executive director who shall perform such duties and have such powers as the commission may prescribe and delegate to implement and enforce this chapter efficiently and effectively. The commission shall not delegate its authority to adopt, amend, or rescind rules nor shall it delegate authority to determine whether an actual violation of this chapter has occurred or to assess penalties for such violations;

(3) Prepare and publish such reports and technical studies as in its judgment will tend to promote the purposes of this chapter, including reports and statistics concerning campaign financing, lobbying, financial interests of elected officials, and enforcement of this chapter;

(4) Make from time to time, on its own motion, audits and field investigations;

(5) Make public the time and date of any formal hearing set to determine whether a violation has occurred, the question or questions to be considered, and the results thereof;

(6) Administer oaths and affirmations, issue subpoenas, and compel attendance, take evidence and require the production of any books, papers, correspondence, memorandums, or other records relevant or material for the purpose of any investigation authorized under this chapter, or any other proceeding under this chapter;

(7) Adopt and promulgate a code of fair campaign practices;

(8) Relieve, by rule, candidates or political committees of obligations to comply with the provisions of this chapter relating to election campaigns, if they have not received contributions nor made expenditures in connection with any election campaign of more than one thousand dollars;

(9) Adopt rules prescribing reasonable requirements for keeping accounts of and reporting on a quarterly basis costs incurred by state agencies, counties, cities, and other municipalities and political subdivisions in preparing, publishing, and distributing legislative information. The term "legislative information," for the purposes of this subsection, means books, pamphlets, reports, and other materials prepared, published, or distributed at substantial cost, a substantial purpose of which is to influence the passage or defeat of any legislation. The state auditor in his or her regular examination of each agency under chapter 43.09 RCW shall review the rules, accounts, and reports and make appropriate findings, comments, and recommendations in his or her examination reports concerning those agencies;

(10) After hearing, by order approved and ratified by a majority of the membership of the commission, suspend or modify any of the reporting requirements of this chapter in a particular case if it finds that literal application of this chapter works a manifestly unreasonable hardship and if it also finds that the suspension or modification will not frustrate the purposes of the chapter. The commission shall find that a manifestly unreasonable hardship exists if reporting the name of an entity required to be reported under RCW 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive position of any entity in which the person filing the report or any member of his or her immediate family holds any office, directorship, general partnership interest, or an ownership interest of ten percent or more. Any suspension or modification shall be only to the extent necessary to substantially relieve the hardship. The commission shall act to suspend or modify any reporting requirements only if it determines that facts exist that are clear and convincing proof of the findings required under this section. Requests for renewals of reporting modifications may be heard in a brief adjudicative proceeding as set forth in RCW 34.05.482 through 34.05.494 and in accordance with the standards established in this section. No initial request may be heard in a brief adjudicative proceeding and no request for renewal may be heard in a brief adjudicative proceeding if the initial request was granted more than three years previously or if the applicant is holding an office or position of employment different from the office or position held when the initial request was granted. The commission shall adopt administrative rules governing the proceedings. Any citizen has standing to bring an action in Thurston county superior court to contest the propriety of any order entered under this section within one year from the date of the entry of the order; and

(11) Revise, at least once every five years but no more often than every two years, the monetary reporting thresholds and reporting code values of this chapter. The revisions shall be only for the purpose of recognizing economic changes as reflected by an inflationary index recommended by the office of financial management. The revisions shall be guided by the change in the index for the period commencing with the month of December preceding the last revision and concluding with the month of December preceding the month the revision is adopted. As to each of the three general categories of this

chapter (reports of campaign finance, reports of lobbyist activity, and reports of the financial affairs of elected and appointed officials), the revisions shall equally affect all thresholds within each category. Revisions shall be adopted as rules under chapter 34.05 RCW. The first revision authorized by this subsection shall reflect economic changes from the time of the last legislative enactment affecting the respective code or threshold through December 1985;

(12) Develop and provide to filers a system for certification of reports required under this chapter which are transmitted by facsimile or electronically to the commission. Implementation of the program is contingent on the availability of funds.

Sec. 449. RCW 43.01.040 and 2009 c 549 s 5001 are each amended to read as follows:

Each subordinate officer and employee of the several offices, departments, and institutions of the state government shall be entitled under their contract of employment with the state government to not less than one working day of vacation leave with full pay for each month of employment if said employment is continuous for six months.

Each such subordinate officer and employee shall be entitled under such contract of employment to not less than one additional working day of vacation with full pay each year for satisfactorily completing the first two, three and five continuous years of employment respectively.

Such part time officers or employees of the state government who are employed on a regular schedule of duration of not less than one year shall be entitled under their contract of employment to that fractional part of the vacation leave that the total number of hours of such employment bears to the total number of hours of full time employment.

Each subordinate officer and employee of the several offices, departments and institutions of the state government shall be entitled under his or her contract of employment with the state government to accrue unused vacation leave not to exceed thirty working days. Officers and employees transferring within the several offices, departments and institutions of the state government shall be entitled to transfer such accrued vacation leave to each succeeding state office, department or institution. All vacation leave shall be taken at the time convenient to the employing office, department or institution: PROVIDED, That if a subordinate officer's or employee's request for vacation leave is deferred by reason of the convenience of the employing office, department or institution, and a statement of the necessity therefor is (~~filed by such employing office, department or institution with the appropriate personnel board or other state agency or officer~~) retained by the agency, then the aforesaid maximum thirty working days of accrued unused vacation leave shall be extended for each month said leave is so deferred.

Sec. 450. RCW 43.01.135 and 2007 c 76 s 2 are each amended to read as follows:

Agencies as defined in RCW 41.06.020, except for institutions of higher education, shall:

- (1) Update or develop and disseminate among all agency employees and contractors a policy that:
 - (a) Defines and prohibits sexual harassment in the workplace;
 - (b) Includes procedures that describe how the agency will address concerns of employees who are affected by sexual harassment in the workplace;
 - (c) Identifies appropriate sanctions and disciplinary actions; and
 - (d) Complies with guidelines adopted by the director of personnel under RCW 41.06.395;
- (2) Respond promptly and effectively to sexual harassment concerns;
- (3) Conduct training and education for all employees in order to prevent and eliminate sexual harassment in the organization;
- (4) Inform employees of their right to file a complaint with the Washington state human rights commission under chapter 49.60

RCW, or with the federal equal employment opportunity commission under Title VII of the civil rights act of 1964; and

(5) Report to the department of (~~personnel~~) enterprise services on compliance with this section.

The cost of the training programs shall be borne by state agencies within existing resources.

Sec. 451. RCW 43.03.028 and 2010 1st sp.s. c 7 s 2 are each amended to read as follows:

(1) The (~~department of personnel~~) office of financial management shall study the duties and salaries of the directors of the several departments and the members of the several boards and commissions of state government, who are subject to appointment by the governor or whose salaries are fixed by the governor, and of the chief executive officers of the following agencies of state government:

The arts commission; the human rights commission; the board of accountancy; (~~the board of pharmacy~~); the eastern Washington historical society; the Washington state historical society; the recreation and conservation office; the criminal justice training commission; (~~the department of personnel; the state library~~) the traffic safety commission; the horse racing commission; (~~the advisory council on vocational education~~); the public disclosure commission; the state conservation commission; the commission on Hispanic affairs; the commission on Asian Pacific American affairs; the state board for volunteer firefighters and reserve officers; the transportation improvement board; the public employment relations commission; (~~the forest practices appeals board~~); and the energy facilities site evaluation council.

(2) The (~~department of personnel~~) office of financial management shall report to the governor or the chairperson of the appropriate salary fixing authority at least once in each fiscal biennium on such date as the governor may designate, but not later than seventy-five days prior to the convening of each regular session of the legislature during an odd-numbered year, its recommendations for the salaries to be fixed for each position.

Sec. 452. RCW 43.03.120 and 2009 c 549 s 5009 are each amended to read as follows:

Any state office, commission, department or institution may also pay the moving expenses of a new employee, necessitated by his or her acceptance of state employment, pursuant to mutual agreement with such employee in advance of his or her employment(~~PROVIDED, That if such employee is in the classified service as defined in chapter 41.06 RCW, that said employee has been duly certified from an eligible register. No such offer or agreement for such payment shall be made to a prospective member of the classified service, prior to such certification, except through appropriate public announcement by the department of personnel, or other corresponding personnel agency as provided by chapter 41.06 RCW~~). Payment for all expenses authorized by RCW 43.03.060, 43.03.110 through 43.03.210 including moving expenses of new employees, exempt or classified, and others, shall be subject to reasonable (~~regulations promulgated~~) rules adopted by the director of financial management, including regulations defining allowable moving costs: PROVIDED, That, if the new employee terminates or causes termination of his or her employment with the state within one year of the date of employment, the state shall be entitled to reimbursement for the moving costs which have been paid and may withhold such sum as necessary therefor from any amounts due the employee.

Sec. 453. RCW 43.03.130 and 2000 c 153 s 1 are each amended to read as follows:

Any state office, commission, department or institution may agree to pay the travel expenses of a prospective employee as an inducement for such applicant to travel to a designated place to be interviewed by and for the convenience of such agency(~~PROVIDED, That if such employment is to be in the classified~~

service, such offer may be made only on the express authorization of the state department of personnel, or other corresponding personnel agency as provided by chapter 41.06 RCW, to applicants reporting for a merit system examination or to applicants from an eligible register reporting for a pre-employment interview)). Travel expenses authorized for prospective employees called for interviews shall be payable at rates in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended. When an applicant is called to be interviewed by or on behalf of more than one agency, the authorized travel expenses may be paid directly by the authorizing personnel department or agency, subject to reimbursement from the interviewing agencies on a pro rata basis.

In the case of both classified and exempt positions, such travel expenses will be paid only for applicants being considered for the positions of director, deputy director, assistant director, or supervisor of state departments, boards or commissions; or equivalent or higher positions; or engineers, or other personnel having both executive and professional status. In the case of the state investment board, such travel expenses may also be paid for applicants being considered for investment officer positions. In the case of four-year institutions of higher education, such travel expenses will be paid only for applicants being considered for academic positions above the rank of instructor or professional or administrative employees in supervisory positions. In the case of community and technical colleges, such travel expenses may be paid for applicants being considered for full-time faculty positions or administrative employees in supervisory positions.

Sec. 454. RCW 43.06.013 and 2006 c 45 s 1 are each amended to read as follows:

When requested by the governor or the director of the department of ~~((personnel))~~ enterprise services, nonconviction criminal history fingerprint record checks shall be conducted through the Washington state patrol identification and criminal history section and the federal bureau of investigation on applicants for agency head positions appointed by the governor. Information received pursuant to this section shall be confidential and made available only to the governor or director of the department of personnel or their employees directly involved in the selection, hiring, or background investigation of the subject of the record check. When necessary, applicants may be employed on a conditional basis pending completion of the criminal history record check. "Agency head" as used in this section has the same definition as provided in RCW 34.05.010.

Sec. 455. RCW 43.06.410 and 1993 c 281 s 47 are each amended to read as follows:

There is established within the office of the governor the Washington state internship program to assist students and state employees in gaining valuable experience and knowledge in various areas of state government. In administering the program, the governor shall:

- (1) Consult with the secretary of state, the director of ~~((personnel))~~ enterprise services, the commissioner of the employment security department, and representatives of labor;
- (2) Encourage and assist agencies in developing intern positions;
- (3) Develop and coordinate a selection process for placing individuals in intern positions. This selection process shall give due regard to the responsibilities of the state to provide equal employment opportunities;
- (4) Develop and coordinate a training component of the internship program which balances the need for training and exposure to new ideas with the intern's and agency's need for on-the-job work experience;
- (5) Work with institutions of higher education in developing the program, soliciting qualified applicants, and selecting participants; and
- (6) Develop guidelines for compensation of the participants.

Sec. 456. RCW 43.06.425 and 2002 c 354 s 229 are each amended to read as follows:

The director of ~~((personnel))~~ financial management or the director's designee shall adopt rules to provide that:

(1) Successful completion of an internship under RCW 43.06.420 shall be considered as employment experience at the level at which the intern was placed;

(2) Persons leaving classified or exempt positions in state government in order to take an internship under RCW 43.06.420: (a) Have the right of reversion to the previous position at any time during the internship or upon completion of the internship; and (b) shall continue to receive all fringe benefits as if they had never left their classified or exempt positions;

(3) Participants in the undergraduate internship program who were not public employees prior to accepting a position in the program receive sick leave allowances commensurate with other state employees;

(4) Participants in the executive fellows program who were not public employees prior to accepting a position in the program receive sick and vacation leave allowances commensurate with other state employees.

Sec. 457. RCW 43.33A.100 and 2008 c 236 s 1 are each amended to read as follows:

The state investment board shall maintain appropriate offices and employ such personnel as may be necessary to perform its duties. Employment by the investment board shall include but not be limited to an executive director, investment officers, and a confidential secretary, which positions are exempt from classified service under chapter 41.06 RCW. Employment of the executive director by the board shall be for a term of three years, and such employment shall be subject to confirmation of the state finance committee: PROVIDED, That nothing shall prevent the board from dismissing the director for cause before the expiration of the term nor shall anything prohibit the board, with the confirmation of the state finance committee, from employing the same individual as director in succeeding terms. Compensation levels for the executive director, a confidential secretary, and all investment officers, including the deputy director for investment management, employed by the investment board shall be established by the state investment board. The investment board is authorized to maintain a retention pool within the state investment board expense account under RCW 43.33A.160, from the earnings of the funds managed by the board, pursuant to a performance management and compensation program developed by the investment board, in order to address recruitment and retention problems and to reward performance. The compensation levels and incentive compensation for investment officers shall be limited to the average of total compensation provided by state or other public funds of similar size, based upon a biennial survey conducted by the investment board, with review and comment by the joint legislative audit and review committee. However, in any fiscal year the incentive compensation granted by the investment board from the retention pool to investment officers pursuant to this section may not exceed thirty percent. Disbursements from the retention pool shall be from legislative appropriations and shall be on authorization of the board's executive director or the director's designee.

The investment board shall provide notice to ~~((the director of the department of personnel,))~~ the director of financial management~~((,))~~ and the chairs of the house of representatives and senate fiscal committees of proposed changes to the compensation levels for the positions. The notice shall be provided not less than sixty days prior to the effective date of the proposed changes.

As of July 1, 1981, all employees classified under chapter 41.06 RCW and engaged in duties assumed by the state investment board on July 1, 1981, are assigned to the state investment board. The transfer shall not diminish any rights granted these employees under chapter 41.06 RCW nor exempt the employees from any action which may occur thereafter in accordance with chapter 41.06 RCW.

All existing contracts and obligations pertaining to the functions transferred to the state investment board in chapter 3, Laws of 1981 shall remain in full force and effect, and shall be performed by the board. None of the transfers directed by chapter 3, Laws of 1981 shall affect the validity of any act performed by a state entity or by any official or employee thereof prior to July 1, 1981.

Sec. 458. RCW 43.130.060 and 1973 2nd ex.s. c 37 s 6 are each amended to read as follows:

In order to reimburse the public employees' retirement system for any increased costs occasioned by the provisions of this chapter which affect the retirement system, the ~~((public employees' retirement board))~~ director of retirement systems shall, within thirty days of the date upon which any affected employee elects to take advantage of the retirement provisions of this chapter, determine the increased present and future cost to the retirement system of such employee's election. Upon the determination of the amount necessary to offset ~~((said))~~ the increased cost, the ~~((retirement board))~~ director of retirement systems shall bill the department of ~~((personnel))~~ enterprise services for the amount of the increased cost: PROVIDED, That such billing shall not exceed eight hundred sixty-one thousand dollars. Such billing shall be paid by the department as, and the same shall be, a proper charge against any moneys available or appropriated to the department for this purpose.

Sec. 459. RCW 43.131.090 and 2002 c 354 s 230 are each amended to read as follows:

Unless the legislature specifies a shorter period of time, a terminated entity shall continue in existence until June 30th of the next succeeding year for the purpose of concluding its affairs: PROVIDED, That the powers and authority of the entity shall not be reduced or otherwise limited during this period. Unless otherwise provided:

(1) All employees of terminated entities classified under chapter 41.06 RCW, the state civil service law, shall be transferred as appropriate or as otherwise provided in the procedures adopted by the human resources director ~~((of personnel))~~ pursuant to RCW 41.06.150;

(2) All documents and papers, equipment, or other tangible property in the possession of the terminated entity shall be delivered to the custody of the entity assuming the responsibilities of the terminated entity or if such responsibilities have been eliminated, documents and papers shall be delivered to the state archivist and equipment or other tangible property to the department of ~~((general administration))~~ enterprise services;

(3) All funds held by, or other moneys due to, the terminated entity shall revert to the fund from which they were appropriated, or if that fund is abolished to the general fund;

(4) Notwithstanding the provisions of RCW 34.05.020, all rules made by a terminated entity shall be repealed, without further action by the entity, at the end of the period provided in this section, unless assumed and reaffirmed by the entity assuming the related legal responsibilities of the terminated entity;

(5) All contractual rights and duties of an entity shall be assigned or delegated to the entity assuming the responsibilities of the terminated entity, or if there is none to such entity as the governor shall direct.

Sec. 460. RCW 48.37.060 and 2008 c 100 s 2 are each amended to read as follows:

(1) When the commissioner determines that other market conduct actions identified in RCW 48.37.040(4)(a) have not sufficiently addressed issues raised concerning company activities in Washington state, the commissioner has the discretion to conduct market conduct examinations in accordance with the NAIC market conduct uniform examination procedures and the NAIC market regulation handbook.

(2)(a) In lieu of an examination of an insurer licensed in this state, the commissioner shall accept an examination report of another state, unless the commissioner determines that the other state does not have

laws substantially similar to those of this state, or does not have a market oversight system that is comparable to the market conduct oversight system set forth in this law.

(b) The commissioner's determination under (a) of this subsection is discretionary with the commissioner and is not subject to appeal.

(c) If the insurer to be examined is part of an insurance holding company system, the commissioner may also seek to simultaneously examine any affiliates of the insurer under common control and management which are licensed to write the same lines of business in this state.

(3) Before commencement of a market conduct examination, market conduct oversight personnel shall prepare a work plan consisting of the following:

- (a) The name and address of the insurer being examined;
- (b) The name and contact information of the examiner-in-charge;
- (c) The name of all market conduct oversight personnel initially assigned to the market conduct examination;
- (d) The justification for the examination;
- (e) The scope of the examination;
- (f) The date the examination is scheduled to begin;
- (g) Notice of any noninsurance department personnel who will assist in the examination;
- (h) A time estimate for the examination;
- (i) A budget for the examination if the cost of the examination is billed to the insurer; and
- (j) An identification of factors that will be included in the billing if the cost of the examination is billed to the insurer.

(4)(a) Within ten days of the receipt of the information contained in subsection (3) of this section, insurers may request the commissioner's discretionary review of any alleged conflict of interest, pursuant to RCW 48.37.090(2), of market conduct oversight personnel and noninsurance department personnel assigned to a market conduct examination. The request for review shall specifically describe the alleged conflict of interest in the proposed assignment of any person to the examination.

(b) Within five business days of receiving a request for discretionary review of any alleged conflict of interest in the proposed assignment of any person to a market conduct examination, the commissioner or designee shall notify the insurer of any action regarding the assignment of personnel to a market conduct examination based on the insurer's allegation of conflict of interest.

(5) Market conduct examinations shall, to the extent feasible, use desk examinations and data requests before an on-site examination.

(6) Market conduct examinations shall be conducted in accordance with the provisions set forth in the NAIC market regulation handbook and the NAIC market conduct uniform examinations procedures, subject to the precedence of the provisions of chapter 82, Laws of 2007.

(7) The commissioner shall use the NAIC standard data request.

(8) Announcement of the examination shall be sent to the insurer and posted on the NAIC's examination tracking system as soon as possible but in no case later than sixty days before the estimated commencement of the examination, except where the examination is conducted in response to extraordinary circumstances as described in RCW 48.37.050(2)(a). The announcement sent to the insurer shall contain the examination work plan and a request for the insurer to name its examination coordinator.

(9) If an examination is expanded significantly beyond the original reasons provided to the insurer in the notice of the examination required by subsection (3) of this section, the commissioner shall provide written notice to the insurer, explaining the expansion and reasons for the expansion. The commissioner shall provide a revised work plan if the expansion results in significant changes to the items presented in the original work plan required by subsection (3) of this section.

(10) The commissioner shall conduct a preexamination conference with the insurer examination coordinator and key personnel to clarify expectations at least thirty days before commencement of the examination, unless otherwise agreed by the insurer and the commissioner.

(11) Before the conclusion of the field work for market conduct examination, the examiner-in-charge shall review examination findings to date with insurer personnel and schedule an exit conference with the insurer, in accordance with procedures in the NAIC market regulation handbook.

(12)(a) No later than sixty days after completion of each market conduct examination, the commissioner shall make a full written report of each market conduct examination containing only facts ascertained from the accounts, records, and documents examined and from the sworn testimony of individuals, and such conclusions and recommendations as may reasonably be warranted from such facts.

(b) The report shall be certified by the commissioner or by the examiner-in-charge of the examination, and shall be filed in the commissioner's office subject to (c) of this subsection.

(c) The commissioner shall furnish a copy of the market conduct examination report to the person examined not less than ten days and, unless the time is extended by the commissioner, not more than thirty days prior to the filing of the report for public inspection in the commissioner's office. If the person so requests in writing within such period, the commissioner shall hold a hearing to consider objections of such person to the report as proposed, and shall not so file the report until after such hearing and until after any modifications in the report deemed necessary by the commissioner have been made.

(d) Within thirty days of the end of the period described in (c) of this subsection, unless extended by order of the commissioner, the commissioner shall consider the report, together with any written submissions or rebuttals and any relevant portions of the examiner's work papers and enter an order:

(i) Adopting the market conduct examination report as filed or with modification or corrections. If the market conduct examination report reveals that the company is operating in violation of any law, rule, or order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure that violation;

(ii) Rejecting the market conduct examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation, or information, and refiling under this subsection; or

(iii) Calling for an investigatory hearing with no less than twenty days' notice to the company for purposes of obtaining additional documentation, data, information, and testimony.

(e) All orders entered under (d) of this subsection must be accompanied by findings and conclusions resulting from the commissioner's consideration and review of the market conduct examination report, relevant examiner work papers, and any written submissions or rebuttals. The order is considered a final administrative decision and may be appealed under the administrative procedure act, chapter 34.05 RCW, and must be served upon the company by certified mail or certifiable electronic means, together with a copy of the adopted examination report. A copy of the adopted examination report must be sent by certified mail or certifiable electronic means to each director at the director's residential address or to a personal e-mail account.

(f)(i) Upon the adoption of the market conduct examination report under (d) of this subsection, the commissioner shall continue to hold the content of the examination report as private and confidential information for a period of five days except that the order may be disclosed to the person examined. Thereafter, the commissioner may open the report for public inspection so long as no court of competent jurisdiction has stayed its publication.

(ii) If the commissioner determines that regulatory action is appropriate as a result of any market conduct examination, he or she may initiate any proceedings or actions as provided by law.

(iii) Nothing contained in this subsection requires the commissioner to disclose any information or records that would indicate or show the existence or content of any investigation or activity of a criminal justice agency.

(g) The insurer's response shall be included in the commissioner's order adopting the final report as an exhibit to the order. The insurer is not obligated to submit a response.

(13) The commissioner may withhold from public inspection any examination or investigation report for so long as he or she deems it advisable.

(14)(a) Market conduct examinations within this state of any insurer domiciled or having its home offices in this state, other than a title insurer, made by the commissioner or the commissioner's examiners and employees shall, except as to fees, mileage, and expense incurred as to witnesses, be at the expense of the state.

(b) Every other examination, whatsoever, or any part of the market conduct examination of any person domiciled or having its home offices in this state requiring travel and services outside this state, shall be made by the commissioner or by examiners designated by the commissioner and shall be at the expense of the person examined; but a domestic insurer shall not be liable for the compensation of examiners employed by the commissioner for such services outside this state.

(c) When making a market conduct examination under this chapter, the commissioner may contract, in accordance with applicable state contracting procedures, for qualified attorneys, appraisers, independent certified public accountants, contract actuaries, and other similar individuals who are independently practicing their professions, even though those persons may from time to time be similarly employed or retained by persons subject to examination under this chapter, as examiners as the commissioner deems necessary for the efficient conduct of a particular examination. The compensation and per diem allowances paid to such contract persons shall be reasonable in the market and time incurred, shall not exceed one hundred twenty-five percent of the compensation and per diem allowances for examiners set forth in the guidelines adopted by the national association of insurance commissioners, unless the commissioner demonstrates that one hundred twenty-five percent is inadequate under the circumstances of the examination, and subject to the provisions of (a) of this subsection.

(d)(i) The person examined and liable shall reimburse the state upon presentation of an itemized statement thereof, for the actual travel expenses of the commissioner's examiners, their reasonable living expenses allowance, and their per diem compensation, including salary and the employer's cost of employee benefits, at a reasonable rate approved by the commissioner, incurred on account of the examination. Per diem, salary, and expenses for employees examining insurers domiciled outside the state of Washington shall be established by the commissioner on the basis of the national association of insurance commissioner's recommended salary and expense schedule for zone examiners, or the salary schedule established by the human resources director (~~of the Washington department of personnel~~) and the expense schedule established by the office of financial management, whichever is higher. A domestic title insurer shall pay the examination expense and costs to the commissioner as itemized and billed by the commissioner.

(ii) The commissioner or the commissioner's examiners shall not receive or accept any additional emolument on account of any examination.

(iii) Market conduct examination fees subject to being reimbursed by an insurer shall be itemized and bills shall be provided to the insurer on a monthly basis for review prior to submission for payment, or as otherwise provided by state law.

(e) Nothing contained in this chapter limits the commissioner's authority to terminate or suspend any examination in order to pursue other legal or regulatory action under the insurance laws of this state. Findings of fact and conclusions made pursuant to any examination are prima facie evidence in any legal or regulatory action.

(f) The commissioner shall maintain active management and oversight of market conduct examination costs, including costs associated with the commissioner's own examiners, and with retaining qualified contract examiners necessary to perform an examination. Any agreement with a contract examiner shall:

- (i) Clearly identify the types of functions to be subject to outsourcing;
- (ii) Provide specific timelines for completion of the outsourced review;
- (iii) Require disclosure to the insurer of contract examiners' recommendations;
- (iv) Establish and use a dispute resolution or arbitration mechanism to resolve conflicts with insurers regarding examination fees; and
- (v) Require disclosure of the terms of the contracts with the outside consultants that will be used, specifically the fees and/or hourly rates that can be charged.

(g) The commissioner, or the commissioner's designee, shall review and affirmatively endorse detailed billings from the qualified contract examiner before the detailed billings are sent to the insurer.

Sec. 461. RCW 49.46.010 and 2010 c 160 s 2 and 2010 c 8 s 12040 are each reenacted and amended to read as follows:

As used in this chapter:

- (1) "Director" means the director of labor and industries;
- (2) "Wage" means compensation due to an employee by reason of employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such deductions, charges, or allowances as may be permitted by rules of the director;
- (3) "Employ" includes to permit to work;
- (4) "Employer" includes any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee;
- (5) "Employee" includes any individual employed by an employer but shall not include:

(a) Any individual (i) employed as a hand harvest laborer and paid on a piece rate basis in an operation which has been, and is generally and customarily recognized as having been, paid on a piece rate basis in the region of employment; (ii) who commutes daily from his or her permanent residence to the farm on which he or she is employed; and (iii) who has been employed in agriculture less than thirteen weeks during the preceding calendar year;

(b) Any individual employed in casual labor in or about a private home, unless performed in the course of the employer's trade, business, or profession;

(c) Any individual employed in a bona fide executive, administrative, or professional capacity or in the capacity of outside salesperson as those terms are defined and delimited by rules of the director. However, those terms shall be defined and delimited by the human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW for employees employed under the director of personnel's jurisdiction;

(d) Any individual engaged in the activities of an educational, charitable, religious, state or local governmental body or agency, or nonprofit organization where the employer-employee relationship does not in fact exist or where the services are rendered to such organizations gratuitously. If the individual receives reimbursement in lieu of compensation for normally incurred out-of-pocket expenses or receives a nominal amount of compensation per unit of voluntary service rendered, an employer-employee relationship is deemed not to

exist for the purpose of this section or for purposes of membership or qualification in any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;

(e) Any individual employed full time by any state or local governmental body or agency who provides voluntary services but only with regard to the provision of the voluntary services. The voluntary services and any compensation therefor shall not affect or add to qualification, entitlement, or benefit rights under any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;

- (f) Any newspaper vendor or carrier;
- (g) Any carrier subject to regulation by Part 1 of the Interstate Commerce Act;
- (h) Any individual engaged in forest protection and fire prevention activities;

(i) Any individual employed by any charitable institution charged with child care responsibilities engaged primarily in the development of character or citizenship or promoting health or physical fitness or providing or sponsoring recreational opportunities or facilities for young people or members of the armed forces of the United States;

(j) Any individual whose duties require that he or she reside or sleep at the place of his or her employment or who otherwise spends a substantial portion of his or her work time subject to call, and not engaged in the performance of active duties;

(k) Any resident, inmate, or patient of a state, county, or municipal correctional, detention, treatment or rehabilitative institution;

(l) Any individual who holds a public elective or appointive office of the state, any county, city, town, municipal corporation or quasi municipal corporation, political subdivision, or any instrumentality thereof, or any employee of the state legislature;

(m) All vessel operating crews of the Washington state ferries operated by the department of transportation;

(n) Any individual employed as a seaman on a vessel other than an American vessel;

(o) Any farm intern providing his or her services to a small farm which has a special certificate issued under RCW 49.12.465;

(6) "Occupation" means any occupation, service, trade, business, industry, or branch or group of industries or employment or class of employment in which employees are gainfully employed;

(7) "Retail or service establishment" means an establishment seventy-five percent of whose annual dollar volume of sales of goods or services, or both, is not for resale and is recognized as retail sales or services in the particular industry.

Sec. 462. RCW 49.46.010 and 2010 c 8 s 12040 are each amended to read as follows:

As used in this chapter:

- (1) "Director" means the director of labor and industries;
- (2) "Wage" means compensation due to an employee by reason of employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such deductions, charges, or allowances as may be permitted by rules of the director;
- (3) "Employ" includes to permit to work;
- (4) "Employer" includes any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee;
- (5) "Employee" includes any individual employed by an employer but shall not include:

(a) Any individual (i) employed as a hand harvest laborer and paid on a piece rate basis in an operation which has been, and is generally and customarily recognized as having been, paid on a piece rate basis in the region of employment; (ii) who commutes daily from his or her permanent residence to the farm on which he or she is

employed; and (iii) who has been employed in agriculture less than thirteen weeks during the preceding calendar year;

(b) Any individual employed in casual labor in or about a private home, unless performed in the course of the employer's trade, business, or profession;

(c) Any individual employed in a bona fide executive, administrative, or professional capacity or in the capacity of outside salesperson as those terms are defined and delimited by rules of the director. However, those terms shall be defined and delimited by the human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW for employees employed under the director of personnel's jurisdiction;

(d) Any individual engaged in the activities of an educational, charitable, religious, state or local governmental body or agency, or nonprofit organization where the employer-employee relationship does not in fact exist or where the services are rendered to such organizations gratuitously. If the individual receives reimbursement in lieu of compensation for normally incurred out-of-pocket expenses or receives a nominal amount of compensation per unit of voluntary service rendered, an employer-employee relationship is deemed not to exist for the purpose of this section or for purposes of membership or qualification in any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;

(e) Any individual employed full time by any state or local governmental body or agency who provides voluntary services but only with regard to the provision of the voluntary services. The voluntary services and any compensation therefor shall not affect or add to qualification, entitlement, or benefit rights under any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;

(f) Any newspaper vendor or carrier;

(g) Any carrier subject to regulation by Part 1 of the Interstate Commerce Act;

(h) Any individual engaged in forest protection and fire prevention activities;

(i) Any individual employed by any charitable institution charged with child care responsibilities engaged primarily in the development of character or citizenship or promoting health or physical fitness or providing or sponsoring recreational opportunities or facilities for young people or members of the armed forces of the United States;

(j) Any individual whose duties require that he or she reside or sleep at the place of his or her employment or who otherwise spends a substantial portion of his or her work time subject to call, and not engaged in the performance of active duties;

(k) Any resident, inmate, or patient of a state, county, or municipal correctional, detention, treatment or rehabilitative institution;

(l) Any individual who holds a public elective or appointive office of the state, any county, city, town, municipal corporation or quasi municipal corporation, political subdivision, or any instrumentality thereof, or any employee of the state legislature;

(m) All vessel operating crews of the Washington state ferries operated by the department of transportation;

(n) Any individual employed as a seaman on a vessel other than an American vessel;

(6) "Occupation" means any occupation, service, trade, business, industry, or branch or group of industries or employment or class of employment in which employees are gainfully employed;

(7) "Retail or service establishment" means an establishment seventy-five percent of whose annual dollar volume of sales of goods or services, or both, is not for resale and is recognized as retail sales or services in the particular industry.

Sec. 463. RCW 49.74.020 and 1993 c 281 s 57 are each amended to read as follows:

If the commission reasonably believes that a state agency, an institution of higher education, or the state patrol has failed to comply

with an affirmative action rule adopted under RCW 41.06.150 or 43.43.340, the commission shall notify the director of the state agency, president of the institution of higher education, or chief of the Washington state patrol of the noncompliance, as well as the human resources director (~~(of personnel)~~). The commission shall give the director of the state agency, president of the institution of higher education, or chief of the Washington state patrol an opportunity to be heard on the failure to comply.

Sec. 464. RCW 49.74.030 and 2002 c 354 s 246 are each amended to read as follows:

The commission in conjunction with the department of (~~personnel~~) enterprise services, the office of financial management, or the state patrol, whichever is appropriate, shall attempt to resolve the noncompliance through conciliation. If an agreement is reached for the elimination of noncompliance, the agreement shall be reduced to writing and an order shall be issued by the commission setting forth the terms of the agreement. The noncomplying state agency, institution of higher education, or state patrol shall make a good faith effort to conciliate and make a full commitment to correct the noncompliance with any action that may be necessary to achieve compliance, provided such action is not inconsistent with the rules adopted under RCW 41.06.150(~~(6)~~)(5) and 43.43.340(5), whichever is appropriate.

Sec. 465. RCW 49.90.010 and 2009 c 294 s 5 are each amended to read as follows:

(1) Within this section, "sensory disability" means a sensory condition that materially limits, contributes to limiting, or, if not corrected or accommodated, will probably result in limiting an individual's activities or functioning.

(2) The (~~department of personnel~~) office of financial management shall adopt rules that authorize state agencies to provide allowances to employees with sensory disabilities who must attend training necessary to attain a new service animal. The employee's absence must be treated in the same manner as that granted to employees who are absent to attend training that supports or improves their job performance, except that the employee shall not be eligible for reimbursement under RCW 43.03.050 or 43.03.060. The (~~department of personnel~~) office of financial management shall adopt rules as necessary to implement this chapter.

(3) If the necessity to attend training for a new service animal is foreseeable and the training will cause the employee to miss work, the employee shall provide the employer with not less than thirty days' notice, before the date the absence is to begin, of the employee's impending absence. If the date of the training requires the absence to begin in less than thirty days, the employee shall provide notice as is practicable.

(4) An agency may require that a request to attend service animal training be supported by a certification issued by the relevant training organization. The employee must provide, in a timely manner, a copy of the certification to the agency. Certification provided under this section is sufficient if it states: (a) The date on which the service animal training session is scheduled to commence; and (b) the session's duration.

Sec. 466. RCW 50.13.060 and 2008 c 120 s 6 are each amended to read as follows:

(1) Governmental agencies, including law enforcement agencies, prosecuting agencies, and the executive branch, whether state, local, or federal shall have access to information or records deemed private and confidential under this chapter if the information or records are needed by the agency for official purposes and:

(a) The agency submits an application in writing to the employment security department for the records or information containing a statement of the official purposes for which the information or records are needed and specific identification of the records or information sought from the department; and

(b) The director, commissioner, chief executive, or other official of the agency has verified the need for the specific information in writing either on the application or on a separate document; and

(c) The agency requesting access has served a copy of the application for records or information on the individual or employing unit whose records or information are sought and has provided the department with proof of service. Service shall be made in a manner which conforms to the civil rules for superior court. The requesting agency shall include with the copy of the application a statement to the effect that the individual or employing unit may contact the public records officer of the employment security department to state any objections to the release of the records or information. The employment security department shall not act upon the application of the requesting agency until at least five days after service on the concerned individual or employing unit. The employment security department shall consider any objections raised by the concerned individual or employing unit in deciding whether the requesting agency needs the information or records for official purposes.

(2) The requirements of subsections (1) and (9) of this section shall not apply to the state legislative branch. The state legislature shall have access to information or records deemed private and confidential under this chapter, if the legislature or a legislative committee finds that the information or records are necessary and for official purposes. If the employment security department does not make information or records available as provided in this subsection, the legislature may exercise its authority granted by chapter 44.16 RCW.

(3) In cases of emergency the governmental agency requesting access shall not be required to formally comply with the provisions of subsection (1) of this section at the time of the request if the procedures required by subsection (1) of this section are complied with by the requesting agency following the receipt of any records or information deemed private and confidential under this chapter. An emergency is defined as a situation in which irreparable harm or damage could occur if records or information are not released immediately.

(4) The requirements of subsection (1)(c) of this section shall not apply to governmental agencies where the procedures would frustrate the investigation of possible violations of criminal laws or to the release of employing unit names, addresses, number of employees, and aggregate employer wage data for the purpose of state governmental agencies preparing small business economic impact statements under chapter 19.85 RCW or preparing cost-benefit analyses under RCW 34.05.328(1) (c) and (d). Information provided by the department and held to be private and confidential under state or federal laws must not be misused or released to unauthorized parties. A person who misuses such information or releases such information to unauthorized parties is subject to the sanctions in RCW 50.13.080.

(5) Governmental agencies shall have access to certain records or information, limited to such items as names, addresses, social security numbers, and general information about benefit entitlement or employer information possessed by the department, for comparison purposes with records or information possessed by the requesting agency to detect improper or fraudulent claims, or to determine potential tax liability or employer compliance with registration and licensing requirements. In those cases the governmental agency shall not be required to comply with subsection (1)(c) of this section, but the requirements of the remainder of subsection (1) of this section must be satisfied.

(6) Governmental agencies may have access to certain records and information, limited to employer information possessed by the department for purposes authorized in chapter 50.38 RCW. Access to these records and information is limited to only those individuals conducting authorized statistical analysis, research, and evaluation studies. Only in cases consistent with the purposes of chapter 50.38

RCW are government agencies not required to comply with subsection (1)(c) of this section, but the requirements of the remainder of subsection (1) of this section must be satisfied. Information provided by the department and held to be private and confidential under state or federal laws shall not be misused or released to unauthorized parties subject to the sanctions in RCW 50.13.080.

(7) Disclosure to governmental agencies of information or records obtained by the employment security department from the federal government shall be governed by any applicable federal law or any agreement between the federal government and the employment security department where so required by federal law. When federal law does not apply to the records or information state law shall control.

(8) The department may provide information for purposes of statistical analysis and evaluation of the WorkFirst program or any successor state welfare program to the department of social and health services, the office of financial management, and other governmental entities with oversight or evaluation responsibilities for the program in accordance with RCW 43.20A.080. The confidential information provided by the department shall remain the property of the department and may be used by the authorized requesting agencies only for statistical analysis, research, and evaluation purposes as provided in RCW 74.08A.410 and 74.08A.420. The department of social and health services, the office of financial management, or other governmental entities with oversight or evaluation responsibilities for the program are not required to comply with subsection (1)(c) of this section, but the requirements of the remainder of subsection (1) of this section and applicable federal laws and regulations must be satisfied. The confidential information used for evaluation and analysis of welfare reform supplied to the authorized requesting entities with regard to the WorkFirst program or any successor state welfare program are exempt from public inspection and copying under chapter 42.56 RCW.

(9) The disclosure of any records or information by a governmental agency which has obtained the records or information under this section is prohibited unless the disclosure is (a) directly connected to the official purpose for which the records or information were obtained or (b) to another governmental agency which would be permitted to obtain the records or information under subsection (4) or (5) of this section.

(10) In conducting periodic salary or fringe benefit studies pursuant to law, the ~~((department of personnel))~~ office of financial management shall have access to records of the employment security department as may be required for such studies. For such purposes, the requirements of subsection (1)(c) of this section need not apply.

(11)(a) To promote the reemployment of job seekers, the commissioner may enter into data-sharing contracts with partners of the one-stop career development system. The contracts shall provide for the transfer of data only to the extent that the transfer is necessary for the efficient provisions of workforce programs, including but not limited to public labor exchange, unemployment insurance, worker training and retraining, vocational rehabilitation, vocational education, adult education, transition from public assistance, and support services. The transfer of information under contracts with one-stop partners is exempt from subsection (1)(c) of this section.

(b) An individual who applies for services from the department and whose information will be shared under (a) of this subsection (11) must be notified that his or her private and confidential information in the department's records will be shared among the one-stop partners to facilitate the delivery of one-stop services to the individual. The notice must advise the individual that he or she may request that private and confidential information not be shared among the one-stop partners and the department must honor the request. In addition, the notice must:

(i) Advise the individual that if he or she requests that private and confidential information not be shared among one-stop partners, the request will in no way affect eligibility for services;

(ii) Describe the nature of the information to be shared, the general use of the information by one-stop partner representatives, and among whom the information will be shared;

(iii) Inform the individual that shared information will be used only for the purpose of delivering one-stop services and that further disclosure of the information is prohibited under contract and is not subject to disclosure under chapter 42.56 RCW; and

(iv) Be provided in English and an alternative language selected by the one-stop center or job service center as appropriate for the community where the center is located.

If the notice is provided in-person, the individual who does not want private and confidential information shared among the one-stop partners must immediately advise the one-stop partner representative of that decision. The notice must be provided to an individual who applies for services telephonically, electronically, or by mail, in a suitable format and within a reasonable time after applying for services, which shall be no later than ten working days from the department's receipt of the application for services. A one-stop representative must be available to answer specific questions regarding the nature, extent, and purpose for which the information may be shared.

(12) To facilitate improved operation and evaluation of state programs, the commissioner may enter into data-sharing contracts with other state agencies only to the extent that such transfer is necessary for the efficient operation or evaluation of outcomes for those programs. The transfer of information by contract under this subsection is exempt from subsection (1)(c) of this section.

(13) The misuse or unauthorized release of records or information by any person or organization to which access is permitted by this chapter subjects the person or organization to a civil penalty of five thousand dollars and other applicable sanctions under state and federal law. Suit to enforce this section shall be brought by the attorney general and the amount of any penalties collected shall be paid into the employment security department administrative contingency fund. The attorney general may recover reasonable attorneys' fees for any action brought to enforce this section.

Sec. 467. RCW 28A.345.060 and 1986 c 158 s 3 are each amended to read as follows:

The association shall contract with the ~~((department of personnel for the department of personnel))~~ human resources director in the office of financial management to audit in odd-numbered years the association's staff classifications and employees' salaries. The association shall give copies of the audit reports to the office of financial management and the committees of each house of the legislature dealing with common schools.

Sec. 468. RCW 28A.400.201 and 2010 c 236 s 7 are each amended to read as follows:

(1) The legislature recognizes that providing students with the opportunity to access a world-class educational system depends on our continuing ability to provide students with access to world-class educators. The legislature also understands that continuing to attract and retain the highest quality educators will require increased investments. The legislature intends to enhance the current salary allocation model and recognizes that changes to the current model cannot be imposed without great deliberation and input from teachers, administrators, and classified employees. Therefore, it is the intent of the legislature to begin the process of developing an enhanced salary allocation model that is collaboratively designed to ensure the rationality of any conclusions regarding what constitutes adequate compensation.

(2) Beginning July 1, 2011, the office of the superintendent of public instruction, in collaboration with the human resources director in the office of financial management, shall convene a technical

working group to recommend the details of an enhanced salary allocation model that aligns state expectations for educator development and certification with the compensation system and establishes recommendations for a concurrent implementation schedule. In addition to any other details the technical working group deems necessary, the technical working group shall make recommendations on the following:

(a) How to reduce the number of tiers within the existing salary allocation model;

(b) How to account for labor market adjustments;

(c) How to account for different geographic regions of the state where districts may encounter difficulty recruiting and retaining teachers;

(d) The role of and types of bonuses available;

(e) Ways to accomplish salary equalization over a set number of years; and

(f) Initial fiscal estimates for implementing the recommendations including a recognition that staff on the existing salary allocation model would have the option to grandfather in permanently to the existing schedule.

(3) As part of its work, the technical working group shall conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation for school district employees to be conducted and shall include the results in any reports to the legislature. For the purposes of this subsection, "salaries and other compensation" includes average base salaries, average total salaries, average employee basic benefits, and retirement benefits.

(4) The analysis required under subsection (1) of this section must:

(a) Examine salaries and other compensation for teachers, other certificated instructional staff, principals, and other building-level certificated administrators, and the types of classified employees for whom salaries are allocated;

(b) Be calculated at a statewide level that identifies labor markets in Washington through the use of data from the United States bureau of the census and the bureau of labor statistics; and

(c) Include a comparison of salaries and other compensation to the appropriate labor market for at least the following subgroups of educators: Beginning teachers and types of educational staff associates.

(5) The working group shall include representatives of the ~~((department of personnel))~~ office of financial management, the professional educator standards board, the office of the superintendent of public instruction, the Washington education association, the Washington association of school administrators, the association of Washington school principals, the Washington state school directors' association, the public school employees of Washington, and other interested stakeholders with appropriate expertise in compensation related matters. The working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders.

(6) The working group shall be monitored and overseen by the legislature and the quality education council created in RCW 28A.290.010. The working group shall make an initial report to the legislature by June 30, 2012, and shall include in its report recommendations for whether additional further work of the group is necessary.

Sec. 469. RCW 34.12.100 and 2010 1st sp.s. c 7 s 3 are each amended to read as follows:

The chief administrative law judge shall be paid a salary fixed by the governor after recommendation of the ~~((department of personnel))~~ human resources director in the office of financial management. The salaries of administrative law judges appointed under the terms of this chapter shall be determined by the chief administrative law judge after recommendation of the department of personnel.

Sec. 470. RCW 36.21.011 and 1995 c 134 s 12 are each amended to read as follows:

Any assessor who deems it necessary in order to complete the listing and the valuation of the property of the county within the time prescribed by law, (1) may appoint one or more well qualified persons to act as assistants or deputies who shall not engage in the private practice of appraising within the county in which he or she is employed without the written permission of the assessor filed with the auditor; and each such assistant or deputy so appointed shall, under the direction of the assessor, after taking the required oath, perform all the duties enjoined upon, vested in or imposed upon assessors, and (2) may contract with any persons, firms or corporations, who are expert appraisers, to assist in the valuation of property.

To assist each assessor in obtaining adequate and well qualified assistants or deputies, the ~~((state department of personnel))~~ office of financial management, after consultation with the Washington state association of county assessors, the Washington state association of counties, and the department of revenue, shall establish by July 1, 1967, and shall thereafter maintain, a classification and salary plan for those employees of an assessor who act as appraisers. The plan shall recommend the salary range and employment qualifications for each position encompassed by it, and shall, to the fullest extent practicable, conform to the classification plan, salary schedules and employment qualifications for state employees performing similar appraisal functions.

An assessor who intends to put such plan into effect shall inform the department of revenue and the county legislative authority of this intent in writing. The department of revenue and the county legislative authority may thereupon each designate a representative, and such representative or representatives as may be designated by the department of revenue or the county legislative authority, or both, shall form with the assessor a committee. The committee so formed may, by unanimous vote only, determine the required number of certified appraiser positions and their salaries necessary to enable the assessor to carry out the requirements relating to revaluation of property in chapter 84.41 RCW. The determination of the committee shall be certified to the county legislative authority. The committee may be formed only once in a period of four calendar years.

After such determination, the assessor may provide, in each of the four next succeeding annual budget estimates, for as many positions as are established in such determination. Each county legislative authority to which such a budget estimate is submitted shall allow sufficient funds for such positions. An employee may be appointed to a position covered by the plan only if the employee meets the employment qualifications established by the plan.

Sec. 471. RCW 41.04.020 and 1998 c 116 s 1 are each amended to read as follows:

Any employee or group of employees of the state of Washington or any of its political subdivisions, or of any institution supported, in whole or in part, by the state or any of its political subdivisions, may authorize the deduction from his or her salaries or wages and payment to another, the amount or amounts of his or her subscription payments or contributions to any person, firm, or corporation administering, furnishing, or providing (1) medical, surgical, and hospital care or either of them, or (2) life insurance or accident and health disability insurance, or (3) any individual retirement account selected by the employee or the employee's spouse established under applicable state or federal law: PROVIDED, That such authorization by said employee or group of employees, shall be first approved by the head of the department, division office or institution of the state or any political subdivision thereof, employing such person or group of persons, and filed with the department of ~~((personnel))~~ enterprise services; or in the case of political subdivisions of the state of Washington, with the auditor of such political subdivision or the person authorized by law to draw warrants against the funds of said political subdivision.

Sec. 472. RCW 41.04.460 and 1992 c 234 s 10 are each amended to read as follows:

The department of ~~((personnel))~~ enterprise services, through the combined benefits communication project, shall prepare information encouraging individual financial planning for retirement and describing the potential consequences of early retirement, including members' assumption of health insurance costs, members' receipt of reduced retirement benefits, and the increased period of time before members will become eligible for cost-of-living adjustments. The department of retirement systems shall distribute the information to members who are eligible to retire under the provisions of chapter 234, Laws of 1992. Prior to retiring, such members who elect to retire shall sign a statement acknowledging their receipt and understanding of the information.

Sec. 473. RCW 41.60.050 and 1991 sp.s. c 16 s 918 are each amended to read as follows:

The legislature shall appropriate from the ~~((department of))~~ personnel service fund for the payment of administrative costs of the productivity board. However, during the 1991-93 fiscal biennium, the administrative costs of the productivity board shall be appropriated from the savings recovery account.

Sec. 474. RCW 41.68.030 and 1983 1st ex.s. c 15 s 3 are each amended to read as follows:

A claim under this chapter may be submitted to the department of ~~((personnel))~~ enterprise services for the reparation of salary losses suffered during the years 1942 through 1947. The claim shall be supported by appropriate verification, such as the person's name at the time of the dismissal, the name of the employing department, and a social security number, or by evidence of official action of termination. The claimant shall also provide an address to which the department shall mail notification of its determination regarding the claimant's eligibility.

Sec. 475. RCW 41.68.040 and 1983 1st ex.s. c 15 s 4 are each amended to read as follows:

(1) The department of ~~((personnel))~~ enterprise services shall determine the eligibility of a claimant to receive reparations authorized by this chapter. The department shall then notify the claimant by mail of its determination regarding the claimant's eligibility.

(2) The department may adopt rules that will assist in the fair determination of eligibility and the processing of claims. The department, however, has no obligation to directly notify any person of possible eligibility for reparation of salary losses under this chapter.

Sec. 476. RCW 41.68.050 and 1983 1st ex.s. c 15 s 5 are each amended to read as follows:

A claimant under this chapter who is determined eligible by the department of ~~((personnel))~~ enterprise services shall receive two thousand five hundred dollars each year for two years. All claims which the department determines are eligible for reparation shall be immediately forwarded to the state treasurer, who shall issue warrants in the appropriate amounts upon demand and verification of identity. If a claimant dies after filing a claim but before receiving full payment, payments shall be made to the claimant's estate upon demand and verification of identity.

Sec. 477. RCW 47.28.251 and 2003 c 363 s 103 are each amended to read as follows:

(1) The department of transportation shall work with representatives of transportation labor groups to develop a financial incentive program to aid in retention and recruitment of employee classifications where problems exist and program delivery is negatively affected. The department's financial incentive program must be reviewed and approved by the legislature before it can be implemented. This program must support the goal of enhancing project delivery timelines as outlined in section 101, chapter 363, Laws of 2003. Upon receiving approval from the legislature, the ~~((department of personnel))~~ office of financial management shall

implement, as required, specific aspects of the financial incentive package, as developed by the department of transportation.

(2) Notwithstanding chapter 41.06 RCW, the department of transportation may acquire services from qualified private firms in order to deliver the transportation construction program to the public. Services may be acquired solely for augmenting the department's workforce capacity and only when the department's transportation construction program cannot be delivered through its existing or readily available workforce. The department of transportation shall work with representatives of transportation labor groups to develop and implement a program identifying those projects requiring contracted services while establishing a program as defined in subsection (1) of this section to provide the classified personnel necessary to deliver future construction programs. The procedures for acquiring construction engineering services from private firms may not be used to displace existing state employees nor diminish the number of existing classified positions in the present construction program. The acquisition procedures must be in accordance with chapter 39.80 RCW.

(3) Starting in December 2004, and biennially thereafter, the secretary shall report to the transportation committees of the legislature on the use of construction engineering services from private firms authorized under this section. The information provided to the committees must include an assessment of the benefits and costs associated with using construction engineering services, or other services, from private firms, and a comparison of public versus private sector costs. The secretary may act on these findings to ensure the most cost-effective means of service delivery.

NEW SECTION. Sec. 478. The following acts or parts of acts are each repealed:

(1) RCW 41.06.030 (Department of personnel established) and 2002 c 354 s 201, 1993 c 281 s 20, & 1961 c 1 s 3;

(2) RCW 41.06.111 (Personnel appeals board abolished--Powers, duties, and functions transferred to the Washington personnel resources board) and 2002 c 354 s 233;

(3) RCW 41.06.130 (Director of personnel--Appointment--Rules-- Powers and duties--Delegation of authority) and 1993 c 281 s 26, 1982 1st ex.s. c 53 s 3, & 1961 c 1 s 13;

(4) RCW 41.06.139 (Classification system for classified service--Director implements--Rules of the board--Appeals) and 2002 c 354 s 206;

(5) RCW 41.06.480 (Background check disqualification--Policy recommendations) and 2001 c 296 s 7; and

(6) RCW 41.07.900 (Transfer of personnel, records, equipment, etc) and 1975 1st ex.s. c 239 s 4.

NEW SECTION. Sec. 479. RCW 41.06.136, 43.31.086, 41.80.900, 41.80.901, 41.80.902, 41.80.903, and 41.80.904 are each decodified.

NEW SECTION. Sec. 480. Section 447 of this act expires January 1, 2012.

NEW SECTION. Sec. 481. Section 448 of this act takes effect January 1, 2012.

NEW SECTION. Sec. 482. Section 459 of this act expires June 30, 2015.

NEW SECTION. Sec. 483. Section 461 of this act expires December 31, 2011.

NEW SECTION. Sec. 484. Section 462 of this act takes effect December 31, 2011.

PART V

POWERS AND DUTIES TRANSFERRED FROM THE OFFICE OF FINANCIAL MANAGEMENT

Sec. 501. RCW 43.41.290 and 1977 ex.s. c 270 s 3 are each amended to read as follows:

As used in ((RCW 43.19.19361 and 43.19.19362)) this act:

(1) "State agency" includes any state office, agency, commission, department, or institution, including colleges, universities, and

community colleges, financed in whole or part from funds appropriated by the legislature; (~~and~~)

(2) "Risk management" means the total effort and continuous step by step process of risk identification, measurement, minimization, assumption, transfer, and loss adjustment which is aimed at protecting assets and revenues against accidental loss;

(3) "Department" means the department of enterprise services; and

(4) "Director" means the director of enterprise services.

Sec. 502. RCW 43.41.300 and 2002 c 332 s 7 are each amended to read as follows:

There is hereby created ((~~a~~)) an office of risk management ((division)) within the ((~~office of financial management~~)) department of enterprise services. The director shall implement the risk management policy in RCW 43.41.280 (as recodified by this act) through the office of risk management ((division)). The director shall appoint a risk manager to supervise the office of risk management ((division)). The office of risk management ((division)) shall make recommendations when appropriate to state agencies on the application of prudent safety, security, loss prevention, and loss minimization methods so as to reduce or avoid risk or loss.

Sec. 503. RCW 43.41.310 and 2002 c 332 s 5 are each amended to read as follows:

As a means of providing for the procurement of insurance and bonds on a volume rate basis, the director shall purchase or contract for the needs of state agencies in relation to all such insurance and bonds: PROVIDED, That authority to purchase insurance may be delegated to state agencies. Insurance in force shall be reported to the office of risk management ((division)) periodically under rules established by the director. Nothing contained in this section shall prohibit the use of licensed agents or brokers for the procurement and service of insurance.

The amounts of insurance or bond coverage shall be as fixed by law, or if not fixed by law, such amounts shall be as fixed by the director.

The premium cost for insurance acquired and bonds furnished shall be paid from appropriations or other appropriate resources available to the state agency or agencies for which procurement is made, and all vouchers drawn in payment therefor shall bear the written approval of the office of risk management ((division)) prior to the issuance of the warrant in payment therefor. Where deemed advisable the premium cost for insurance and bonds may be paid by the risk management administration account which shall be reimbursed by the agency or agencies for which procurement is made.

Sec. 504. RCW 43.41.320 and 2002 c 332 s 6 are each amended to read as follows:

The director, through the office of risk management ((division)), may purchase, or contract for the purchase of, property and liability insurance for any municipality upon request of the municipality.

As used in this section, "municipality" means any city, town, county, special purpose district, municipal corporation, or political subdivision of the state of Washington.

Sec. 505. RCW 43.41.330 and 2002 c 332 s 8 are each amended to read as follows:

The director, through the office of risk management ((division)), shall receive and enforce bonds posted pursuant to RCW 39.59.010 (3) and (4).

Sec. 506. RCW 43.41.340 and 2002 c 332 s 9 are each amended to read as follows:

The ((~~office~~)) department shall conduct periodic actuarial studies to determine the amount of money needed to adequately fund the liability account.

Sec. 507. RCW 43.41.360 and 2009 c 549 s 5121 are each amended to read as follows:

((In addition to other powers and duties prescribed by this chapter,)) The director shall:

(1) Fix the amount of bond to be given by each appointive state officer and each employee of the state in all cases where it is not fixed by law;

(2) Require the giving of an additional bond, or a bond in a greater amount than provided by law, in all cases where in his or her judgment the statutory bond is not sufficient in amount to cover the liabilities of the officer or employee;

(3) Exempt subordinate employees from giving bond when in his or her judgment their powers and duties are such as not to require a bond.

Sec. 508. RCW 43.41.370 and 2002 c 333 s 2 are each amended to read as follows:

(1) The director (~~(of financial management)~~) shall appoint a loss prevention review team when the death of a person, serious injury to a person, or other substantial loss is alleged or suspected to be caused at least in part by the actions of a state agency, unless the director in his or her discretion determines that the incident does not merit review. A loss prevention review team may also be appointed when any other substantial loss occurs as a result of agency policies, litigation or defense practices, or other management practices. When the director decides not to appoint a loss prevention review team he or she shall issue a statement of the reasons for the director's decision. The statement shall be made available on the department's web site (~~(of the office of financial management)~~). The director's decision pursuant to this section to appoint or not appoint a loss prevention review team shall not be admitted into evidence in a civil or administrative proceeding.

(2) A loss prevention review team shall consist of at least three but no more than five persons, and may include independent consultants, contractors, or state employees, but it shall not include any person employed by the agency involved in the loss or risk of loss giving rise to the review, nor any person with testimonial knowledge of the incident to be reviewed. At least one member of the review team shall have expertise relevant to the matter under review.

(3) The loss prevention review team shall review the death, serious injury, or other incident and the circumstances surrounding it, evaluate its causes, and recommend steps to reduce the risk of such incidents occurring in the future. The loss prevention review team shall accomplish these tasks by reviewing relevant documents, interviewing persons with relevant knowledge, and reporting its recommendations in writing to the director (~~(of financial management)~~) and the director of the agency involved in the loss or risk of loss within the time requested by the director (~~(of financial management)~~). The final report shall not disclose the contents of any documents required by law to be kept confidential.

(4) Pursuant to guidelines established by the director, state agencies must notify the (~~(office of financial management)~~) department immediately upon becoming aware of a death, serious injury, or other substantial loss that is alleged or suspected to be caused at least in part by the actions of the state agency. State agencies shall provide the loss prevention review team ready access to relevant documents in their possession and ready access to their employees.

Sec. 509. RCW 43.41.380 and 2002 c 333 s 3 are each amended to read as follows:

(1) The final report from a loss prevention review team to the director (~~(of financial management)~~) shall be made public by the director promptly upon receipt, and shall be subject to public disclosure. The final report shall be subject to discovery in a civil or administrative proceeding. However, the final report shall not be admitted into evidence or otherwise used in a civil or administrative proceeding except pursuant to subsection (2) of this section.

(2) The relevant excerpt or excerpts from the final report of a loss prevention review team may be used to impeach a fact witness in a civil or administrative proceeding only if the party wishing to use the excerpt or excerpts from the report first shows the court by clear and

convincing evidence that the witness, in testimony provided in deposition or at trial in the present proceeding, has contradicted his or her previous statements to the loss prevention review team on an issue of fact material to the present proceeding. In that case, the party may use only the excerpt or excerpts necessary to demonstrate the contradiction. This section shall not be interpreted as expanding the scope of material that may be used to impeach a witness.

(3) No member of a loss prevention review team may be examined in a civil or administrative proceeding as to (a) the work of the loss prevention review team, (b) the incident under review, (c) his or her statements, deliberations, thoughts, analyses, or impressions relating to the work of the loss prevention review team or the incident under review, or (d) the statements, deliberations, thoughts, analyses, or impressions of any other member of the loss prevention review team, or any person who provided information to it, relating to the work of the loss prevention review team or the incident under review.

(4) Any document that exists prior to the appointment of a loss prevention review team, or that is created independently of such a team, does not become inadmissible merely because it is reviewed or used by the loss prevention review team. A person does not become unavailable as a witness merely because the person has been interviewed by or has provided a statement to a loss prevention review team. However, if called as a witness, the person may not be examined regarding the person's interactions with the loss prevention review team, including without limitation whether the loss prevention review team interviewed the person, what questions the loss prevention review team asked, and what answers the person provided to the loss prevention review team. This section shall not be construed as restricting the person from testifying fully in any proceeding regarding his or her knowledge of the incident under review.

(5) Documents prepared by or for the loss prevention review team are inadmissible and may not be used in a civil or administrative proceeding, except that excerpts may be used to impeach the credibility of a witness under the same circumstances that excerpts of the final report may be used pursuant to subsection (2) of this section.

(6) The restrictions set forth in this section shall not apply in a licensing or disciplinary proceeding arising from an agency's effort to revoke or suspend the license of any licensed professional based in whole or in part upon allegations of wrongdoing in connection with the death, injury, or other incident reviewed by the loss prevention review team.

(7) Within one hundred twenty days after completion of the final report of a loss prevention review team, the agency under review shall issue to the (~~(office of financial management)~~) department a response to the report. The response will indicate (a) which of the report's recommendations the agency hopes to implement, (b) whether implementation of those recommendations will require additional funding or legislation, and (c) whatever other information the director may require. This response shall be considered part of the final report and shall be subject to all provisions of this section that apply to the final report, including without limitation the restrictions on admissibility and use in civil or administrative proceedings and the obligation of the director to make the final report public.

(8) Nothing in RCW 43.41.370 or this section is intended to limit the scope of a legislative inquiry into or review of an incident that is the subject of a loss prevention review.

(9) Nothing in RCW 43.41.370 or in this section affects chapter 70.41 RCW and application of that chapter to state-owned or managed hospitals licensed under chapter 70.41 RCW.

Sec. 510. RCW 43.41.110 and 2002 c 332 s 23 are each amended to read as follows:

The office of financial management shall:

(1) Provide technical assistance to the governor and the legislature in identifying needs and in planning to meet those needs through state programs and a plan for expenditures.

(2) Perform the comprehensive planning functions and processes necessary or advisable for state program planning and development, preparation of the budget, inter-departmental and inter-governmental coordination and cooperation, and determination of state capital improvement requirements.

(3) Provide assistance and coordination to state agencies and departments in their preparation of plans and programs.

(4) Provide general coordination and review of plans in functional areas of state government as may be necessary for receipt of federal or state funds.

(5) Participate with other states or subdivisions thereof in interstate planning.

(6) Encourage educational and research programs that further planning and provide administrative and technical services therefor.

(7) Carry out the provisions of RCW 43.62.010 through 43.62.050 relating to the state census.

~~(8) ((Carry out the provisions of this chapter and chapter 4.92 RCW relating to risk management.~~

~~—(9))~~ (9) Be the official state participant in the federal-state cooperative program for local population estimates and as such certify all city and county special censuses to be considered in the allocation of state and federal revenues.

~~((10))~~ (10) Be the official state center for processing and dissemination of federal decennial or quinquennial census data in cooperation with other state agencies.

~~((11))~~ (11) Be the official state agency certifying annexations, incorporations, or disincorporations to the United States bureau of the census.

~~((12))~~ (12) Review all United States bureau of the census population estimates used for federal revenue sharing purposes and provide a liaison for local governments with the United States bureau of the census in adjusting or correcting revenue sharing population estimates.

~~((13))~~ (13) Provide fiscal notes depicting the expected fiscal impact of proposed legislation in accordance with chapter 43.88A RCW.

~~((14))~~ (14) Be the official state agency to estimate and manage the cash flow of all public funds as provided in chapter 43.88 RCW. To this end, the office shall adopt such rules as are necessary to manage the cash flow of public funds.

Sec. 511. RCW 4.92.006 and 2002 c 332 s 10 are each amended to read as follows:

As used in this chapter:

(1) ("~~Office~~" means the office of financial management.)

"Department" means the department of enterprise services.

(2) "Director" means the director of (~~financial management~~) enterprise services.

(3) ("~~Risk management division~~") "Office of risk management" means the (~~division of the office of financial management~~) office within the department of enterprise services that carries out the powers and duties under this chapter relating to claim filing, claims administration, and claims payment.

(4) "Risk manager" means the person supervising the office of risk management (~~division~~).

Sec. 512. RCW 4.92.040 and 2002 c 332 s 11 are each amended to read as follows:

(1) No execution shall issue against the state on any judgment.

(2) Whenever a final judgment against the state is obtained in an action on a claim arising out of tortious conduct, the claim shall be paid from the liability account.

(3) Whenever a final judgment against the state shall have been obtained in any other action, the clerk of the court shall make and furnish to the office of risk management (~~division~~) a duly certified copy of such judgment; the office of risk management (~~division~~) shall thereupon audit the amount of damages and costs therein

awarded, and the same shall be paid from appropriations specifically provided for such purposes by law.

(4) Final judgments for which there are no provisions in state law for payment shall be transmitted by the office of risk management (~~division~~) to the senate and house of representatives committees on ways and means as follows:

(a) On the first day of each session of the legislature, the office of risk management (~~division~~) shall transmit judgments received and audited since the adjournment of the previous session of the legislature.

(b) During each session of legislature, the office of risk management (~~division~~) shall transmit judgments immediately upon completion of audit.

(5) All claims, other than judgments, made to the legislature against the state of Washington for money or property, shall be accompanied by a statement of the facts on which such claim is based and such evidence as the claimant intends to offer in support of the claim and shall be filed with the office of risk management (~~division~~), which shall retain the same as a record. All claims of two thousand dollars or less shall be approved or rejected by the office of risk management (~~division~~), and if approved shall be paid from appropriations specifically provided for such purpose by law. Such decision, if adverse to the claimant in whole or part, shall not preclude the claimant from seeking relief from the legislature. If the claimant accepts any part of his or her claim which is approved for payment by the office of risk management (~~division~~), such acceptance shall constitute a waiver and release of the state from any further claims relating to the damage or injury asserted in the claim so accepted. The office of risk management (~~division~~) shall submit to the house and senate committees on ways and means, at the beginning of each regular session, a comprehensive list of all claims paid pursuant to this subsection during the preceding year. For all claims not approved by the office of risk management (~~division~~), the office of risk management (~~division~~) shall recommend to the legislature whether such claims should be approved or rejected.

Recommendations shall be submitted to the senate and house of representatives committees on ways and means not later than the thirtieth day of each regular session of the legislature. Claims which cannot be processed for timely submission of recommendations shall be held for submission during the following regular session of the legislature. The recommendations shall include, but not be limited to:

(a) A summary of the facts alleged in the claim, and a statement as to whether these facts can be verified by the office of risk management (~~division~~);

(b) An estimate by the office of risk management (~~division~~) of the value of the loss or damage which was alleged to have occurred;

(c) An analysis of the legal liability, if any, of the state for the alleged loss or damage; and

(d) A summary of equitable or public policy arguments which might be helpful in resolving the claim.

(6) The legislative committees to whom such claims are referred shall make a transcript, recording, or statement of the substance of the evidence given in support of such a claim. If the legislature approves a claim the same shall be paid from appropriations specifically provided for such purpose by law.

(7) Subsections (3) through (6) of this section do not apply to judgments or claims against the state housing finance commission created under chapter 43.180 RCW.

Sec. 513. RCW 4.92.130 and 2009 c 560 s 15 are each amended to read as follows:

A liability account in the custody of the treasurer is hereby created as a nonappropriated account to be used solely and exclusively for the payment of liability settlements and judgments against the state under 42 U.S.C. Sec. 1981 et seq. or for the tortious conduct of its officers, employees, and volunteers and all related legal defense costs.

(1) The purpose of the liability account is to: (a) Expediently pay legal liabilities and defense costs of the state resulting from tortious conduct; (b) promote risk control through a cost allocation system which recognizes agency loss experience, levels of self-retention, and levels of risk exposure; and (c) establish an actuarially sound system to pay incurred losses, within defined limits.

(2) The liability account shall be used to pay claims for injury and property damages and legal defense costs exclusive of agency-retained expenses otherwise budgeted.

(3) No money shall be paid from the liability account, except for defense costs, unless all proceeds available to the claimant from any valid and collectible liability insurance shall have been exhausted and unless:

(a) The claim shall have been reduced to final judgment in a court of competent jurisdiction; or

(b) The claim has been approved for payment.

(4) The liability account shall be financed through annual premiums assessed to state agencies, based on sound actuarial principles, and shall be for liability coverage in excess of agency-budgeted self-retention levels.

(5) Annual premium levels shall be determined by the risk manager. An actuarial study shall be conducted to assist in determining the appropriate level of funding.

(6) Disbursements for claims from the liability account shall be made to the claimant, or to the clerk of the court for judgments, upon written request to the state treasurer from the risk manager.

(7) The director may direct agencies to transfer moneys from other funds and accounts to the liability account if premiums are delinquent.

(8) The liability account shall not exceed fifty percent of the actuarial value of the outstanding liability as determined annually by the office of risk management ((division)). If the account exceeds the maximum amount specified in this section, premiums may be adjusted by the office of risk management ((division)) in order to maintain the account balance at the maximum limits. If, after adjustment of premiums, the account balance remains above the limits specified, the excess amount shall be prorated back to the appropriate funds.

Sec. 514. RCW 4.92.150 and 2002 c 332 s 15 are each amended to read as follows:

After commencement of an action in a court of competent jurisdiction upon a claim against the state, or any of its officers, employees, or volunteers arising out of tortious conduct or pursuant to 42 U.S.C. Sec. 1981 et seq., or against a foster parent that the attorney general is defending pursuant to RCW 4.92.070, or upon petition by the state, the attorney general, with the prior approval of the office of risk management ((division)) and with the approval of the court, following such testimony as the court may require, may compromise and settle the same and stipulate for judgment against the state, the affected officer, employee, volunteer, or foster parent.

Sec. 515. RCW 4.92.160 and 2002 c 332 s 16 are each amended to read as follows:

Payment of claims and judgments arising out of tortious conduct or pursuant to 42 U.S.C. Sec. 1981 et seq. shall not be made by any agency or department of state government with the exception of the office of risk management ((division)), and that ((division)) office shall authorize and direct the payment of moneys only from the liability account whenever:

(1) The head or governing body of any agency or department of state or the designee of any such agency certifies to the office of risk management ((division)) that a claim has been settled; or

(2) The clerk of court has made and forwarded a certified copy of a final judgment in a court of competent jurisdiction and the attorney general certifies that the judgment is final and was entered in an action on a claim arising out of tortious conduct or under and pursuant to 42 U.S.C. Sec. 1981 et seq. Payment of a judgment shall be made

to the clerk of the court for the benefit of the judgment creditors. Upon receipt of payment, the clerk shall satisfy the judgment against the state.

Sec. 516. RCW 4.92.210 and 2002 c 332 s 17 are each amended to read as follows:

(1) All liability claims arising out of tortious conduct or under 42 U.S.C. Sec. 1981 et seq. that the state of Washington or any of its officers, employees, or volunteers would be liable for shall be filed with the office of risk management ((division)).

(2) A centralized claim tracking system shall be maintained to provide agencies with accurate and timely data on the status of liability claims. Information in this claim file, other than the claim itself, shall be privileged and confidential.

(3) Standardized procedures shall be established for filing, reporting, processing, and adjusting claims, which includes the use of qualified claims management personnel.

(4) All claims shall be reviewed by the office of risk management ((division)) to determine an initial valuation, to delegate to the appropriate office to investigate, negotiate, compromise, and settle the claim, or to retain that responsibility on behalf of and with the assistance of the affected state agency.

(5) All claims that result in a lawsuit shall be forwarded to the attorney general's office. Thereafter the attorney general and the office of risk management ((division)) shall collaborate in the investigation, denial, or settlement of the claim.

(6) Reserves shall be established for recognizing financial liability and monitoring effectiveness. The valuation of specific claims against the state shall be privileged and confidential.

(7) All settlements shall be approved by the responsible agencies, or their designees, prior to settlement.

Sec. 517. RCW 4.92.270 and 2002 c 332 s 21 are each amended to read as follows:

The risk manager shall develop procedures for standard indemnification agreements for state agencies to use whenever the agency agrees to indemnify, or be indemnified by, any person or party. The risk manager shall also develop guidelines for the use of indemnification agreements by state agencies. On request of the risk manager, an agency shall forward to the office of risk management ((division)) for review and approval any contract or agreement containing an indemnification agreement.

Sec. 518. RCW 4.92.280 and 1998 c 217 s 4 are each amended to read as follows:

If chapter 217, Laws of 1998 mandates an increased level of service by local governments, the local government may, under RCW 43.135.060 and chapter 4.92 RCW, submit claims for reimbursement by the legislature. The claims shall be subject to verification by the ((office of financial management)) department of enterprise services.

Sec. 519. RCW 10.92.020 and 2008 c 224 s 2 are each amended to read as follows:

(1) Tribal police officers under subsection (2) of this section shall be recognized and authorized to act as general authority Washington peace officers. A tribal police officer recognized and authorized to act as a general authority Washington peace officer under this section has the same powers as any other general authority Washington peace officer to enforce state laws in Washington, including the power to make arrests for violations of state laws.

(2) A tribal police officer may exercise the powers of law enforcement of a general authority Washington peace officer under this section, subject to the following:

(a) The appropriate sovereign tribal nation shall submit to the ((office of financial management)) department of enterprise services proof of public liability and property damage insurance for vehicles operated by the peace officers and police professional liability insurance from a company licensed to sell insurance in the state. For purposes of determining adequacy of insurance liability, the sovereign tribal government must submit with the proof of liability insurance a

copy of the interlocal agreement between the sovereign tribal government and the local governments that have shared jurisdiction under this chapter where such an agreement has been reached pursuant to subsection (10) of this section.

(i) Within the thirty days of receipt of the information from the sovereign tribal nation, the (~~(office of financial management)~~) department of enterprise services shall either approve or reject the adequacy of insurance, giving consideration to the scope of the interlocal agreement. The adequacy of insurance under this chapter shall be subject to annual review by the (~~(state office of financial management)~~) department of enterprise services.

(ii) Each policy of insurance issued under this chapter must include a provision that the insurance shall be available to satisfy settlements or judgments arising from the tortious conduct of tribal police officers when acting in the capacity of a general authority Washington peace officer, and that to the extent of policy coverage neither the sovereign tribal nation nor the insurance carrier will raise a defense of sovereign immunity to preclude an action for damages under state or federal law, the determination of fault in a civil action, or the payment of a settlement or judgment arising from the tortious conduct.

(b) The appropriate sovereign tribal nation shall submit to the (~~(office of financial management)~~) department of enterprise services proof of training requirements for each tribal police officer. To be authorized as a general authority Washington peace officer, a tribal police officer must successfully complete the requirements set forth under RCW 43.101.157. Any applicant not meeting the requirements for certification as a tribal police officer may not act as a general authority Washington peace officer under this chapter. The criminal justice training commission shall notify the (~~(office of financial management)~~) department of enterprise services if:

(i) A tribal police officer authorized under this chapter as a general authority Washington state peace officer has been decertified pursuant to RCW 43.101.157; or

(ii) An appropriate sovereign tribal government is otherwise in noncompliance with RCW 43.101.157.

(3) A copy of any citation or notice of infraction issued, or any incident report taken, by a tribal police officer acting in the capacity of a general authority Washington peace officer as authorized by this chapter must be submitted within three days to the police chief or sheriff within whose jurisdiction the action was taken. Any citation issued under this chapter shall be to a Washington court, except that any citation issued to Indians within the exterior boundaries of an Indian reservation may be cited to a tribal court. Any arrest made or citation issued not in compliance with this chapter is not enforceable.

(4) Any authorization granted under this chapter shall not in any way expand the jurisdiction of any tribal court or other tribal authority.

(5) The authority granted under this chapter shall be coextensive with the exterior boundaries of the reservation, except that an officer commissioned under this section may act as authorized under RCW 10.93.070 beyond the exterior boundaries of the reservation.

(6) For purposes of civil liability under this chapter, a tribal police officer shall not be considered an employee of the state of Washington or any local government except where a state or local government has deputized a tribal police officer as a specially commissioned officer. Neither the state of Washington and its individual employees nor any local government and its individual employees shall be liable for the authorization of tribal police officers under this chapter, nor for the negligence or other misconduct of tribal officers. The authorization of tribal police officers under this chapter shall not be deemed to have been a nondelegable duty of the state of Washington or any local government.

(7) Nothing in this chapter impairs or affects the existing status and sovereignty of those sovereign tribal governments whose

traditional lands and territories lie within the borders of the state of Washington as established under the laws of the United States.

(8) Nothing in this chapter limits, impairs, or nullifies the authority of a county sheriff to appoint duly commissioned state or federally certified tribal police officers as deputy sheriffs authorized to enforce the criminal and traffic laws of the state of Washington.

(9) Nothing in this chapter limits, impairs, or otherwise affects the existing authority under state or federal law of state or local law enforcement officers to enforce state law within the exterior boundaries of an Indian reservation or to enter Indian country in fresh pursuit, as defined in RCW 10.93.120, of a person suspected of violating state law, where the officer would otherwise not have jurisdiction.

(10) An interlocal agreement pursuant to chapter 39.34 RCW is required between the sovereign tribal government and all local government law enforcement agencies that will have shared jurisdiction under this chapter prior to authorization taking effect under this chapter. Nothing in this chapter shall limit, impair, or otherwise affect the implementation of an interlocal agreement completed pursuant to chapter 39.34 RCW by July 1, 2008, between a sovereign tribal government and a local government law enforcement agency for cooperative law enforcement.

(a) Sovereign tribal governments that meet all of the requirements of subsection (2) of this section, but do not have an interlocal agreement pursuant to chapter 39.34 RCW and seek authorization under this chapter, may submit proof of liability insurance and training certification to the (~~(office of financial management)~~) department of enterprise services. Upon confirmation of receipt of the information from the (~~(office of financial management)~~) department of enterprise services, the sovereign tribal government and the local government law enforcement agencies that will have shared jurisdiction under this chapter have one year to enter into an interlocal agreement pursuant to chapter 39.34 RCW. If the sovereign tribal government and the local government law enforcement agencies that will have shared jurisdiction under this chapter are not able to reach agreement after one year, the sovereign tribal governments and the local government law enforcement agencies shall submit to binding arbitration pursuant to chapter 7.04A RCW with the American arbitration association or successor agency for purposes of completing an agreement prior to authorization going into effect.

(b) For the purposes of (a) of this subsection, those sovereign tribal government and local government law enforcement agencies that must enter into binding arbitration shall submit to last best offer arbitration. For purposes of accepting a last best offer, the arbitrator must consider other interlocal agreements between sovereign tribal governments and local law enforcement agencies in Washington state, any model policy developed by the Washington association of sheriffs and police chiefs or successor agency, and national best practices.

Sec. 520. RCW 48.62.021 and 2004 c 255 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Local government entity" or "entity" means every unit of local government, both general purpose and special purpose, and includes, but is not limited to, counties, cities, towns, port districts, public utility districts, water-sewer districts, school districts, fire protection districts, irrigation districts, metropolitan municipal corporations, conservation districts, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi-municipal corporations.

(2) "Risk assumption" means a decision to absorb the entity's financial exposure to a risk of loss without the creation of a formal program of advance funding of anticipated losses.

(3) "Self-insurance" means a formal program of advance funding and management of entity financial exposure to a risk of loss that is not transferred through the purchase of an insurance policy or contract.

(4) "Health and welfare benefits" means a plan or program established by a local government entity or entities for the purpose of providing its employees and their dependents, and in the case of school districts, its district employees, students, directors, or any of their dependents, with health care, accident, disability, death, and salary protection benefits.

(5) "Property and liability risks" includes the risk of property damage or loss sustained by a local government entity and the risk of claims arising from the tortious or negligent conduct or any error or omission of the local government entity, its officers, employees, agents, or volunteers as a result of which a claim may be made against the local government entity.

(6) "State risk manager" means the risk manager of the office of risk management (~~(division)~~) within the (~~(office of financial management)~~) department of enterprise services.

(7) "Nonprofit corporation" or "corporation" has the same meaning as defined in RCW 24.03.005(3).

Sec. 521. RCW 48.64.010 and 2009 c 314 s 2 are each amended to read as follows:

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

(1) "Affordable housing" means housing projects in which some of the dwelling units may be purchased or rented on a basis that is affordable to households with an income of eighty percent or less of the county median family income, adjusted for family size.

(2) "Affordable housing entity" means any of the following:

(a) A housing authority created under the laws of this state or another state and any agency or instrumentality of a housing authority including, but not limited to, a legal entity created to conduct a joint self-insurance program for housing authorities that is operating in accordance with chapter 48.62 RCW;

(b) A nonprofit corporation, whether organized under the laws of this state or another state, that is engaged in providing affordable housing and is necessary for the completion, management, or operation of a project because of its access to funding sources that are not available to a housing authority, as described in this section; or

(c) A general or limited partnership or limited liability company, whether organized under the laws of this state or another state, that is engaged in providing affordable housing as defined in this section. A partnership or limited liability company may only be considered an affordable housing entity if a housing authority or nonprofit corporation, as described in this subsection, satisfies any of the following conditions: (i) It has, or has the right to acquire, a financial or ownership interest in the partnership or limited liability company; (ii) it possesses the power to direct management or policies of the partnership or limited liability company; or (iii) it has entered into a contract to lease, manage, or operate the affordable housing owned by the partnership or limited liability company.

(3) "Property and liability risks" includes the risk of property damage or loss sustained by an affordable housing entity and the risk of claims arising from the tortious or negligent conduct or any error or omission of the entity, its officers, employees, agents, or volunteers as a result of which a claim may be made against the entity.

(4) "Self-insurance" means a formal program of advance funding and management of entity financial exposure to a risk of loss that is not transferred through the purchase of an insurance policy or contract.

(5) "State risk manager" means the risk manager of the office of risk management (~~(division)~~) within the (~~(office of financial management)~~) department of enterprise services.

Sec. 522. RCW 39.29.011 and 2009 c 486 s 7 are each amended to read as follows:

All personal service contracts shall be entered into pursuant to competitive solicitation, except for:

- (1) Emergency contracts;
- (2) Sole source contracts;
- (3) Contract amendments;

(4) Contracts between a consultant and an agency of less than twenty thousand dollars. However, contracts of five thousand dollars or greater but less than twenty thousand dollars shall have documented evidence of competition, which must include agency posting of the contract opportunity on the state's common vendor registration and bid notification system. Agencies shall not structure contracts to evade these requirements; and

(5) Other specific contracts or classes or groups of contracts exempted from the competitive solicitation process by the director of the (~~(office of financial management)~~) department of enterprise services when it has been determined that a competitive solicitation process is not appropriate or cost-effective.

Sec. 523. RCW 39.29.016 and 1998 c 101 s 4 are each amended to read as follows:

Emergency contracts shall be filed with the (~~(office of financial management)~~) department of enterprise services and made available for public inspection within three working days following the commencement of work or execution of the contract, whichever occurs first. Documented justification for emergency contracts shall be provided to the (~~(office of financial management)~~) department of enterprise services when the contract is filed.

Sec. 524. RCW 39.29.018 and 2009 c 486 s 8 are each amended to read as follows:

(1) Sole source contracts shall be filed with the (~~(office of financial management)~~) department of enterprise services and made available for public inspection at least ten working days prior to the proposed starting date of the contract. Documented justification for sole source contracts shall be provided to the (~~(office of financial management)~~) department of enterprise services when the contract is filed, and must include evidence that the agency posted the contract opportunity on the state's common vendor registration and bid notification system. For sole source contracts of twenty thousand dollars or more, documented justification shall also include evidence that the agency attempted to identify potential consultants by advertising through statewide or regional newspapers.

(2) The (~~(office of financial management)~~) department of enterprise services shall approve sole source contracts of twenty thousand dollars or more before any such contract becomes binding and before any services may be performed under the contract. These requirements shall also apply to sole source contracts of less than twenty thousand dollars if the total amount of such contracts between an agency and the same consultant is twenty thousand dollars or more within a fiscal year. Agencies shall ensure that the costs, fees, or rates negotiated in filed sole source contracts of twenty thousand dollars or more are reasonable.

Sec. 525. RCW 39.29.025 and 1998 c 101 s 6 are each amended to read as follows:

(1) Substantial changes in either the scope of work specified in the contract or in the scope of work specified in the formal solicitation document must generally be awarded as new contracts. Substantial changes executed by contract amendments must be submitted to the (~~(office of financial management)~~) department of enterprise services, and are subject to approval by the (~~(office of financial management)~~) department of enterprise services.

(2) An amendment or amendments to personal service contracts, if the value of the amendment or amendments, whether singly or cumulatively, exceeds fifty percent of the value of the original contract must be provided to the (~~(office of financial management)~~) department of enterprise services.

(3) The (~~(office of financial management)~~) department of enterprise services shall approve amendments provided to it under

this section before the amendments become binding and before services may be performed under the amendments.

(4) The amendments must be filed with the ~~((office of financial management))~~ department of enterprise services and made available for public inspection at least ten working days prior to the proposed starting date of services under the amendments.

(5) The ~~((office of financial management))~~ department of enterprise services shall approve amendments provided to it under this section only if they meet the criteria for approval of the amendments established by the director of the ~~((office of financial management))~~ department of enterprise services.

Sec. 526. RCW 39.29.055 and 1998 c 101 s 8 are each amended to read as follows:

(1) Personal service contracts subject to competitive solicitation shall be (a) filed with the ~~((office of financial management))~~ department of enterprise services and made available for public inspection; and (b) reviewed and approved by the ~~((office of financial management))~~ department of enterprise services when those contracts provide services relating to management consulting, organizational development, marketing, communications, employee training, or employee recruiting.

(2) Personal service contracts subject to competitive solicitation that provide services relating to management consulting, organizational development, marketing, communications, employee training, or employee recruiting shall be made available for public inspection at least ten working days before the proposed starting date of the contract. All other contracts shall be effective no earlier than the date they are filed with the ~~((office of financial management))~~ department of enterprise services.

Sec. 527. RCW 39.29.065 and 2009 c 486 s 9 are each amended to read as follows:

To implement this chapter, the director of the ~~((office of financial management))~~ department of enterprise services shall establish procedures for the competitive solicitation and award of personal service contracts, recordkeeping requirements, and procedures for the reporting and filing of contracts. The director shall develop procurement policies and procedures, such as unbundled contracting and subcontracting, that encourage and facilitate the purchase of products and services by state agencies and institutions from Washington small businesses to the maximum extent practicable and consistent with international trade agreement commitments. For reporting purposes, the director may establish categories for grouping of contracts. The procedures required under this section shall also include the criteria for amending personal service contracts. At the beginning of each biennium, the director may, by administrative policy, adjust the dollar thresholds prescribed in RCW 39.29.011, 39.29.018, and 39.29.040 to levels not to exceed the percentage increase in the implicit price deflator. Adjusted dollar thresholds shall be rounded to the nearest five hundred dollar increment.

Sec. 528. RCW 39.29.068 and 1998 c 245 s 33 and 1998 c 101 s 10 are each reenacted and amended to read as follows:

The ~~((office of financial management))~~ department of enterprise services shall maintain a publicly available list of all personal service contracts entered into by state agencies during each fiscal year. The list shall identify the contracting agency, the contractor, the purpose of the contract, effective dates and periods of performance, the cost of the contract and funding source, any modifications to the contract, and whether the contract was competitively procured or awarded on a sole source basis. The ~~((office of financial management))~~ department of enterprise services shall also ensure that state accounting definitions and procedures are consistent with RCW 39.29.006 and permit the reporting of personal services expenditures by agency and by type of service. Designations of type of services shall include, but not be limited to, management and organizational services, legal and expert witness services, financial services, computer and information services, social or technical research, marketing, communications,

and employee training or recruiting services. The ~~((office of financial management))~~ department of enterprise services shall report annually to the fiscal committees of the senate and house of representatives on sole source contracts filed under this chapter. The report shall describe: (1) The number and aggregate value of contracts for each category established in this section; (2) the number and aggregate value of contracts of five thousand dollars or greater but less than twenty thousand dollars; (3) the number and aggregate value of contracts of twenty thousand dollars or greater; (4) the justification provided by agencies for the use of sole source contracts; and (5) any trends in the use of sole source contracts.

Sec. 529. RCW 39.29.075 and 1987 c 414 s 9 are each amended to read as follows:

As requested by the legislative auditor, the ~~((office of financial management))~~ department of enterprise services shall provide information on contracts filed under this chapter for use in preparation of summary reports on personal services contracts.

Sec. 530. RCW 39.29.090 and 1998 c 101 s 11 are each amended to read as follows:

Personal service contracts awarded by institutions of higher education from nonstate funds do not have to be filed in advance and approved by the ~~((office of financial management))~~ department of enterprise services. Any such contract is subject to all other requirements of this chapter, including the requirements under RCW 39.29.068 for annual reporting of personal service contracts to the ~~((office of financial management))~~ department of enterprise services.

Sec. 531. RCW 39.29.100 and 2002 c 260 s 7 are each amended to read as follows:

(1) The ~~((office of financial management))~~ department of enterprise services shall adopt uniform guidelines for the effective and efficient management of personal service contracts and client service contracts by all state agencies. The guidelines must, at a minimum, include:

- (a) Accounting methods, systems, measures, and principles to be used by agencies and contractors;
- (b) Precontract procedures for selecting potential contractors based on their qualifications and ability to perform;
- (c) Incorporation of performance measures and measurable benchmarks in contracts, and the use of performance audits;
- (d) Uniform contract terms to ensure contract performance and compliance with state and federal standards;
- (e) Proper payment and reimbursement methods to ensure that the state receives full value for taxpayer moneys, including cost settlements and cost allowance;
- (f) Postcontract procedures, including methods for recovering improperly spent or overspent moneys for disallowance and adjustment;
- (g) Adequate contract remedies and sanctions to ensure compliance;
- (h) Monitoring, fund tracking, risk assessment, and auditing procedures and requirements;
- (i) Financial reporting, record retention, and record access procedures and requirements;
- (j) Procedures and criteria for terminating contracts for cause or otherwise; and
- (k) Any other subject related to effective and efficient contract management.

(2) The ~~((office of financial management))~~ department of enterprise services shall submit the guidelines required by subsection (1) of this section to the governor and the appropriate standing committees of the legislature no later than December 1, 2002.

(3) The ~~((office of financial management))~~ department of enterprise services shall publish a guidebook for use by state agencies containing the guidelines required by subsection (1) of this section.

Sec. 532. RCW 39.29.110 and 2002 c 260 s 8 are each amended to read as follows:

(1) A state agency entering into or renewing personal service contracts or client service contracts shall follow the guidelines required by RCW 39.29.100.

(2) A state agency that has entered into or renewed personal service contracts or client service contracts during a calendar year shall, on or before January 1st of the following calendar year, provide the ~~((office of financial management))~~ department of enterprise services with a report detailing the procedures the agency employed in entering into, renewing, and managing the contracts.

(3) The provisions of this section apply to state agencies entering into or renewing contracts after January 1, 2003.

Sec. 533. RCW 39.29.120 and 2002 c 260 s 9 are each amended to read as follows:

(1) The ~~((office of financial management))~~ department of enterprise services shall provide a training course for agency personnel responsible for executing and managing personal service contracts and client service contracts. The course must contain training on effective and efficient contract management under the guidelines established under RCW 39.29.100. State agencies shall require agency employees responsible for executing or managing personal service contracts and client service contracts to complete the training course to the satisfaction of the ~~((office of financial management))~~ department of enterprise services. Beginning January 1, 2004, no agency employee may execute or manage personal service contracts or client service contracts unless the employee has completed the training course. Any request for exception to this requirement shall be submitted to the ~~((office of financial management))~~ department of enterprise services in writing and shall be approved by the ~~((office of financial management))~~ department of enterprise services prior to the employee executing or managing the contract.

(2)(a) The ~~((office of financial management))~~ department of enterprise services shall conduct risk-based audits of the contracting practices associated with individual personal service and client service contracts from multiple state agencies to ensure compliance with the guidelines established in RCW 39.29.110. The ~~((office of financial management))~~ department of enterprise services shall conduct the number of audits deemed appropriate by the director of the ~~((office of financial management))~~ department of enterprise services based on funding provided.

(b) The ~~((office of financial management))~~ department of enterprise services shall forward the results of the audits conducted under this section to the governor, the appropriate standing committees of the legislature, and the joint legislative audit and review committee.

Sec. 534. RCW 43.88.580 and 2008 c 326 s 3 are each amended to read as follows:

(1) The ~~((office of financial management))~~ department of enterprise services shall make electronically available to the public a database of state agency contracts for personal services required to be filed with the ~~((office of financial management))~~ department of enterprise services under chapter 39.29 RCW.

(2) The state expenditure information web site described in RCW 44.48.150 shall include a link to the ~~((office of financial management))~~ department of enterprise services database described in subsection (1) of this section.

NEW SECTION. Sec. 535. RCW 43.41.280, 43.41.290, 43.41.300, 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.350, and 43.41.360 are each recodified as sections in chapter 43.19 RCW.

PART VI

POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT OF INFORMATION SERVICES

Sec. 601. RCW 43.105.080 and 2010 1st sp.s. c 37 s 931 are each amended to read as follows:

There is created a revolving fund to be known as the data processing revolving fund in the custody of the state treasurer. The

revolving fund shall be used for the acquisition of equipment, software, supplies, and services and the payment of salaries, wages, and other costs incidental to the acquisition, development, operation, and administration of information services, telecommunications, systems, software, supplies and equipment, including the payment of principal and interest on bonds issued for capital projects, by the department, Washington State University's computer services center, the department of ~~((personnel's))~~ enterprise services' personnel information systems ~~((division, the office of financial management's))~~ group and financial systems management group, and other users as ~~((jointly))~~ determined by the ~~((department and the))~~ office of financial management. The revolving fund is subject to the allotment procedure provided under chapter 43.88 RCW. Disbursements from the revolving fund for the services component of the department are not subject to appropriation. The chief information officer or the chief information officer's designee, with the approval of the technology services board, is authorized to expend up to one million dollars per fiscal biennium for the technology services board to conduct independent technical and financial analysis of proposed information technology projects, and such expenditures do not require an appropriation. Disbursements for the strategic planning and policy component of the department are subject to appropriation. All disbursements from the fund are subject to the allotment procedures provided under chapter 43.88 RCW. The department shall establish and implement a billing structure to assure all agencies pay an equitable share of the costs.

During the 2009-2011 fiscal biennium, the legislature may transfer from the data processing revolving account to the state general fund such amounts as reflect the excess fund balance associated with the information technology pool.

As used in this section, the word "supplies" shall not be interpreted to delegate or abrogate the division of purchasing's responsibilities and authority to purchase supplies as described in RCW 43.19.190 and 43.19.200.

Sec. 602. RCW 43.105.320 and 1999 c 287 s 18 are each amended to read as follows:

The department of ~~((information))~~ enterprise services may become a licensed certification authority, under chapter 19.34 RCW, for the purpose of providing services to agencies, local governments, and other entities and persons for purposes of official state business. The department is not subject to RCW 19.34.100(1)(a). The department shall only issue certificates, as defined in RCW 19.34.020, in which the subscriber is:

(1) The state of Washington or a department, office, or agency of the state;

(2) A city, county, district, or other municipal corporation, or a department, office, or agency of the city, county, district, or municipal corporation;

(3) An agent or employee of an entity described by subsection (1) or (2) of this section, for purposes of official public business;

(4) Any other person or entity engaged in matters of official public business, however, such certificates shall be limited only to matters of official public business. The department may issue certificates to such persons or entities only if after issuing a request for proposals from certification authorities licensed under chapter 19.34 RCW and review of the submitted proposals, makes a determination that such private services are not sufficient to meet the department's published requirements. The department must set forth in writing the basis of any such determination and provide procedures for challenge of the determination as provided by the state procurement requirements; or

(5) An applicant for a license as a certification authority for the purpose of compliance with RCW 19.34.100(1)(a).

Sec. 603. RCW 43.105.370 and 2009 c 509 s 2 are each amended to read as follows:

(1) The broadband mapping account is established in the custody of the state treasurer. The department shall deposit into the account such funds received from legislative appropriation, federal (~~(grants authorized under the federal broadband data improvement act, P.L. 110-385, Title I)~~) funding, and donated funds from private and public sources. Expenditures from the account may be used only for the purposes of RCW 43.105.372 through 43.105.376 (as recodified by this act). Only the director of the department or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) The department (~~(of information services)~~) is the single eligible entity in the state for purposes of the federal broadband (~~(data improvement act, P.L. 110-385, Title I)~~) mapping activities.

(3) Federal funding received by the department (~~(under the federal broadband data improvement act, P.L. 110-385, Title I)~~) for broadband mapping activities must be used in accordance with (~~(the)~~) any federal requirements (~~(of that act)~~) and, subject to those requirements, may be distributed by the department on a competitive basis to other entities in the state (~~(to achieve the purposes of that act)~~).

(4) The department (~~(of information services)~~) shall consult with (~~(the department of community, trade, and economic development or its successor agency)~~) the office of financial management(~~(s)~~) and the utilities and transportation commission in coordinating broadband mapping activities. In carrying out any broadband mapping activities, the provisions of P.L. 110-385, Title I, regarding trade secrets, commercial or financial information, and privileged or confidential information submitted by the federal communications commission or a broadband provider are deemed to encompass the consulted agencies.

Sec. 604. RCW 43.105.372 and 2009 c 509 s 3 are each amended to read as follows:

(1) Subject to the availability of federal or state funding, the department may:

(a) Develop an interactive web site to allow residents to self-report whether high-speed internet is available at their home or residence and at what speed; and

(b) Conduct a detailed survey of all high-speed internet infrastructure owned or leased by state agencies and (~~(creating for create)~~) create a geographic information system map of all high-speed internet infrastructure owned or leased by the state.

(2) State agencies responding to a survey request from the department under subsection (1)(b) of this section shall respond in a reasonable and timely manner, not to exceed one hundred twenty days. The department shall request of state agencies, at a minimum:

(a) The total bandwidth of high-speed internet infrastructure owned or leased;

(b) The cost of maintaining that high-speed internet infrastructure, if owned, or the price paid for the high-speed internet infrastructure, if leased; and

(c) The leasing entity, if applicable.

(3) The department may adopt rules as necessary to carry out the provisions of this section.

(4) For purposes of this section, "state agency" includes every state office, department, division, bureau, board, commission, or other state agency.

Sec. 605. RCW 43.105.374 and 2009 c 509 s 4 are each amended to read as follows:

(1) The department is authorized, through a competitive bidding process, to procure on behalf of the state a geographic information system map detailing high-speed internet infrastructure, service availability, and adoption. This geographic information system map may include adoption information, availability information, type of high-speed internet deployment technology, and available speed tiers for high-speed internet based on any publicly available data.

(2) The department may procure this map either by:

(a) Contracting for and purchasing a completed map or updates to a map from a third party; or

(b) Working directly with the federal communications commission to accept publicly available data.

(3) The department shall establish an accountability and oversight structure to ensure that there is transparency in the bidding and contracting process and full financial and technical accountability for any information or actions taken by a third-party contractor creating this map.

(4) In contracting for purchase of the map or updates to a map in subsection (2)(a) of this section, the department may take no action, nor impose any condition on the third party, that causes any record submitted by a public or private broadband service provider to the third party to meet the standard of a public record as defined in RCW 42.56.010. This prohibition does not apply to any records delivered to the department by the third party as a component of the (~~(completed)~~) map. For the purpose of RCW 42.56.010(~~((2))~~) (3), the purchase by the department of a completed map or updates to a map may not be deemed use or ownership by the department of the underlying information used by the third party to complete the map.

(5) Data or information that is publicly available as of July 1, 2009, will not cease to be publicly available due to any provision of chapter 509, Laws of 2009.

Sec. 606. RCW 43.105.376 and 2009 c 509 s 5 are each amended to read as follows:

(1) The department, in coordination with (~~(the department of community, trade, and economic development and)~~) the utilities and transportation commission, and such advisors as the department chooses, may prepare regular reports that identify the following:

(a) The geographic areas of greatest priority for the deployment of advanced telecommunications infrastructure in the state;

(b) A detailed explanation of how any amount of funding received from the federal government for the purposes of broadband mapping, deployment, and adoption will be or have been used; and

(c) A determination of how nonfederal sources may be utilized to achieve the purposes of broadband mapping, deployment, and adoption activities in the state.

(2) To the greatest extent possible, the initial report should be based upon the information identified in the geographic system maps developed under the requirements of this chapter.

(3) The initial report should be delivered to the appropriate committees of the legislature as soon as feasible, but no later than January 18, 2010.

(4) Any future reports prepared by the department based upon the requirements of subsection (1) of this section should be delivered to the appropriate committees of the legislature by January 15th of each year.

Sec. 607. RCW 43.105.380 and 2009 c 509 s 6 are each amended to read as follows:

The community technology opportunity program is created to support the efforts of community technology programs throughout the state. The community technology opportunity program must be administered by the department (~~(of information services)~~). The department may contract for services in order to carry out the department's obligations under this section.

(1) In implementing the community technology opportunity program the (~~(administrator)~~) director must, to the extent funds are appropriated for this purpose:

(a) Provide organizational and capacity building support to community technology programs throughout the state, and identify and facilitate the availability of other public and private sources of funds to enhance the purposes of the program and the work of community technology programs. No more than fifteen percent of funds received by the (~~(administrator)~~) director for the program may be expended on these functions;

(b) Establish a competitive grant program and provide grants to community technology programs to provide training and skill-building opportunities; access to hardware and software; internet connectivity; digital media literacy; assistance in the adoption of information and communication technologies in low-income and underserved areas of the state; and development of locally relevant content and delivery of vital services through technology.

(2) Grant applicants must:

(a) Provide evidence that the applicant is a nonprofit entity or a public entity that is working in partnership with a nonprofit entity;

(b) Define the geographic area or population to be served;

(c) Include in the application the results of a needs assessment addressing, in the geographic area or among the population to be served: The impact of inadequacies in technology access or knowledge, barriers faced, and services needed;

(d) Explain in detail the strategy for addressing the needs identified and an implementation plan including objectives, tasks, and benchmarks for the applicant and the role that other organizations will play in assisting the applicant's efforts;

(e) Provide evidence of matching funds and resources, which are equivalent to at least one-quarter of the grant amount committed to the applicant's strategy;

(f) Provide evidence that funds applied for, if received, will be used to provide effective delivery of community technology services in alignment with the goals of this program and to increase the applicant's level of effort beyond the current level; and

(g) Comply with such other requirements as the ~~((administrator))~~ director establishes.

(3) The ~~((administrator))~~ director may use no more than ten percent of funds received for the community technology opportunity program to cover administrative expenses.

(4) The ~~((administrator))~~ director must establish expected program outcomes for each grant recipient and must require grant recipients to provide an annual accounting of program outcomes.

Sec. 608. RCW 43.105.382 and 2009 c 509 s 8 are each amended to read as follows:

The Washington community technology opportunity account is established in the state treasury. The governor or the governor's designee and the director or the director's designee shall deposit into the account federal grants to the state ~~((authorized under Division B, Title VI of the American recovery and reinvestment act of 2009))~~, legislative appropriations, and donated funds from private and public sources for purposes related to broadband deployment and adoption, including matching funds required by the act. Donated funds from private and public sources may be deposited into the account. Expenditures from the account may be used only as matching funds for federal and other grants to fund the operation of the community technology opportunity program under this chapter, and to fund other broadband-related activities authorized in chapter 509, Laws of 2009. Only the director or the director's designee may authorize expenditures from the account.

Sec. 609. RCW 43.105.390 and 2009 c 509 s 9 are each amended to read as follows:

(1) The governor may take all appropriate steps to ~~((carry out the purposes of Division B, Title VI of the American recovery and reinvestment act of 2009, P.L. 111-5, and))~~ seek federal funding in order to maximize investment in broadband deployment and adoption in the state of Washington ~~((consistent with chapter 509, Laws of 2009))~~. Such steps may include the designation of a broadband deployment and adoption coordinator; review and prioritization of grant applications by public and private entities as directed by the national telecommunications and information administration, the rural utility services, and the federal communications commission; disbursement of block grant funding; and direction to state agencies to provide staffing as necessary to carry out this section. The authority

for overseeing broadband adoption and deployment efforts on behalf of the state is vested in the department.

(2) The department may apply for federal funds and other grants or donations, may deposit such funds in the Washington community technology opportunity account created in RCW 43.105.382 (as recodified by this act), may oversee implementation of federally funded or mandated broadband programs for the state and may adopt rules to administer the programs. These programs may include but are not limited to the following:

(a) Engaging in periodic statewide surveys of residents, businesses, and nonprofit organizations concerning their use and adoption of high-speed internet, computer, and related information technology for the purpose of identifying barriers to adoption;

(b) Working with communities to identify barriers to the adoption of broadband service and related information technology services by individuals, nonprofit organizations, and businesses;

(c) Identifying broadband demand opportunities in communities by working cooperatively with local organizations, government agencies, and businesses;

(d) Creating, implementing, and administering programs to improve computer ownership, technology literacy, digital media literacy, and high-speed internet access for populations not currently served or underserved in the state. This may include programs to provide low-income families, community-based nonprofit organizations, nonprofit entities, and public entities that work in partnership with nonprofit entities to provide increased access to computers and broadband, with reduced cost internet access;

(e) Administering the community technology opportunity program under RCW 43.105.380 and 43.105.382 (as recodified by this act);

(f) Creating additional programs to spur the development of high-speed internet resources in the state;

(g) Establishing technology literacy and digital inclusion programs and establishing low-cost hardware, software, and internet purchasing programs that may include allowing participation by community technology programs in state purchasing programs; and

(h) Developing technology loan programs targeting small businesses or businesses located in unserved and underserved areas.

Sec. 610. RCW 43.105.400 and 2009 c 509 s 10 are each amended to read as follows:

~~((1))~~ Subject to the availability of federal or state funding, the department may ~~((reconvene the high-speed internet work group previously established by chapter 262, Laws of 2008. The work group is renamed the advisory council on digital inclusion, and is))~~ convene an advisory group ((to the department)) on digital inclusion and technology planning. The ~~((council must))~~ advisory group may include, but is not limited to, volunteer representatives from community technology organizations, telecommunications providers, higher education institutions, K-12 education institutions, public health institutions, public housing entities, and local government and other governmental entities that are engaged in community technology activities.

~~((2))~~ The council shall prepare a report by January 15th of each year and submit it to the department, the governor, and the appropriate committees of the legislature. The report must contain:

(a) An analysis of how support from public and private sector partnerships, the philanthropic community, and other not-for-profit organizations in the community, along with strong relationships with the state board for community and technical colleges, the higher education coordinating board, and higher education institutions, could establish a variety of high-speed internet access alternatives for citizens;

(b) Proposed strategies for continued broadband deployment and adoption efforts, as well as further development of advanced telecommunications applications;

(c) Recommendations on methods for maximizing the state's

research and development capacity at universities and in the private sector for developing advanced telecommunications applications and services, and recommendations on incentives to stimulate the demand for and development of these applications and services;

(d) An identification of barriers that hinder the advancement of technology entrepreneurship in the state; and

(e) An evaluation of programs designed to advance digital literacy and computer access that are made available by the federal government, local agencies, telecommunications providers, and business and charitable entities.)

Sec. 611. RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each amended to read as follows:

The costs of administering, maintaining, and operating the central personnel-payroll system shall be distributed to the using state agencies. In order to insure proper and equitable distribution of costs the department of personnel shall utilize cost accounting procedures to identify all costs incurred in the administration, maintenance, and operation of the central personnel-payroll system. In order to facilitate proper and equitable distribution of costs to the using state agencies the department of personnel is authorized to utilize the data processing revolving fund created by RCW 43.105.080 (as recodified by this act) and the ((department of)) personnel service fund created by RCW 41.06.280.

Sec. 612. RCW 43.99I.040 and 1997 c 456 s 39 are each amended to read as follows:

(1) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of RCW 43.99I.020(4), the state treasurer shall transfer from property taxes in the state general fund levied for this support of the common schools under RCW 84.52.065 to the general fund of the state treasury for unrestricted use the amount computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(4).

(2) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of RCW 43.99I.020(5), the state treasurer shall transfer from higher education operating fees deposited in the general fund to the general fund of the state treasury for unrestricted use, or if chapter 231, Laws of 1992 (Senate Bill No. 6285) becomes law and changes the disposition of higher education operating fees from the general fund to another account, the state treasurer shall transfer the proportional share from the University of Washington operating fees account, the Washington State University operating fees account, and the Central Washington University operating fees account the amount computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6).

(3) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of RCW 43.99I.020(6), the state treasurer shall transfer from the data processing revolving fund created in RCW 43.105.080 (as recodified by this act) to the general fund of the state treasury the amount computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6).

(4) On each date on which any interest or principal and interest payment is due on bonds issued for the purpose of RCW 43.99I.020(7), the Washington state dairy products commission shall cause the amount computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(7) to be paid out of the commission's general operating fund to the state treasurer for deposit into the general fund of the state treasury.

(5) The higher education operating fee accounts for the University of Washington, Washington State University, and Central Washington University established by chapter 231, Laws of 1992 and repealed by chapter 18, Laws of 1993 1st sp. sess. are reestablished in the state treasury for purposes of fulfilling debt service reimbursement transfers to the general fund required by bond resolutions and covenants for bonds issued for purposes of RCW 43.99I.020(5).

(6) For bonds issued for purposes of RCW 43.99I.020(5), on each date on which any interest or principal and interest payment is due, the board of regents or board of trustees of the University of Washington, Washington State University, or Central Washington University shall cause the amount as determined by the state treasurer to be paid out of the local operating fee account for deposit by the universities into the state treasury higher education operating fee accounts. The state treasurer shall transfer the proportional share from the University of Washington operating fees account, the Washington State University operating fees account, and the Central Washington University operating fees account the amount computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6) to reimburse the general fund.

NEW SECTION. Sec. 613. The following acts or parts of acts are each repealed:

(1) RCW 43.105.300 (Education in use of technology encouraged) and 1996 c 171 s 14; and

(2) RCW 43.105.360 (Web directory--Public community technology programs) and 2008 c 262 s 5.

NEW SECTION. Sec. 614. RCW 43.105.080, 43.105.320, and 43.105.410 are each recodified as sections in chapter 43.19 RCW.

NEW SECTION. Sec. 615. RCW 43.105.370, 43.105.372, 43.105.374, 43.105.376, 43.105.380, 43.105.382, 43.105.390, and 43.105.400 are each recodified as sections in chapter 43.330 RCW.

PART VII

CREATING THE OFFICE OF THE CHIEF INFORMATION OFFICER

NEW SECTION. Sec. 701. Information technology is a tool used by state agencies to improve their ability to deliver public services efficiently and effectively. Advances in information technology - including advances in hardware, software, and business processes for implementing and managing these resources - offer new opportunities to improve the level of support provided to citizens and state agencies and to reduce the per-transaction cost of these services. These advances are one component in the process of reengineering how government delivers services to citizens.

To fully realize the service improvements and cost efficiency from the effective application of information technology to its business processes, state government must establish decision-making structures that connect business processes and information technology in an operating model. Many of these business practices transcend individual agency processes and should be worked at the enterprise level. To do this requires an effective partnership of executive management, business processes owners, and providers of support functions necessary to efficiently and effectively deliver services to citizens.

To maximize the potential for information technology to contribute to government business process reengineering the state must establish clear central authority to plan, set enterprise standards, and provide project oversight and management analysis of the various aspects of a business process.

Establishing the office of the chief information officer and partnering it with the director of financial management will provide state government with the cohesive structure necessary to develop improved operating models with agency directors and reengineer business process to enhance service delivery while capturing savings.

NEW SECTION. Sec. 702. (1) The office of the chief information officer is created within the office of financial management.

(2) Powers, duties, and functions assigned to the department of information services as specified in this chapter shall be transferred to the office of the chief information officer as provided in this chapter.

(3) The primary duties of the office are:

(a) To prepare and lead the implementation of a strategic direction and enterprise architecture for information technology for state government;

(b) To enable the standardization and consolidation of information technology infrastructure across all state agencies to support enterprise-based system development and improve and maintain service delivery;

(c) To establish standards and policies for the consistent and efficient operation of information technology services throughout state government;

(d) To establish statewide enterprise architecture that will serve as the organizing standard for information technology for state agencies;

(e) Educate and inform state managers and policymakers on technological developments, industry trends and best practices, industry benchmarks that strengthen decision making and professional development, and industry understanding for public managers and decision makers.

(4) In the case of institutions of higher education, the powers of the office and the provisions of this chapter apply to business and administrative applications but do not apply to (a) academic and research applications; and (b) medical, clinical, and health care applications, including the business and administrative applications for such operations. However, institutions of higher education must disclose to the office any proposed academic applications that are enterprise-wide in nature relative to the needs and interests of other institutions of higher education.

(5) The legislature and the judiciary, which are constitutionally recognized as separate branches of government, are strongly encouraged to coordinate with the office and participate in shared services initiatives and the development of enterprise-based strategies, where appropriate.

NEW SECTION. Sec. 703. (1) The executive head and appointing authority of the office is the chief information officer. The chief information officer shall be appointed by the governor, subject to confirmation by the senate. The chief information officer shall serve at the pleasure of the governor. The chief information officer shall be paid a salary fixed by the governor. If a vacancy occurs in the position of the chief information officer while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate at which time he or she shall present to that body his or her nomination for the position.

(2) The chief information officer may employ staff members, some of whom may be exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter, and such other duties as may be authorized by law. The chief information officer may delegate any power or duty vested in him or her by this chapter or other law.

(3) The internal affairs of the office shall be under the control of the chief information officer in order that the chief information officer may manage the office in a flexible and intelligent manner as dictated by changing contemporary circumstances. Unless specifically limited by law, the chief information officer shall have complete charge and supervisory powers over the office. The chief information officer may create such administrative structures as the chief information officer deems appropriate, except as otherwise specified by law, and the chief information officer may employ staff members as may be necessary in accordance with chapter 41.06 RCW, except as otherwise provided by law.

NEW SECTION. Sec. 704. The chief information officer shall:

(1) Supervise and administer the activities of the office of the chief information officer;

(2) Exercise all the powers and perform all the duties prescribed by law with respect to the administration of this chapter including:

(a) Appoint such professional, technical, and clerical assistants and employees as may be necessary to perform the duties imposed by this chapter; and

(b) Report to the governor any matters relating to abuses and evasions of this chapter.

(3) In addition to other powers and duties granted, the chief information officer has the following powers and duties:

(a) Enter into contracts on behalf of the state to carry out the purposes of this chapter;

(b) Accept and expend gifts and grants that are related to the purposes of this chapter, whether such grants be of federal or other funds;

(c) Apply for grants from public and private entities, and receive and administer any grant funding received for the purpose and intent of this chapter;

(d) Adopt rules in accordance with chapter 34.05 RCW and perform all other functions necessary and proper to carry out the purposes of this chapter;

(e) Delegate powers, duties, and functions as the chief information officer deems necessary for efficient administration, but the chief information officer shall be responsible for the official acts of the officers and employees of the office; and

(f) Perform other duties as are necessary and consistent with law.

NEW SECTION. Sec. 705. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Backbone network" means the shared high-density portions of the state's telecommunications transmission facilities. It includes specially conditioned high-speed communications carrier lines, multiplexors, switches associated with such communications lines, and any equipment and software components necessary for management and control of the backbone network.

(2) "Board" means the technology services board.

(3) "Committee" means the state interoperability executive committee.

(4) "Educational sectors" means those institutions of higher education, school districts, and educational service districts that use the network for distance education, data transmission, and other uses permitted by the board.

(5) "Enterprise architecture" means an ongoing program for translating business vision and strategy into effective enterprise change. It is a continuous activity. Enterprise architecture creates, communicates, and improves the key principles and models that describe the enterprise's future state and enable its evolution.

(6) "Equipment" means the machines, devices, and transmission facilities used in information processing, including but not limited to computers, terminals, telephones, wireless communications system facilities, cables, and any physical facility necessary for the operation of such equipment.

(7) "Information" includes, but is not limited to, data, text, voice, and video.

(8) "Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

(9) "Information technology portfolio" or "portfolio" means a strategic management process documenting relationships between agency missions and information technology and telecommunications investments.

(10) "K-20 network" means the network established in section 718 of this act.

(11) "Local governments" includes all municipal and quasi-municipal corporations and political subdivisions, and all agencies of such corporations and subdivisions authorized to contract separately.

(12) "Office" means the office of the chief information officer.

(13) "Oversight" means a process of comprehensive risk analysis and management designed to ensure optimum use of information technology resources and telecommunications.

(14) "Proprietary software" means that software offered for sale or license.

(15) "State agency" or "agency" means every state office, department, division, bureau, board, commission, or other state agency, including offices headed by a statewide elected official.

(16) "Telecommunications" includes, but is not limited to, wireless or wired systems for transport of voice, video, and data communications, network systems, requisite facilities, equipment, system controls, simulation, electronic commerce, and all related interactions between people and machines. "Telecommunications" does not include public safety communications.

STANDARDS AND POLICIES

NEW SECTION. Sec. 706. (1) The chief information officer shall establish standards and policies to govern information technology in the state of Washington.

(2) The office shall have the following powers and duties related to information services:

(a) To develop statewide standards and policies governing the acquisition and disposition of equipment, software, and personal and purchased services, licensing of the radio spectrum by or on behalf of state agencies, and confidentiality of computerized data;

(b) To develop statewide or interagency technical policies, standards, and procedures;

(c) To review and approve standards and common specifications for new or expanded telecommunications networks proposed by agencies, public postsecondary education institutions, educational service districts, or statewide or regional providers of K-12 information technology services;

(d) To provide direction concerning strategic planning goals and objectives for the state. The office shall seek input from the legislature and the judiciary; and

(e) To establish policies for the periodic review by the office of agency performance which may include but are not limited to analysis of:

(i) Planning, management, control, and use of information services;

(ii) Training and education; and

(iii) Project management.

(3) Statewide technical standards to promote and facilitate electronic information sharing and access are an essential component of acceptable and reliable public access service and complement content-related standards designed to meet those goals. The office shall:

(a) Establish technical standards to facilitate electronic access to government information and interoperability of information systems, including wireless communications systems; and

(b) Require agencies to include an evaluation of electronic public access needs when planning new information systems or major upgrades of systems.

In developing these standards, the office is encouraged to include the state library, state archives, and appropriate representatives of state and local government.

(4) The office shall perform other matters and things necessary to carry out the purposes and provisions of this chapter.

STRATEGIC PLANNING

NEW SECTION. Sec. 707. (1) The office shall prepare a state strategic information technology plan which shall establish a statewide mission, goals, and objectives for the use of information technology, including goals for electronic access to government records, information, and services. The plan shall be developed in accordance with the standards and policies established by the office. The office shall seek the advice of the board in the development of this plan.

The plan shall be updated as necessary and submitted to the governor and the legislature.

(2) The office shall prepare a biennial state performance report on information technology based on agency performance reports required under section 710 of this act and other information deemed

appropriate by the office. The report shall include, but not be limited to:

(a) An analysis, based upon agency portfolios, of the state's information technology infrastructure, including its value, condition, and capacity;

(b) An evaluation of performance relating to information technology;

(c) An assessment of progress made toward implementing the state strategic information technology plan, including progress toward electronic access to public information and enabling citizens to have two-way access to public records, information, and services; and

(d) An analysis of the success or failure, feasibility, progress, costs, and timeliness of implementation of major information technology projects under section 712 of this act. At a minimum, the portion of the report regarding major technology projects must include:

(i) The total cost data for the entire life-cycle of the project, including capital and operational costs, broken down by staffing costs, contracted service, hardware purchase or lease, software purchase or lease, travel, and training. The original budget must also be shown for comparison;

(ii) The original proposed project schedule and the final actual project schedule;

(iii) Data regarding progress towards meeting the original goals and performance measures of the project;

(iv) Discussion of lessons learned on the project, performance of any contractors used, and reasons for project delays or cost increases; and

(v) Identification of benefits generated by major information technology projects developed under section 712 of this act.

Copies of the report shall be distributed biennially to the governor and the legislature. The major technology section of the report must examine major information technology projects completed in the previous biennium.

PORTFOLIO MANAGEMENT

NEW SECTION. Sec. 708. Management of information technology across state government requires managing resources and business processes across multiple agencies. It is no longer sufficient to pursue efficiencies within agency or individual business process boundaries. The state must manage the business process changes and information technology in support of business processes as a statewide portfolio. The chief information officer will use agency information technology portfolio planning as input to develop a statewide portfolio to guide resource allocation and prioritization decisions.

NEW SECTION. Sec. 709. An agency information technology portfolio shall serve as the basis for making information technology decisions and plans which may include, but are not limited to:

(1) System refurbishment, acquisitions, and development efforts;

(2) Setting goals and objectives for using information technology;

(3) Assessments of information processing performance, resources, and capabilities;

(4) Ensuring the appropriate transfer of technological expertise for the operation of new systems developed using external resources;

(5) Guiding new investment demand, prioritization, selection, performance, and asset value of technology and telecommunications; and

(6) Progress toward providing electronic access to public information.

NEW SECTION. Sec. 710. (1) Each agency shall develop an information technology portfolio consistent with RCW 43.105.172 (as recodified by this act). The superintendent of public instruction shall develop its portfolio in conjunction with educational service districts and statewide or regional providers of K-12 education information technology services.

(2) Agency portfolios shall include, but not be limited to, the following:

(a) A baseline assessment of the agency's information technology resources and capabilities that will serve as the benchmark for subsequent planning and performance measures;

(b) A statement of the agency's mission, goals, and objectives for information technology, including goals and objectives for achieving electronic access to agency records, information, and services;

(c) An explanation of how the agency's mission, goals, and objectives for information technology support and conform to the state strategic information technology plan developed under section 707 of this act;

(d) An implementation strategy to provide electronic access to public records and information. This implementation strategy must be assembled to include:

(i) Compliance with Title 40 RCW;

(ii) Adequate public notice and opportunity for comment;

(iii) Consideration of a variety of electronic technologies, including those that help transcend geographic locations, standard business hours, economic conditions of users, and disabilities;

(iv) Methods to educate both state employees and the public in the effective use of access technologies;

(e) Projects and resources required to meet the objectives of the portfolio; and

(f) Where feasible, estimated schedules and funding required to implement identified projects.

(3) Portfolios developed under subsection (1) of this section shall be submitted to the office for review and approval. The chief information officer may reject, require modification to, or approve portfolios as deemed appropriate. Portfolios submitted under this subsection shall be updated and submitted for review and approval as necessary.

(4) Each agency shall prepare and submit to the office a biennial performance report that evaluates progress toward the objectives articulated in its information technology portfolio and the strategic priorities of the state. The superintendent of public instruction shall develop its portfolio in conjunction with educational service districts and statewide or regional providers of K-12 education information technology services. The report shall include:

(a) An evaluation of the agency's performance relating to information technology;

(b) An assessment of progress made toward implementing the agency information technology portfolio;

(c) Progress toward electronic access to public information and enabling citizens to have two-way interaction for obtaining information and services from agencies; and

(d) An inventory of agency information services, equipment, and proprietary software.

(5) The office shall establish standards, elements, form, and format for plans and reports developed under this section.

(6) Agency activities to increase electronic access to public records and information, as required by this section, must be implemented within available resources and existing agency planning processes.

(7) The office may exempt any agency from any or all of the requirements of this section.

BUDGET REVIEW

NEW SECTION. Sec. 711. (1) At the request of the director of financial management, the office shall evaluate both state agency information technology current spending and technology budget requests, including those proposed by the superintendent of public instruction, in conjunction with educational service districts, or statewide or regional providers of K-12 education information technology services. The office shall submit recommendations for funding all or part of such requests to the director of financial management. The office shall also submit recommendations

regarding consolidation and coordination of similar proposals or other efficiencies it finds in reviewing proposals.

(2) The office shall establish criteria, consistent with portfolio-based information technology management, for the evaluation of agency budget requests under this section. Technology budget requests shall be evaluated in the context of the state's information technology portfolio; technology initiatives underlying budget requests are subject to review by the office. Criteria shall include, but not be limited to: Feasibility of the proposed projects, consistency with the state strategic information technology plan and the state enterprise architecture, consistency with information technology portfolios, appropriate provision for public electronic access to information, evidence of business process streamlining and gathering of business and technical requirements, services, duration of investment, costs, and benefits.

PROJECT MANAGEMENT OVERSIGHT

NEW SECTION. Sec. 712. (1) The office shall establish standards and policies governing the planning, implementation, and evaluation of major information technology projects, including those proposed by the superintendent of public instruction, in conjunction with educational service districts, or statewide or regional providers of K-12 education information technology services. The standards and policies shall:

(a) Establish criteria to identify projects which are subject to this section. Such criteria shall include, but not be limited to, significant anticipated cost, complexity, or statewide significance of the project; and

(b) Establish a model process and procedures which state agencies shall follow in developing and implementing projects within their information technology portfolios. This process may include project oversight experts or panels, as appropriate. Agencies may propose, for approval by the office, a process and procedures unique to the agency. The office may accept or require modification of such agency proposals or the office may reject such agency proposals and require use of the model process and procedures established under this subsection. Any process and procedures developed under this subsection shall require (i) distinct and identifiable phases upon which funding may be based, (ii) user validation of products through system demonstrations and testing of prototypes and deliverables, and (iii) other elements identified by the office.

The chief information officer may suspend or terminate a major project, and direct that the project funds be placed into unallotted reserve status, if the chief information officer determines that the project is not meeting or is not expected to meet anticipated performance standards.

(2) The office of financial management shall establish policies and standards consistent with portfolio-based information technology management to govern the funding of projects developed under this section. The policies and standards shall provide for:

(a) Funding of a project under terms and conditions mutually agreed to by the chief information officer, the director of financial management, and the head of the agency proposing the project. However, the office of financial management may require incremental funding of a project on a phase-by-phase basis whereby funds for a given phase of a project may be released only when the office of financial management determines, with the advice of the office, that the previous phase is satisfactorily completed; and

(b) Other elements deemed necessary by the office of financial management.

NEW SECTION. Sec. 713. (1) Prior to making a commitment to purchase, acquire, or develop a major information technology product or service, state agencies must provide a proposal to the office outlining the business case of the proposed product or service, including the upfront and ongoing cost of the proposal.

(2) Within sixty days of receipt of a proposal, the office shall approve the proposal, reject it, or propose modifications.

(3) In reviewing a proposal, the office must determine whether the product or service is consistent with:

(a) The standards and policies developed by the office pursuant to section 706 of this act; and

(b) The state's enterprise-based strategy.

(4) If a substantially similar product or service is offered by the consolidated technology services agency established in RCW 43.105.047, the office may require the agency to procure the product or service through the consolidated technology services agency, if doing so would benefit the state as an enterprise.

(5) The office shall provide guidance to agencies as to what threshold of information technology spending constitutes a major information technology product or service under this section. If the total cost of ownership of a proposed information technology product or service exceeds ten million dollars, the office shall require that the agency conduct an independent technical and financial analysis of the product or service prior to submitting a technology budget request to the office of financial management for inclusion in any proposed capital, operating, or transportation budget.

ENTERPRISE ARCHITECTURE

NEW SECTION. Sec. 714. (1) The office shall develop an enterprise-based strategy for information technology in state government informed by portfolio management planning and information technology expenditure information collected from state agencies pursuant to RCW 43.88.092.

(2)(a) The office shall develop an ongoing enterprise architecture program for translating business vision and strategy into effective enterprise change. This program will create, communicate, and improve the key principles and models that describe the enterprise's future state and enable its evolution, in keeping with the priorities of government and the information technology strategic plan.

(b) The enterprise architecture program will facilitate business process collaboration among agencies statewide; improving the reliability, interoperability, and sustainability of the business processes that state agencies use.

In developing an enterprise-based strategy for the state, the office is encouraged to consider the following strategies as possible opportunities for achieving greater efficiency:

(i) Developing evaluation criteria for deciding which common enterprise-wide business processes should become managed as enterprise services;

(ii) Developing a roadmap of priorities for creating enterprise services;

(iii) Developing decision criteria for determining implementation criteria for centralized or decentralized enterprise services;

(iv) Developing evaluation criteria for deciding which technology investments to continue, hold, or drop; and

(v) Performing such other duties as may be assigned by the office to promote effective enterprise change.

(c) The program will establish performance measurement criteria for each of its initiatives; will measure the success of those initiatives; and will assess its quarterly results with the chief information officer to determine whether to continue, revise, or disband the initiative.

ADVISORY BOARD--CREATION AND DUTIES

NEW SECTION. Sec. 715. The technology services board is created within the office of the chief information officer.

(1) The board shall be composed of eleven members. Six members shall be appointed by the governor, three of whom shall be representatives of state agencies or institutions, and three of whom shall be representatives of the private sector. Of the state agency representatives, at least one of the representatives must have direct experience using the software projects overseen by the board or reasonably expect to use the new software developed under the oversight of the board. Two members shall represent the house of representatives and shall be selected by the speaker of the house of representatives with one representative chosen from each major

caucus of the house of representatives; two members shall represent the senate and shall be appointed by the president of the senate with one representative chosen from each major caucus of the senate. One member shall be the chief information officer who shall be a voting member of the board and serve as chair.

(2) Of the initial members, two must be appointed for a one-year term, three must be appointed for a two-year term, and three must be appointed for a three-year term. Thereafter, members must be appointed for three-year terms.

(3) Vacancies shall be filled in the same manner that the original appointments were made for the remainder of the member's term.

(4) Members of the board shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(5) The office shall provide staff support to the board.

NEW SECTION. Sec. 716. The board shall have the following powers and duties related to information services:

(1) To review and approve standards and procedures, developed by the office of the chief information officer, governing the acquisition and disposition of equipment, proprietary software, and purchased services, licensing of the radio spectrum by or on behalf of state agencies, and confidentiality of computerized data;

(2) To review and approve statewide or interagency technical policies, standards, and procedures developed by the office of the chief information officer;

(3) To review, approve, and provide oversight of major information technology projects to ensure that no major information technology project proposed by a state agency is approved or authorized funding by the board without consideration of the technical and financial business case for the project, including a review of:

(a) The total cost of ownership across the life of the project;

(b) All major technical options and alternatives analyzed, and reviewed, if necessary, by independent technical sources; and

(c) Whether the project is technically and financially justifiable when compared against the state's enterprise-based strategy, long-term technology trends, and existing or potential partnerships with private providers or vendors.

(4) To review and approve standards and common specifications for new or expanded telecommunications networks proposed by agencies, public postsecondary education institutions, educational service districts, or statewide or regional providers of K-12 information technology services, and to assure the cost-effective development and incremental implementation of a statewide video telecommunications system to serve: Public schools; educational service districts; vocational-technical institutes; community colleges; colleges and universities; state and local government; and the general public through public affairs programming;

(5) To consider, on an ongoing basis, ways to promote strategic investments in enterprise-level information technology projects that will result in service improvements and cost efficiency;

(6) To provide a forum to solicit external expertise and perspective on developments in information technology, enterprise architecture, standards, and policy development; and

(7) To provide a forum where ideas and issues related to information technology plans, policies, and standards can be reviewed.

INTEROPERABILITY COMMITTEE--TRANSFER FROM DEPARTMENT OF INFORMATION SERVICES

NEW SECTION. Sec. 717. (1) The chief information officer shall appoint a state interoperability executive committee, the membership of which must include, but not be limited to, representatives of the military department, the Washington state patrol, the department of transportation, the office of the chief information officer, the department of natural resources, city and county governments, state and local fire chiefs, police chiefs, and

sheriffs, and state and local emergency management directors. The chair and legislative members of the board will serve as nonvoting ex officio members of the committee. Voting membership may not exceed fifteen members.

(2) The chief information officer shall appoint the chair of the committee from among the voting members of the committee.

(3) The state interoperability executive committee has the following responsibilities:

(a) Develop policies and make recommendations to the office for technical standards for state wireless radio communications systems, including emergency communications systems. The standards must address, among other things, the interoperability of systems, taking into account both existing and future systems and technologies;

(b) Coordinate and manage on behalf of the office the licensing and use of state-designated and state-licensed radio frequencies, including the spectrum used for public safety and emergency communications, and serve as the point of contact with the federal communications commission on matters relating to allocation, use, and licensing of radio spectrum;

(c) Coordinate the purchasing of all state wireless radio communications system equipment to ensure that:

(i) After the transition from a radio over internet protocol network, any new trunked system shall be, at a minimum, project-25;

(ii) Any new system that requires advanced digital features shall be, at a minimum, project-25; and

(iii) Any new system or equipment purchases shall be, at a minimum, upgradable to project-25;

(d) Seek support, including possible federal or other funding, for state-sponsored wireless communications systems;

(e) Develop recommendations for legislation that may be required to promote interoperability of state wireless communications systems;

(f) Foster cooperation and coordination among public safety and emergency response organizations;

(g) Work with wireless communications groups and associations to ensure interoperability among all public safety and emergency response wireless communications systems; and

(h) Perform such other duties as may be assigned by the office to promote interoperability of wireless communications systems.

(4) The office shall provide administrative support to the committee.

K-20 GOVERNANCE AND OPERATIONS OVERSIGHT-- TRANSFER FROM

DEPARTMENT OF INFORMATION SERVICES

NEW SECTION. Sec. 718. (1) The office has the duty to govern and oversee the technical design, implementation, and operation of the K-20 network including, but not limited to, the following duties: Establishment and implementation of K-20 network technical policy, including technical standards and conditions of use; review and approval of network design; and resolving user/provider disputes.

(2) The office has the following powers and duties:

(a) In cooperation with the educational sectors and other interested parties, to establish goals and measurable objectives for the network;

(b) To ensure that the goals and measurable objectives of the network are the basis for any decisions or recommendations regarding the technical development and operation of the network;

(c) To adopt, modify, and implement policies to facilitate network development, operation, and expansion. Such policies may include but need not be limited to the following issues: Quality of educational services; access to the network by recognized organizations and accredited institutions that deliver educational programming, including public libraries; prioritization of programming within limited resources; prioritization of access to the system and the sharing of technological advances; network security; identification and evaluation of emerging technologies for delivery of educational programs; future expansion or redirection of the system;

network fee structures; and costs for the development and operation of the network;

(d) To prepare and submit to the governor and the legislature a coordinated budget for network development, operation, and expansion. The budget shall include the chief information officer's recommendations on (i) any state funding requested for network transport and equipment, distance education facilities and hardware or software specific to the use of the network, and proposed new network end sites, (ii) annual copayments to be charged to public educational sector institutions and other public entities connected to the network, and (iii) charges to nongovernmental entities connected to the network;

(e) To adopt and monitor the implementation of a methodology to evaluate the effectiveness of the network in achieving the educational goals and measurable objectives;

(f) To establish by rule acceptable use policies governing user eligibility for participation in the K-20 network, acceptable uses of network resources, and procedures for enforcement of such policies. The office shall set forth appropriate procedures for enforcement of acceptable use policies, that may include suspension of network connections and removal of shared equipment for violations of network conditions or policies. The office shall have sole responsibility for the implementation of enforcement procedures relating to technical conditions of use.

NEW SECTION. Sec. 719. The office shall maintain, in consultation with the K-20 network users, the K-20 operations cooperative, which shall be responsible for day-to-day network management, technical network status monitoring, technical problem response coordination, and other duties as agreed to by the office and the educational sectors. Funding for the K-20 operations cooperative shall be provided from the education technology revolving fund under RCW 43.105.835 (as recodified by this act).

NEW SECTION. Sec. 720. The chief information officer, in conjunction with the K-20 network users, shall maintain a technical plan of the K-20 telecommunications system and ongoing system enhancements. The office shall ensure that the technical plan adheres to the goals and objectives established under section 706 of this act. The technical plan shall provide for:

(1) A telecommunications backbone connecting educational service districts, the main campuses of public baccalaureate institutions, the branch campuses of public research institutions, and the main campuses of community colleges and technical colleges.

(2)(a) Connection to the K-20 network by entities that include, but need not be limited to: School districts, public higher education off-campus and extension centers, and branch campuses of community colleges and technical colleges, as prioritized by the chief information officer; (b) distance education facilities and components for entities listed in this subsection and subsection (1) of this section; and (c) connection for independent nonprofit institutions of higher education, provided that:

(i) The chief information officer and each independent nonprofit institution of higher education to be connected agree in writing to terms and conditions of connectivity. The terms and conditions shall ensure, among other things, that the provision of K-20 services does not violate Article VIII, section 5 of the state Constitution and that the institution shall adhere to K-20 network policies; and

(ii) The chief information officer determines that inclusion of the independent nonprofit institutions of higher education will not significantly affect the network's eligibility for federal universal service fund discounts or subsidies.

(3) Subsequent phases may include, but need not be limited to, connections to public libraries, state and local governments, community resource centers, and the private sector.

NEW SECTION. Sec. 721. (1) In overseeing the technical aspects of the K-20 network, the office is not intended to duplicate the statutory responsibilities of the higher education coordinating board,

the superintendent of public instruction, the state librarian, or the governing boards of the institutions of higher education.

(2) The office may not interfere in any curriculum or legally offered programming offered over the K-20 network.

(3) The responsibility to review and approve standards and common specifications for the K-20 network remains the responsibility of the office under section 706 of this act.

(4) The coordination of telecommunications planning for the common schools remains the responsibility of the superintendent of public instruction. Except as set forth in section 706(2)(e) of this act, the office may recommend, but not require, revisions to the superintendent's telecommunications plans.

Sec. 722. RCW 43.105.835 and 2004 c 276 s 910 are each amended to read as follows:

(1) The education technology revolving fund is created in the custody of the state treasurer. All receipts from billings under subsection (2) of this section must be deposited in the revolving fund. Only the ~~((director of the department of information services or the director's designee))~~ chief information officer or the chief information officer's designee may authorize expenditures from the fund. The revolving fund shall be used to pay for K-20 network operations, transport, equipment, software, supplies, and services, maintenance and depreciation of on-site data, and shared infrastructure, and other costs incidental to the development, operation, and administration of shared educational information technology services, telecommunications, and systems. The revolving fund shall not be used for the acquisition, maintenance, or operations of local telecommunications infrastructure or the maintenance or depreciation of on-premises video equipment specific to a particular institution or group of institutions.

(2) The revolving fund and all disbursements from the revolving fund are subject to the allotment procedure under chapter 43.88 RCW, but an appropriation is not required for expenditures. The ~~((department of information services))~~ office shall. ~~((in consultation with entities connected to the network under RCW 43.105.820 and))~~ subject to the review and approval of the office of financial management, establish and implement a billing structure for network services identified in subsection (1) of this section.

(3) The ~~((department))~~ office shall charge those public entities connected to the K-20 ~~((telecommunications [telecommunication system] under RCW 43.105.820))~~ telecommunications system under section 720 of this act an annual copayment per unit of transport connection as determined by the legislature after consideration of the ~~((K-20))~~ board's recommendations. This copayment shall be deposited into the revolving fund to be used for the purposes in subsection (1) of this section. It is the intent of the legislature to appropriate to the revolving fund such moneys as necessary to cover the costs for transport, maintenance, and depreciation of data equipment located at the individual public institutions, maintenance and depreciation of the K-20 network backbone, and services provided to the network under ~~((RCW 43.105.815.~~

~~—(4) During the 2003-05 biennium, the legislature may transfer moneys from the education technology revolving fund to the state general fund and the data processing revolving fund such amounts as reflect the excess fund balance of the account))~~ section 718 of this act.

GENERAL PROVISIONS RELATED TO OFFICE OF THE CHIEF INFORMATION OFFICER

NEW SECTION. Sec. 723. A new section is added to chapter 41.06 RCW to read as follows:

In addition to the exemptions under RCW 41.06.070, the provisions of this chapter do not apply in the office of the chief information officer to the chief information officer, the chief information officer's confidential secretary, assistant directors, and any other exempt staff members provided for in section 703 of this act.

Sec. 724. RCW 43.105.290 and 1996 c 171 s 13 are each amended to read as follows:

The state library, with the assistance of the ~~((department of information services))~~ office and the state archives, shall establish a pilot project to design and test an electronic information locator system, allowing members of the public to locate and access electronic public records. In designing the system, the following factors shall be considered: (1) Ease of operation by citizens; (2) access through multiple technologies, such as direct dial and toll-free numbers, kiosks, and the internet; (3) compatibility with private online services; and (4) capability of expanding the electronic public records included in the system. The pilot project may restrict the type and quality of electronic public records that are included in the system to test the feasibility of making electronic public records and information widely available to the public.

Sec. 725. RCW 28A.650.015 and 2009 c 556 s 17 are each amended to read as follows:

(1) The superintendent of public instruction, to the extent funds are appropriated, shall develop and implement a Washington state K-12 education technology plan. The technology plan shall be updated on at least a biennial basis, shall be developed to coordinate and expand the use of education technology in the common schools of the state. The plan shall be consistent with applicable provisions of chapter 43.105 RCW. The plan, at a minimum, shall address:

- (a) The provision of technical assistance to schools and school districts for the planning, implementation, and training of staff in the use of technology in curricular and administrative functions;
- (b) The continued development of a network to connect school districts, institutions of higher learning, and other sources of online information; and
- (c) Methods to equitably increase the use of education technology by students and school personnel throughout the state.

(2) The superintendent of public instruction shall appoint an educational technology advisory committee to assist in the development and implementation of the technology plan in subsection (1) of this section. The committee shall include, but is not limited to, persons representing: The ~~((department of information services))~~ office of the chief information officer, educational service districts, school directors, school administrators, school principals, teachers, classified staff, higher education faculty, parents, students, business, labor, scientists and mathematicians, the higher education coordinating board, the workforce training and education coordinating board, and the state library.

(3) The plan adopted and implemented under this section may not impose on school districts any requirements that are not specifically required by federal law or regulation, including requirements to maintain eligibility for the federal schools and libraries program of the universal service fund.

Sec. 726. RCW 39.94.040 and 2010 1st sp.s. c 36 s 6015 and 2010 1st sp.s. c 35 s 406 are each reenacted and amended to read as follows:

(1) Except as provided in RCW 28B.10.022, the state may not enter into any financing contract for itself if the aggregate principal amount payable thereunder is greater than an amount to be established from time to time by the state finance committee or participate in a program providing for the issuance of certificates of participation, including any contract for credit enhancement, without the prior approval of the state finance committee. Except as provided in RCW 28B.10.022, the state finance committee shall approve the form of all financing contracts or a standard format for all financing contracts. The state finance committee also may:

- (a) Consolidate existing or potential financing contracts into master financing contracts with respect to property acquired by one or more agencies, departments, instrumentalities of the state, the state board for community and technical colleges, or a state institution of higher learning; or to be acquired by another agency;

(b) Approve programs providing for the issuance of certificates of participation in master financing contracts for the state or for other agencies;

(c) Enter into agreements with trustees relating to master financing contracts; and

(d) Make appropriate rules for the performance of its duties under this chapter.

(2) In the performance of its duties under this chapter, the state finance committee may consult with representatives from the department of general administration, the office of financial management, and the ~~((department of information services))~~ office of the chief information officer.

(3) With the approval of the state finance committee, the state also may enter into agreements with trustees relating to financing contracts and the issuance of certificates of participation.

(4) Except for financing contracts for real property used for the purposes described under chapter 28B.140 RCW, the state may not enter into any financing contract for real property of the state without prior approval of the legislature. For the purposes of this requirement, a financing contract must be treated as used for real property if it is being entered into by the state for the acquisition of land; the acquisition of an existing building; the construction of a new building; or a major remodeling, renovation, rehabilitation, or rebuilding of an existing building. Prior approval of the legislature is not required under this chapter for a financing contract entered into by the state under this chapter for energy conservation improvements to existing buildings where such improvements include: (a) Fixtures and equipment that are not part of a major remodeling, renovation, rehabilitation, or rebuilding of the building, or (b) other improvements to the building that are being performed for the primary purpose of energy conservation. Such energy conservation improvements must be determined eligible for financing under this chapter by the office of financial management in accordance with financing guidelines established by the state treasurer, and are to be treated as personal property for the purposes of this chapter.

(5) The state may not enter into any financing contract on behalf of another agency without the approval of such a financing contract by the governing body of the other agency.

Sec. 727. RCW 40.14.020 and 2002 c 358 s 4 are each amended to read as follows:

All public records shall be and remain the property of the state of Washington. They shall be delivered by outgoing officials and employees to their successors and shall be preserved, stored, transferred, destroyed or disposed of, and otherwise managed, only in accordance with the provisions of this chapter. In order to insure the proper management and safeguarding of public records, the division of archives and records management is established in the office of the secretary of state. The state archivist, who shall administer the division and have reasonable access to all public records, wherever kept, for purposes of information, surveying, or cataloguing, shall undertake the following functions, duties, and responsibilities:

(1) To manage the archives of the state of Washington;

(2) To centralize the archives of the state of Washington, to make them available for reference and scholarship, and to insure their proper preservation;

(3) To inspect, inventory, catalog, and arrange retention and transfer schedules on all record files of all state departments and other agencies of state government;

(4) To insure the maintenance and security of all state public records and to establish safeguards against unauthorized removal or destruction;

(5) To establish and operate such state record centers as may from time to time be authorized by appropriation, for the purpose of preserving, servicing, screening and protecting all state public records which must be preserved temporarily or permanently, but which need not be retained in office space and equipment;

(6) To adopt rules under chapter 34.05 RCW:

(a) Setting standards for the durability and permanence of public records maintained by state and local agencies;

(b) Governing procedures for the creation, maintenance, transmission, cataloging, indexing, storage, or reproduction of photographic, optical, electronic, or other images of public documents or records in a manner consistent with current standards, policies, and procedures of the ~~((department of information services))~~ office of the chief information officer for the acquisition of information technology;

(c) Governing the accuracy and durability of, and facilitating access to, photographic, optical, electronic, or other images used as public records; or

(d) To carry out any other provision of this chapter;

(7) To gather and disseminate to interested agencies information on all phases of records management and current practices, methods, procedures, techniques, and devices for efficient and economical management and preservation of records;

(8) To operate a central microfilming bureau which will microfilm, at cost, records approved for filming by the head of the office of origin and the archivist; to approve microfilming projects undertaken by state departments and all other agencies of state government; and to maintain proper standards for this work;

(9) To maintain necessary facilities for the review of records approved for destruction and for their economical disposition by sale or burning; directly to supervise such destruction of public records as shall be authorized by the terms of this chapter;

(10) To assist and train state and local agencies in the proper methods of creating, maintaining, cataloging, indexing, transmitting, storing, and reproducing photographic, optical, electronic, or other images used as public records;

(11) To solicit, accept, and expend donations as provided in RCW 43.07.037 for the purpose of the archive program. These purposes include, but are not limited to, acquisition, accession, interpretation, and display of archival materials. Donations that do not meet the criteria of the archive program may not be accepted.

Sec. 728. RCW 42.17.460 and 1999 c 401 s 1 are each amended to read as follows:

It is the intent of the legislature to ensure that the commission provide the general public timely access to all contribution and expenditure reports submitted by candidates, continuing political committees, bona fide political parties, lobbyists, and lobbyists' employers. The legislature finds that failure to meet goals for full and timely disclosure threatens to undermine our electoral process.

Furthermore, the legislature intends for the commission to consult with the ~~((department of information services))~~ office of the chief information officer as it seeks to implement chapter 401, Laws of 1999, and that the commission follow the standards and procedures established by the ~~((department of information services))~~ office of the chief information officer in chapter 43.105 RCW as they relate to information technology.

Sec. 729. RCW 42.17.467 and 1999 c 401 s 5 are each amended to read as follows:

In preparing the information technology plan, the commission shall consult with affected state agencies, the ~~((department of information services))~~ office of the chief information officer, and stakeholders in the commission's work, including representatives of political committees, bona fide political parties, news media, and the general public.

Sec. 730. RCW 42.17.469 and 1999 c 401 s 6 are each amended to read as follows:

The commission shall submit the information technology plan to the senate and house of representatives fiscal committees, the governor, the senate state and local government committee, the house of representatives state government committee, and the ~~((department of information services))~~ office of the chief information officer by

February 1, 2000. It is the intent of the legislature that the commission thereafter comply with the requirements of chapter 43.105 RCW with respect to preparation and submission of biennial performance reports on the commission's information technology.

Sec. 731. RCW 42.17.471 and 1999 c 401 s 7 are each amended to read as follows:

The commission shall prepare and submit to the ~~((department of information services))~~ office of the chief information officer a biennial performance report ~~((in accordance with chapter 43.105 RCW)).~~

The report must include:

- (1) An evaluation of the agency's performance relating to information technology;
- (2) An assessment of progress made toward implementing the agency information technology plan;
- (3) An analysis of the commission's performance measures, set forth in RCW 42.17.463, that relate to the electronic filing of reports and timely public access to those reports via the commission's web site;
- (4) A comprehensive description of the methods by which citizens may interact with the agency in order to obtain information and services from the commission; and
- (5) An inventory of agency information services, equipment, and proprietary software.

Sec. 732. RCW 42.17A.060 and 1999 c 401 s 1 are each amended to read as follows:

It is the intent of the legislature to ensure that the commission provide the general public timely access to all contribution and expenditure reports submitted by candidates, continuing political committees, bona fide political parties, lobbyists, and lobbyists' employers. The legislature finds that failure to meet goals for full and timely disclosure threatens to undermine our electoral process.

Furthermore, the legislature intends for the commission to consult with the ~~((department of information services))~~ office of the chief information officer as it seeks to implement chapter 401, Laws of 1999, and that the commission follow the standards and procedures established by the ~~((department of information services))~~ office of the chief information officer in chapter 43.105 RCW as they relate to information technology.

Sec. 733. RCW 43.88.092 and 2010 c 282 s 3 are each amended to read as follows:

- (1) As part of the biennial budget process, the office of financial management shall collect from agencies, and agencies shall provide, information to produce reports, summaries, and budget detail sufficient to allow review, analysis, and documentation by the office of financial management and the chief information officer of all current and proposed expenditures for information technology by state agencies. Information technology budget detail must be included as part of the budget submittal documentation required pursuant to RCW 43.88.030.
- (2) The office of financial management must collect, and present as part of the biennial budget documentation, information for all existing information technology projects as defined by information services board policy. The office of financial management must work with the ~~((department of information services))~~ office of the chief information officer to maximize the ability to draw this information from the information technology portfolio management data collected by the ~~((department of information services))~~ office of the chief information officer pursuant to ~~((RCW 43.105.170))~~ section 710 of this act. Connecting project information collected through the portfolio management process with financial data developed under subsection (1) of this section provides transparency regarding expenditure data for existing technology projects.
- (3) The biennial budget documentation submitted by the office of financial management pursuant to RCW 43.88.030 must include an information technology plan and a technology budget for the state

identifying current baseline funding for information technology, proposed ~~((large))~~ and ongoing major information technology projects, and their associated costs. This plan and technology budget must be presented using a method similar to the capital budget, identifying project costs through stages of the project and across fiscal periods and biennia from project initiation to implementation. This information must be submitted electronically, in a format to be determined by the office of financial management and the legislative evaluation and accountability program committee.

- (4) The office of financial management shall also institute a method of accounting for information technology-related expenditures, including creating common definitions for what constitutes an information technology investment.
- (5) For the purposes of this section, "major information technology projects" includes projects that have a significant anticipated cost, complexity, or are of statewide significance such as enterprise level solutions, enterprise resource planning, and shared services initiatives.

Sec. 734. RCW 43.105.410 and 2010 c 282 s 2 are each amended to read as follows:

(1) State agencies that are purchasing wireless devices or services must make such purchases through the state master contract, unless the state agency provides to the office of ~~((financial management))~~ the chief information officer evidence that the state agency is securing its wireless devices or services from another source for a lower cost than through participation in the state master contract.

(2) For the purposes of this section, "state agency" means any office, department, board, commission, or other unit of state government, but does not include a unit of state government headed by a statewide elected official, an institution of higher education as defined in RCW 28B.10.016, the higher education coordinating board, the state board for community and technical colleges, or agencies of the legislative or judicial branches of state government.

STATE DATA CENTER

NEW SECTION. **Sec. 735.** (1) Except as provided by subsection (2) of this section, state agencies shall locate all existing and new servers in the state data center.

(2) Agencies with a service requirement that requires servers to be located outside the state data center must receive a waiver from the office. Waivers must be based upon written justification from the requesting agency citing specific service or performance requirements for locating servers outside the state's common platform.

(3) The office, in consultation with the office of financial management, shall continue to develop the business plan and migration schedule for moving all state agencies into the state data center.

(4) The legislature and the judiciary, which are constitutionally recognized as separate branches of government, may enter into an interagency agreement with the office to migrate its servers into the state data center.

(5) This section does not apply to institutions of higher education.

MIGRATION TO A CENTRAL SERVICE PROVIDER

NEW SECTION. **Sec. 736.** (1) The office shall conduct a needs assessment and develop a migration strategy to ensure that, by July 1, 2013, all state agencies are moving towards using the consolidated technology services agency established in RCW 43.105.047 as their central service provider for all utility-based infrastructure services, including centralized PC and infrastructure support. Agency specific application services shall remain managed within individual agencies.

(2) The office shall develop short-term and long-term objectives as part of the migration strategy.

(3) For the purposes of this section, "utility-based infrastructure services" includes personal computer and portable device support, servers and server administration, security administration, network administration, telephony, e-mail, and other information technology services commonly utilized by state agencies.

(4) This section does not apply to institutions of higher education.

PART VIII
CREATING THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY

NEW SECTION. Sec. 801. A new section is added to chapter 43.105 RCW to read as follows:

To achieve maximum benefit from advances in information technology the state establishes a centralized provider and procurer of certain information technology services as an agency to support the needs of state agencies. This agency shall be known as the consolidated technology services agency. To ensure maximum benefit to the state, state agencies shall rely on the consolidated technology services agency for those services with a business case of broad use, uniformity, scalability, and price sensitivity to aggregation and volume.

To successfully meet agency needs and meet its obligation as the primary service provider for these services, the consolidated technology services agency must offer high quality services at the lowest possible price. It must be able to attract an adaptable and competitive workforce, be authorized to procure services where the business case justifies it, and be accountable to its customers for the efficient and effective delivery of critical business services.

The consolidated technology services agency is established as an agency in state government. The agency is established with clear accountability to the agencies it serves and to the public. This accountability will come through enhanced transparency in the agency's operation and performance. The agency is also established with broad flexibility to adapt its operations and service catalog to address the needs of customer agencies, and to do so in the most cost-effective ways.

Sec. 802. RCW 43.105.020 and 2010 1st sp.s. c 7 s 64 are each amended to read as follows:

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

(1) ("Administrator" means the community technology opportunity program administrator designated by the department.

(2) "Backbone network" means the shared high-density portions of the state's telecommunications transmission facilities. It includes specially conditioned high-speed communications carrier lines, multiplexors, switches associated with such communications lines, and any equipment and software components necessary for management and control of the backbone network.

(3) "Board" means the information services board.

(4) "Broadband" means a high-speed, high capacity transmission medium, using land-based, satellite, wireless, or any other mechanism, that can carry either signals or transmit data, or both, over long distances by using a wide range of frequencies.

(5) "Committee" means the state interoperability executive committee.

(6) "Common vendor registration and bid notification system" has the definition in RCW 39.29.006.

(7) "Community technology programs" means programs that are engaged in diffusing information and communications technology in local communities, particularly in unserved and underserved areas of the state. These programs may include, but are not limited to, programs that provide education and skill-building opportunities, hardware and software, internet connectivity, digital media literacy, development of locally relevant content, and delivery of vital services through technology.

(8) "Council" means the advisory council on digital inclusion created in RCW 43.105.400.

(9) "Department" means the department of information services.

(10))) "Agency" means the consolidated technology services agency.

(2) "Board" means the consolidated technology services board.

(3) "Customer agencies" means all entities that purchase or use information technology resources, telecommunications, or services

from the consolidated technology services agency.

(4) "Director" means the director of the ((department)) consolidated technology services agency.

((11) "Educational sectors" means those institutions of higher education, school districts, and educational service districts that use the network for distance education, data transmission, and other uses permitted by the K-20 board.

(12))) (5) "Equipment" means the machines, devices, and transmission facilities used in information processing, ((such as)) including but not limited to computers, ((word processors,)) terminals, telephones, wireless communications system facilities, cables, and any physical facility necessary for the operation of such equipment.

((13) "High-speed internet" means broadband.

(14) "Information" includes, but is not limited to, data, text, voice, and video.

(15) "Information processing" means the electronic capture, collection, storage, manipulation, transmission, retrieval, and presentation of information in the form of data, text, voice, or image and includes telecommunications and office automation functions.

(16) "Information services" means data processing, telecommunications, office automation, and computerized information systems.

(17))) "Enterprise architecture" means an ongoing program for translating business vision and strategy into effective enterprise change. It is a continuous activity. Enterprise architecture creates, communicates, and improves the key principles and models that describe the enterprise's future state and enable its evolution.

(7) "Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

(8) "Information technology portfolio" or "portfolio" means a strategic management process documenting relationships between agency missions and information technology and telecommunications investments.

((18) "K-20 network" means the network established in RCW 43.105.820.

—((19)) (9) "Local governments" includes all municipal and quasi municipal corporations and political subdivisions, and all agencies of such corporations and subdivisions authorized to contract separately.

((20)) (10) "Oversight" means a process of comprehensive risk analysis and management designed to ensure optimum use of information technology resources and telecommunications.

((21)) (11) "Proprietary software" means that software offered for sale or license.

((22) "Purchased services" means services provided by a vendor to accomplish routine, continuing, and necessary functions. This term includes, but is not limited to, services acquired for equipment maintenance and repair, operation of a physical plant, security, computer hardware and software installation and maintenance, telecommunications installation and maintenance, data entry, keypunch services, programming services, and computer time-sharing.

(23) "Small business" has the definition in RCW 39.29.006.

(24) "Telecommunications" means the transmission of information by wire, radio, optical cable, electromagnetic, or other means.

(25) "Video telecommunications" means the electronic interconnection of two or more sites for the purpose of transmitting and/or receiving visual and associated audio information. Video telecommunications shall not include existing public television broadcast stations as currently designated by the department of commerce under chapter 43.330 RCW.) (12) "Telecommunications"

includes, but is not limited to, wireless or wired systems for transport of voice, video, and data communications, network systems, requisite facilities, equipment, system controls, simulation, electronic commerce, and all related interactions between people and machines. "Telecommunications" does not include public safety communications.

Sec. 803. RCW 43.105.047 and 1999 c 80 s 5 are each amended to read as follows:

There is created the ~~((department of information services)) consolidated technology services agency, an agency of state government.~~ The ~~((department))~~ agency shall be headed by a director appointed by the governor with the consent of the senate. The director shall serve at the governor's pleasure and shall receive such salary as determined by the governor. The director shall:

(1) Appoint a confidential secretary and such deputy and assistant directors as needed to administer the ~~((department))~~ agency; and

(2) ~~((Maintain and fund a strategic planning and policy component separate from the services component of the department;~~

(3) Appoint, after consulting with the board, the assistant or deputy director for the planning component;

(4)) Appoint such professional, technical, and clerical assistants and employees as may be necessary to perform the duties imposed by this chapter(;

(5) Report to the governor and the board any matters relating to abuses and evasions of this chapter; and

(6) Recommend statutory changes to the governor and the board)).

Sec. 804. RCW 43.105.052 and 2010 1st sp.s. c 7 s 16 are each amended to read as follows:

The ~~((department))~~ agency shall:

(1) ~~((Perform all duties and responsibilities the board delegates to the department, including but not limited to:~~

(a) The review of agency information technology portfolios and related requests; and

(b) Implementation of statewide and interagency policies, standards, and guidelines;

(2)) Make available information services to ((state)) public agencies ((and local governments)) and public benefit nonprofit corporations ((on a full cost-recovery basis)). For the purposes of this section "public agency" means any agency of this state or another state; any political subdivision, or unit of local government of this state or another state including, but not limited to, municipal corporations, quasi-municipal corporations, special purpose districts, and local service districts; any agency of the United States; and any Indian tribe recognized as such by the federal government and "public benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, or federal funds either directly or through a public agency other than an Indian tribe or political subdivision of another state((. These services may include, but are not limited to:

(a) Telecommunications services for voice, data, and video;

(b) Mainframe computing services;

(c) Support for departmental and microcomputer evaluation, installation, and use;

(d) Equipment acquisition assistance, including leasing, brokering, and establishing master contracts;

(e) Facilities management services for information technology equipment, equipment repair, and maintenance service;

(f) Negotiation with local cable companies and local governments to provide for connection to local cable services to allow for access to these public and educational channels in the state;

(g) Office automation services;

(h) System development services; and

(i) Training.

These services are for discretionary use by customers and customers may elect other alternatives for service if those alternatives

are more cost-effective or provide better service. Agencies may be required to use the backbone network portions of the telecommunications services during an initial start-up period not to exceed three years));

~~((3)) (2) Establish rates and fees for services provided by the ((department to assure that the services component of the department is self-supporting)) agency. A billing rate plan shall be developed for a two-year period to coincide with the budgeting process. The rate plan shall be subject to review at least annually by the office of financial management. The rate plan shall show the proposed rates by each cost center and will show the components of the rate structure as mutually determined by the ((department)) agency and the office of financial management. ((The same rate structure will apply to all user agencies of each cost center.)) The rate plan and any adjustments to rates shall be approved by the office of financial management((--The services component shall not subsidize the operations of the strategic planning and policy component));~~

~~((4)) (3) With the advice of the ((information services)) board and customer agencies, develop a state strategic information technology plan and performance reports as required under ((RCW 43.105.160)) section 707 of this act;~~

~~((5)) (4) Develop plans for the ((department's)) agency's achievement of statewide goals and objectives set forth in the state strategic information technology plan required under ((RCW 43.105.160. These plans shall address such services as telecommunications, central and distributed computing, local area networks, office automation, and end user computing. The department shall seek the advice of the board in the development of these plans;~~

~~--(6) Under direction of the information services board and in collaboration with the department of personnel, and other agencies as may be appropriate, develop training plans and coordinate training programs that are responsive to the needs of agencies;~~

~~--(7) Identify opportunities for the effective use of information services and coordinate appropriate responses to those opportunities;~~

~~--(8) Assess agencies' projects, acquisitions, plans, information technology portfolios, or overall information processing performance as requested by the board, agencies, the director of financial management, or the legislature. Agencies may be required to reimburse the department for agency-requested reviews)) section 707 of this act;~~

~~((9) Develop planning, budgeting, and expenditure reporting requirements, in conjunction with the office of financial management, for agencies to follow;~~

~~((10) Assist the office of financial management with budgetary and policy review of agency plans for information services;~~

~~((11) Provide staff support from the strategic planning and policy component to the board for:~~

~~(a) Meeting preparation, notices, and minutes;~~

~~(b) Promulgation of policies, standards, and guidelines adopted by the board;~~

~~(c) Supervision of studies and reports requested by the board;~~

~~(d) Conducting reviews and assessments as directed by the board;~~

~~((12) Be the lead agency in coordinating video telecommunications services for all state agencies and develop, pursuant to board policies, standards and common specifications for leased and purchased telecommunications equipment. The department shall not evaluate the merits of school curriculum, higher education course offerings, or other education and training programs proposed for transmission and/or reception using video telecommunications resources. Nothing in this section shall abrogate or abridge the legal responsibilities of licensees of telecommunications facilities as licensed by the federal communication commission on March 27, 1990;)) and~~

~~((13)) (5) Perform all other matters and things necessary to carry out the purposes and provisions of this chapter.~~

NEW SECTION. Sec. 805. A new section is added to chapter 43.105 RCW to read as follows:

(1) There is hereby created the consolidated technology services board. The board shall be composed of eleven members appointed by the governor. Seven of the board members shall consist of customer representatives either in the position of chief executive officer, chief financial officer, or chief information officer. Four of the board members shall be legislators, who serve as ex officio, nonvoting members of the board.

(2)(a) Nonlegislative members shall serve three-year terms. Members may not serve more than two consecutive terms.

(b) Of the initial nonlegislative members, two must be appointed for a one-year term, two must be appointed for a two-year term, and three must be appointed for a three-year term. Thereafter, members must be appointed for three-year terms.

(c) Vacancies shall be filled in the same manner that the original appointments were made for the remainder of the member's term.

(3)(a) Of the initial legislative members, the president of the senate and the speaker of the house of representatives shall make the appointments.

(b) The president of the senate shall appoint one member from each of the two largest caucuses in the senate.

(c) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives.

(4) A majority of the members of the board shall constitute a quorum for the transaction of business.

Sec. 806. RCW 43.19.190 and 2002 c 200 s 3 are each amended to read as follows:

The director of general administration, through the state purchasing and material control director, shall:

(1) Establish and staff such administrative organizational units within the division of purchasing as may be necessary for effective administration of the provisions of RCW 43.19.190 through 43.19.1939;

(2) Purchase all material, supplies, services, and equipment needed for the support, maintenance, and use of all state institutions, colleges, community colleges, technical colleges, college districts, and universities, the offices of the elective state officers, the supreme court, the court of appeals, the administrative and other departments of state government, and the offices of all appointive officers of the state: **PROVIDED**, That the provisions of RCW 43.19.190 through 43.19.1937 do not apply in any manner to the operation of the state legislature except as requested by the legislature: **PROVIDED, That the provisions of this section and RCW 43.19.1901 through 43.19.1925 do not apply to the consolidated technology services agency created in RCW 43.105.047**: **PROVIDED**, That any agency may purchase material, supplies, services, and equipment for which the agency has notified the purchasing and material control director that it is more cost-effective for the agency to make the purchase directly from the vendor: **PROVIDED**, That primary authority for the purchase of specialized equipment, instructional, and research material for their own use shall rest with the colleges, community colleges, and universities: **PROVIDED FURTHER**, That universities operating hospitals and the state purchasing and material control director, as the agent for state hospitals as defined in RCW 72.23.010, and for health care programs provided in state correctional institutions as defined in RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and 72.36.070, may make purchases for hospital operation by participating in contracts for materials, supplies, and equipment entered into by nonprofit cooperative hospital group purchasing organizations: **PROVIDED FURTHER**, That primary authority for the purchase of materials, supplies, and equipment for resale to other than public agencies shall rest with the state agency concerned: **PROVIDED FURTHER**, That authority to purchase services as included herein does not apply to personal services as

defined in chapter 39.29 RCW, unless such organization specifically requests assistance from the division of purchasing in obtaining personal services and resources are available within the division to provide such assistance: **PROVIDED FURTHER**, That the authority for the purchase of insurance and bonds shall rest with the risk manager under RCW ((43.19.1935)) 43.41.310: **PROVIDED FURTHER**, That, except for the authority of the risk manager to purchase insurance and bonds, the director is not required to provide purchasing services for institutions of higher education that choose to exercise independent purchasing authority under RCW 28B.10.029: **PROVIDED FURTHER**, That the authority to purchase interpreter services and interpreter brokerage services on behalf of limited-English speaking or sensory-impaired applicants and recipients of public assistance shall rest with the department of social and health services;

(3) Have authority to delegate to state agencies authorization to purchase or sell, which authorization shall specify restrictions as to dollar amount or to specific types of material, equipment, services, and supplies. Acceptance of the purchasing authorization by a state agency does not relieve such agency from conformance with other sections of RCW 43.19.190 through 43.19.1939, or from policies established by the director. Also, delegation of such authorization to a state agency, including an educational institution to which this section applies, to purchase or sell material, equipment, services, and supplies shall not be granted, or otherwise continued under a previous authorization, if such agency is not in substantial compliance with overall state purchasing and material control policies as established herein;

(4) Contract for the testing of material, supplies, and equipment with public and private agencies as necessary and advisable to protect the interests of the state;

(5) Prescribe the manner of inspecting all deliveries of supplies, materials, and equipment purchased through the division;

(6) Prescribe the manner in which supplies, materials, and equipment purchased through the division shall be delivered, stored, and distributed;

(7) Provide for the maintenance of a catalogue library, manufacturers' and wholesalers' lists, and current market information;

(8) Provide for a commodity classification system and may, in addition, provide for the adoption of standard specifications;

(9) Provide for the maintenance of inventory records of supplies, materials, and other property;

(10) Prepare rules and regulations governing the relationship and procedures between the division of purchasing and state agencies and vendors;

(11) Publish procedures and guidelines for compliance by all state agencies, including those educational institutions to which this section applies, which implement overall state purchasing and material control policies;

(12) Advise state agencies, including educational institutions, regarding compliance with established purchasing and material control policies under existing statutes.

NEW SECTION. Sec. 807. A new section is added to chapter 43.105 RCW to read as follows:

The board has the following powers and duties:

(1) Approve rates for services offered by the agency;

(2) Approve the budget proposal to the office of financial management for the agency;

(3) Approve the catalog of services to be provided or procured for client agencies;

(4) Prepare and submit an annual performance evaluation of the director to the governor;

(5) Prepare and submit a performance assessment of the agency to the governor annually; and

(6) Advise the director on operational issues and plans brought before the board by the director.

NEW SECTION. Sec. 808. A new section is added to chapter 43.105 RCW to read as follows:

The director in consultation with the board shall set performance targets and approve plans for achieving measurable and specific goals for the agency. By January 2012, the appropriate organizational performance and accountability measures and performance targets shall be submitted to the governor. These measures and targets shall include measures of performance demonstrating specific and measurable improvements related to service delivery and costs, operational efficiencies, and overall customer satisfaction. The agency shall develop a dashboard of key performance measures that will be updated quarterly and made available on the agency public web site.

The director shall report to the governor on agency performance at least quarterly. The reports shall be included on the agency's web site and accessible to the public.

NEW SECTION. Sec. 809. (1) The state auditor shall complete a two-part performance audit of the consolidated state data center. The first part of the performance audit may include, but is not limited to:

(a) A review of the business case developed prior to the state entering into financial agreements for the consolidated state data center, including an assessment of:

(i) The methodology used to determine the requisite size and scale of the project;

(ii) The cost assumptions developed as part of the business case for building a data center in Thurston county as compared to building a data center in other locations in the state;

(iii) To what extent private sector alternatives were considered; and

(iv) An assessment of the decision-making process leading up to the decision to enter into financial agreements for the consolidated state data center, including who made the decision to pursue the consolidated state data center over other alternatives; and

(b) A review of the timeline under which milestone decisions were made regarding the consolidated state data center.

(2) The first part of the performance audit conducted under this section will be used to inform the second part of the performance audit conducted under section 810 of this act. The full two-part performance audit must be completed and submitted to the governor and the legislature by December 1, 2011.

NEW SECTION. Sec. 810. (1) Upon completion of the first part of a two-part performance audit of the consolidated state data center as outlined under section 809 of this act, the state auditor shall complete the second part of the performance audit. The second part of the performance audit may include, but is not limited to, a technical and financial assessment of the current business plan developed for the consolidated state data center, which may include:

(a) A detailed comparison of the consolidated state data center business plan with business plans developed for state data centers in other states;

(b) The costs associated with transitioning to, and operating, the consolidated state data center, including analysis of the fixed lease costs, the up-front transition costs, and the ongoing maintenance and operation costs;

(c) The potential budgetary impacts on the general fund in the short and long term;

(d) The predictability of the cost of occupying the consolidated state data center for state agencies;

(e) The risks associated with transitioning to the consolidated state data center, including the possibility of service interruptions, cost overruns, and other unforeseen costs;

(f) The potential return on investment for state taxpayers, including the future value of the consolidated state data center once the state has paid the lease costs in full; and

(g) A review of the business and financial viability of the state receiving revenue from leasing equipment or excess capacity, or both, in data halls 3 and 4 of the consolidated state data center.

(2) The full performance audit must be completed and submitted to the governor and the legislature by December 1, 2011.

Sec. 811. RCW 43.105.057 and 1992 c 20 s 11 are each amended to read as follows:

The (~~department of information services and the information services board, respectively,~~) agency shall adopt rules as necessary under chapter 34.05 RCW to implement the provisions of this chapter.

Sec. 812. RCW 43.105.060 and 1987 c 504 s 10 are each amended to read as follows:

State and local government agencies are authorized to enter into any contracts with the (~~department or its successor~~) agency which may be necessary or desirable to effectuate the purposes and policies of this chapter or for maximum utilization of facilities and services which are the subject of this chapter.

Sec. 813. RCW 19.34.231 and 1999 c 287 s 12 are each amended to read as follows:

(1) If a signature of a unit of state or local government, including its appropriate officers or employees, is required by statute, administrative rule, court rule, or requirement of the office of financial management, that unit of state or local government shall become a subscriber to a certificate issued by a licensed certification authority for purposes of conducting official public business with electronic records.

(2) A city or county may become a licensed certification authority under RCW 19.34.100 for purposes of providing services to local government, if authorized by ordinance adopted by the city or county legislative authority.

(3) A unit of state government, except the secretary (~~and the department of information services~~), may not act as a certification authority.

Sec. 814. RCW 19.34.420 and 1998 c 33 s 2 are each amended to read as follows:

(1) The following information, when in the possession of the secretary (~~the department of information services~~) or the state auditor for purposes of this chapter, shall not be made available for public disclosure, inspection, or copying, unless the request is made under an order of a court of competent jurisdiction based upon an express written finding that the need for the information outweighs any reason for maintaining the privacy and confidentiality of the information or records:

(a) A trade secret, as defined by RCW 19.108.010; and

(b) Information regarding design, security, or programming of a computer system used for purposes of licensing or operating a certification authority or repository under this chapter.

(2) The state auditor, or an authorized agent, must be given access to all information referred to in subsection (1) of this section for the purpose of conducting audits under this chapter or under other law, but shall not make that information available for public inspection or copying except as provided in subsection (1) of this section.

Sec. 815. RCW 46.20.157 and 1999 c 6 s 21 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the department shall annually provide to the (~~department of information services~~) consolidated technology services agency an electronic data file. The data file must:

(a) Contain information on all licensed drivers and identicaid holders who are eighteen years of age or older and whose records have not expired for more than two years;

(b) Be provided at no charge; and

(c) Contain the following information on each such person: Full name, date of birth, residence address including county, sex, and most

recent date of application, renewal, replacement, or change of driver's license or identicard.

(2) Before complying with subsection (1) of this section, the department shall remove from the file the names of any certified participants in the Washington state address confidentiality program under chapter 40.24 RCW that have been identified to the department by the secretary of state.

Sec. 816. RCW 2.36.054 and 1993 c 408 s 3 are each amended to read as follows:

Unless otherwise specified by rule of the supreme court, the jury source list and master jury list for each county shall be created as provided by this section.

(1) The superior court of each county, after consultation with the county clerk and county auditor of that jurisdiction, shall annually notify the ~~((department of information services))~~ consolidated technology services agency not later than March 1 of each year of its election to use either a jury source list that is merged by the county or a jury source list that is merged by the ~~((department of information services))~~ consolidated technology services agency. The ~~((department of information services))~~ consolidated technology services agency shall annually furnish at no charge to the superior court of each county a separate list of the registered voters residing in that county as supplied annually by the secretary of state and a separate list of driver's license and identicard holders residing in that county as supplied annually by the department of licensing, or a merged list of all such persons residing in that county, in accordance with the annual notification required by this subsection. The lists provided by the ~~((department of information services))~~ consolidated technology services agency shall be in an electronic format mutually agreed upon by the superior court requesting it and the department of information services. The annual merger of the list of registered voters residing in each county with the list of licensed drivers and identicard holders residing in each county to form a jury source list for each county shall be in accordance with the standards and methodology established in this chapter or by superseding court rule whether the merger is accomplished by the ~~((department of information services))~~ consolidated technology services agency or by a county.

(2) Persons on the lists of registered voters and driver's license and identicard holders shall be identified by a minimum of last name, first name, middle initial where available, date of birth, gender, and county of residence. Identifying information shall be used when merging the lists to ensure to the extent reasonably possible that persons are only listed once on the merged list. Conflicts in addresses are to be resolved by using the most recent record by date of last vote in a general election, date of driver's license or identicard address change or date of voter registration.

(3) The ~~((department of information services))~~ consolidated technology services agency shall provide counties that elect to receive a jury source list merged by ~~((department of information services))~~ the consolidated technology services agency with a list of names which are possible duplicates that cannot be resolved based on the identifying information required under subsection (2) of this section. If a possible duplication cannot subsequently be resolved satisfactorily through reasonable efforts by the county receiving the merged list, the possible duplicate name shall be stricken from the jury source list until the next annual jury source list is prepared.

Sec. 817. RCW 29A.08.760 and 2009 c 369 s 35 are each amended to read as follows:

The secretary of state shall provide a duplicate copy of the master statewide computer file or electronic data file of registered voters to the ~~((department of information services))~~ consolidated technology services agency for purposes of creating the jury source list without cost. Restrictions as to the commercial use of the information on the statewide computer tape or data file of registered voters, and penalties

for its misuse, shall be the same as provided in RCW 29A.08.720 and 29A.08.740.

Sec. 818. RCW 43.63A.550 and 1998 c 245 s 71 are each amended to read as follows:

(1) The department shall assist in the process of inventorying and collecting data on public and private land for the acquisition of data describing land uses, demographics, infrastructure, critical areas, transportation corridors physical features, housing, and other information useful in managing growth throughout the state. For this purpose the department ~~((shall))~~ may contract with the ~~((department of information services))~~ consolidated technology services agency and shall form an advisory group consisting of representatives from state, local, and federal agencies, colleges and universities, and private firms with expertise in land planning, and geographic information systems.

(2) The department shall establish a sequence for acquiring data, giving priority to rapidly growing areas. The data shall be retained in a manner to facilitate its use in preparing maps, aggregating with data from multiple jurisdictions, and comparing changes over time. Data shall further be retained in a manner which permits its access via computer.

(3) The department shall work with other state agencies, local governments, and private organizations that are inventorying public and private lands to ensure close coordination and to ensure that duplication of efforts does not occur.

PART IX

EDUCATION RESEARCH AND DATA CENTER

Sec. 901. RCW 43.41.400 and 2009 c 548 s 201 are each amended to read as follows:

((1) An education data center shall be established in the office of financial management. The education data center shall jointly, with the legislative evaluation and accountability program committee, conduct collaborative analyses of early learning, K-12, and higher education programs and education issues across the P-20 system, which includes the department of early learning, the superintendent of public instruction, the professional educator standards board, the state board of education, the state board for community and technical colleges, the workforce training and education coordinating board, the higher education coordinating board, public and private nonprofit four-year institutions of higher education, and the employment security department. The education data center shall conduct collaborative analyses under this section with the legislative evaluation and accountability program committee and provide data electronically to the legislative evaluation and accountability program committee, to the extent permitted by state and federal confidentiality requirements. The education data center shall be considered an authorized representative of the state educational agencies in this section under applicable federal and state statutes for purposes of accessing and compiling student record data for research purposes.

(2) The education data center shall:

(a) In consultation with the legislative evaluation and accountability program committee and the agencies and organizations participating in the education data center, identify the critical research and policy questions that are intended to be addressed by the education data center and the data needed to address the questions;

(b) Coordinate with other state education agencies to compile and analyze education data, including data on student demographics that is disaggregated by distinct ethnic categories within racial subgroups, and complete P-20 research projects;

(c) Collaborate with the legislative evaluation and accountability program committee and the education and fiscal committees of the legislature in identifying the data to be compiled and analyzed to ensure that legislative interests are served;

(d) Annually provide to the K-12 data governance group a list of data elements and data quality improvements that are necessary to answer the research and policy questions identified by the education

data center and have been identified by the legislative committees in (c) of this subsection. Within three months of receiving the list, the K-12 data governance group shall develop and transmit to the education data center a feasibility analysis of obtaining or improving the data, including the steps required, estimated time frame, and the financial and other resources that would be required. Based on the analysis, the education data center shall submit, if necessary, a recommendation to the legislature regarding any statutory changes or resources that would be needed to collect or improve the data;

(e) Monitor and evaluate the education data collection systems of the organizations and agencies represented in the education data center ensuring that data systems are flexible, able to adapt to evolving needs for information, and to the extent feasible and necessary, include data that are needed to conduct the analyses and provide answers to the research and policy questions identified in (a) of this subsection;

(f)) The office of financial management shall:

(1) Track enrollment and outcomes through the public centralized higher education enrollment system;

~~((g))~~ (2) Assist other state educational agencies' collaborative efforts to develop a long-range enrollment plan for higher education including estimates to meet demographic and workforce needs;

((h) Provide research that focuses on student transitions within and among the early learning, K-12, and higher education sectors in the P-20 system; and

(i) Make recommendations to the legislature as necessary to help ensure the goals and objectives of this section and RCW 28A.655.210 and 28A.300.507 are met.

(3) The department of early learning, superintendent of public instruction, professional educator standards board, state board of education, state board for community and technical colleges, workforce training and education coordinating board, higher education coordinating board, public four-year institutions of higher education, and employment security department shall work with the education data center to develop data-sharing and research agreements, consistent with applicable security and confidentiality requirements, to facilitate the work of the center. Private, nonprofit institutions of higher education that provide programs of education beyond the high school level leading at least to the baccalaureate degree and are accredited by the Northwest association of schools and colleges or their peer accreditation bodies may also develop data-sharing and research agreements with the education data center, consistent with applicable security and confidentiality requirements. The education data center shall make data from collaborative analyses available to the education agencies and institutions that contribute data to the education data center to the extent allowed by federal and state security and confidentiality requirements applicable to the data of each contributing agency or institution))

(3) Develop data-sharing and research agreements with the legislative evaluation and accountability program and public institutions of higher education, consistent with applicable security and confidentiality requirements, to facilitate the work of the education research and data center under section 902 of this act; and

(4) Cooperate with the education research and data center to compile and analyze education data.

NEW SECTION. Sec. 902. A new section is added to chapter 44.48 RCW to read as follows:

(1) An education research and data center is established under the legislative evaluation and accountability program committee. The purpose of the center is to:

(a) Serve as a data warehouse for education data across the P-20 education system, which includes the department of early learning, the office of the superintendent of public instruction, the professional educator standards board, the state board of education, the state board for community and technical colleges, the workforce training and education coordinating board, the office of financial management, the

higher education coordinating board, public and private nonprofit four- year institutions of higher education, and the employment security department;

(b) Coordinate with other state education agencies to compile and analyze education data, including data on student demographics that is disaggregated by distinct ethnic categories within racial subgroups, and conduct collaborative analyses of early learning, K-12, and higher education programs and education issues across the P-20 system;

(c) Disseminate education data and information, consistent with applicable security and confidentiality requirements, to the education agencies and institutions that contribute data to the center and to school districts, policymakers, educators, researchers, and the public; and

(d) Develop and maintain a searchable web site with education data and information, including downloadable files and customizable reports.

(2) The education research and data center shall be considered an authorized representative of the state educational agencies in this section under applicable federal and state statutes for purposes of accessing and compiling student record data for research purposes.

(3) The education research and data center shall:

(a) In consultation with the agencies and organizations participating in the center, identify the critical research and policy questions that are intended to be addressed by the center, the data needed to address the questions, key clients for the data and their needs, and the role these clients can play in addressing the questions;

(b) Collaborate with the office of financial management and the education and fiscal committees of the legislature in identifying the data to be compiled and analyzed;

(c) Annually provide to the K-12 data governance group under RCW 28A.300.507 a list of data elements and data quality improvements that are necessary to answer critical research and policy questions. Within three months of receiving the list, the K-12 data governance group shall develop and transmit to the center a feasibility analysis of obtaining or improving the data, including the steps required, estimated time frame, and the financial and other resources that would be required. Based on the analysis, the education research and data center shall submit, if necessary, a recommendation to the legislature regarding any statutory changes or resources that would be needed to collect or improve the data;

(d) Monitor and evaluate the education data collection systems of the state educational agencies to ensure that data systems are flexible and able to adapt to evolving needs for information, and to the extent feasible and necessary, include data needed to conduct the analyses and provide answers to the research and policy questions identified in (a) of this subsection;

(e) Facilitate use of the data to support academic research and studies by the state educational agencies, independent academic researchers, legislative research agencies, and others; and

(f) Make recommendations to the legislature as necessary so that the goals and objectives of this section and RCW 28A.655.210 and 28A.300.507 are met.

(4) The department of early learning, office of the superintendent of public instruction, professional educator standards board, state board of education, state board for community and technical colleges, workforce training and education coordinating board, higher education coordinating board, office of financial management, public four-year institutions of higher education, and employment security department shall work with the education research and data center to develop data- sharing and research agreements, consistent with applicable security and confidentiality requirements, to facilitate the work of the center. Private, nonprofit institutions of higher education that provide programs of education beyond the high school level leading at least to the baccalaureate degree and are accredited by the Northwest association of schools and colleges or their peer accreditation bodies may also develop data-sharing and research

agreements with the education research and data center, consistent with applicable security and confidentiality requirements.

(5) The education research and data center and the superintendent of public instruction shall take all actions necessary to secure federal funds to implement this section, RCW 28A.655.210, and 28A.300.507.

Sec. 903. RCW 44.48.090 and 2001 c 259 s 14 are each amended to read as follows:

The committee shall have the following powers:

(1) To have timely access, upon written request of the administrator, to all machine readable, printed, and other data of state agencies relative to expenditures, budgets, and related fiscal matters;

(2) To suggest changes relative to state accounting and reporting systems to the office of financial management or its successor and to require timely written responses to such suggestions; ~~((and))~~

(3) Subject to RCW 44.04.260, to enter into contracts; and when entering into any contract for computer access, make necessary provisions relative to the scheduling of computer time and usage in recognition of the unique requirements and priorities of the legislative process; and

(4) To manage and oversee the education research and data center as provided in section 902 of this act.

NEW SECTION. Sec. 904. (1) The education data center in the office of financial management is abolished.

(2)(a) All reports, documents, surveys, books, records, files, papers, databases, or other written or electronic material in the possession of the education data center shall be delivered to the custody of the legislative evaluation and accountability program committee for purposes of the education research and data center established under section 902 of this act. Written or electronic materials and data sets pertaining solely to the public centralized higher education enrollment system shall be retained by the office of financial management, but written or electronic materials and data sets that are the result of the work of the education data center to link data in the public centralized higher education enrollment system to other educational databases shall be delivered to the legislative evaluation and accountability program committee. All funds, credits, or other monetary assets held by the education data center shall be assigned to the legislative evaluation and accountability program committee.

(b) Any appropriations made to the office of financial management for purposes of the education data center shall, on the effective date of this section, be transferred and credited to the legislative evaluation and accountability program committee.

(c) If any questions arise as to the transfer of any funds, books, documents, records, papers, files, databases, or other written or electronic material previously used or held in the exercise of the powers and performance of the education data center, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(d) The elimination of the education data center shall not affect the validity of any act performed before the effective date of this section.

(e) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and property records in accordance with the certification.

(3) All data-sharing and research agreements developed between the state educational agencies under section 902 of this act and the education data center before the effective date of this section shall be transferred to the education research and data center under the legislative evaluation and accountability program committee and shall be continued and acted upon by the education research and data center as the successor agency and authorized representative of the

state educational agencies. All existing contracts and obligations shall remain in full force and shall be performed by the education research and data center.

(4) The education research and data center under the legislative evaluation and accountability program committee shall assume the role of program director for purposes of the federal evergreen state P-20 longitudinal education data system grant.

Sec. 905. RCW 28A.300.500 and 2007 c 401 s 2 are each amended to read as follows:

(1) The office of the superintendent of public instruction is authorized to establish a longitudinal student data system for and on behalf of school districts in the state. The primary purpose of the data system is to better aid research into programs and interventions that are most effective in improving student performance, better understand the state's public educator workforce, and provide information on areas within the educational system that need improvement.

(2) The confidentiality of personally identifiable student data shall be safeguarded consistent with the requirements of the federal family educational rights privacy act and applicable state laws. Consistent with the provisions of these federal and state laws, data may be disclosed for educational purposes and studies, including but not limited to:

(a) Educational studies authorized or mandated by the state legislature;

(b) Studies initiated by other state educational authorities and authorized by the office of the superintendent of public instruction, including analysis conducted by the education research and data center established under ~~((RCW 43.41.400))~~ section 902 of this act; and

(c) Studies initiated by other public or private agencies and organizations and authorized by the office of the superintendent of public instruction.

(3) Any agency or organization that is authorized by the office of the superintendent of public instruction to access student-level data shall adhere to all federal and state laws protecting student data and safeguarding the confidentiality and privacy of student records.

(4) Nothing in this section precludes the office of the superintendent of public instruction from collecting and distributing aggregate data about students or student-level data without personally identifiable information.

Sec. 906. RCW 28A.300.507 and 2009 c 548 s 203 are each amended to read as follows:

(1) A K-12 data governance group shall be established within the office of the superintendent of public instruction to assist in the design and implementation of a K-12 education data improvement system for financial, student, and educator data. It is the intent that the data system reporting specifically serve requirements for teachers, parents, superintendents, school boards, the office of the superintendent of public instruction, the legislature, and the public.

(2) The K-12 data governance group shall include representatives of the education research and data center, the office of the superintendent of public instruction, ~~((the legislative evaluation and accountability program committee,))~~ the professional educator standards board, the state board of education, and school district staff, including information technology staff. Additional entities with expertise in education data may be included in the K-12 data governance group.

(3) The K-12 data governance group shall:

(a) Identify the critical research and policy questions that need to be addressed by the K-12 education data improvement system;

(b) Identify reports and other information that should be made available on the internet in addition to the reports identified in subsection (5) of this section;

(c) Create a comprehensive needs requirement document detailing the specific information and technical capacity needed by

school districts and the state to meet the legislature's expectations for a comprehensive K-12 education data improvement system as described under RCW 28A.655.210;

(d) Conduct a gap analysis of current and planned information compared to the needs requirement document, including an analysis of the strengths and limitations of an education data system and programs currently used by school districts and the state, and specifically the gap analysis must look at the extent to which the existing data can be transformed into canonical form and where existing software can be used to meet the needs requirement document;

(e) Focus on financial and cost data necessary to support the new K-12 financial models and funding formulas, including any necessary changes to school district budgeting and accounting, and on assuring the capacity to link data across financial, student, and educator systems; and

(f) Define the operating rules and governance structure for K-12 data collections, ensuring that data systems are flexible and able to adapt to evolving needs for information, within an objective and orderly data governance process for determining when changes are needed and how to implement them. Strong consideration must be made to the current practice and cost of migration to new requirements. The operating rules should delineate the coordination, delegation, and escalation authority for data collection issues, business rules, and performance goals for each K-12 data collection system, including:

(i) Defining and maintaining standards for privacy and confidentiality;

(ii) Setting data collection priorities;

(iii) Defining and updating a standard data dictionary;

(iv) Ensuring data compliance with the data dictionary;

(v) Ensuring data accuracy; and

(vi) Establishing minimum standards for school, student, financial, and teacher data systems. Data elements may be specified "to the extent feasible" or "to the extent available" to collect more and better data sets from districts with more flexible software. Nothing in ~~((RCW 43.41.400))~~ section 902 of this act, this section, or RCW 28A.655.210 should be construed to require that a data dictionary or reporting should be hobbled to the lowest common set. The work of the K-12 data governance group must specify which data are desirable. Districts that can meet these requirements shall report the desirable data. Funding from the legislature must establish which subset data are absolutely required.

(4)(a) The K-12 data governance group shall provide updates on its work as requested by the education research and data center ~~((and the legislative evaluation and accountability program committee))~~.

(b) The work of the K-12 data governance group shall be periodically reviewed and monitored by the ~~((educational))~~ education research and data center ~~((and the legislative evaluation and accountability program committee))~~.

(5) To the extent data is available, the office of the superintendent of public instruction shall make the following minimum reports available on the internet. The reports must either be run on demand against current data, or, if a static report, must have been run against the most recent data:

(a) The percentage of data compliance and data accuracy by school district;

(b) The magnitude of spending per student, by student estimated by the following algorithm and reported as the detailed summation of the following components:

(i) An approximate, prorated fraction of each teacher or human resource element that directly serves the student. Each human resource element must be listed or accessible through online tunneling in the report;

(ii) An approximate, prorated fraction of classroom or building costs used by the student;

(iii) An approximate, prorated fraction of transportation costs used by the student; and

(iv) An approximate, prorated fraction of all other resources within the district. District-wide components should be disaggregated to the extent that it is sensible and economical;

(c) The cost of K-12 basic education, per student, by student, by school district, estimated by the algorithm in (b) of this subsection, and reported in the same manner as required in (b) of this subsection;

(d) The cost of K-12 special education services per student, by student receiving those services, by school district, estimated by the algorithm in (b) of this subsection, and reported in the same manner as required in (b) of this subsection;

(e) Improvement on the statewide assessments computed as both a percentage change and absolute change on a scale score metric by district, by school, and by teacher that can also be filtered by a student's length of full-time enrollment within the school district;

(f) Number of K-12 students per classroom teacher on a per teacher basis;

(g) Number of K-12 classroom teachers per student on a per student basis;

(h) Percentage of a classroom teacher per student on a per student basis; and

(i) The cost of K-12 education per student by school district sorted by federal, state, and local dollars.

(6) The superintendent of public instruction shall submit a preliminary report to the legislature by November 15, 2009, including the analyses by the K-12 data governance group under subsection (3) of this section and preliminary options for addressing identified gaps. A final report, including a proposed phase-in plan and preliminary cost estimates for implementation of a comprehensive data improvement system for financial, student, and educator data shall be submitted to the legislature by September 1, 2010.

(7) All reports and data referenced in this section ~~((and RCW 43.41.400))~~, section 902 of this act, and RCW 28A.655.210 shall be made available in a manner consistent with the technical requirements of the ~~((legislative evaluation and accountability program committee and the))~~ education research and data center so that selected data can be provided to the legislature, governor, school districts, and the public.

(8) Reports shall contain data to the extent it is available. All reports must include documentation of which data are not available or are estimated. Reports must not be suppressed because of poor data accuracy or completeness. Reports may be accompanied with documentation to inform the reader of why some data are missing or inaccurate or estimated.

Sec. 907. RCW 28A.655.210 and 2009 c 548 s 202 are each amended to read as follows:

(1) It is the legislature's intent to establish a comprehensive K-12 education data improvement system for financial, student, and educator data. The objective of the system is to monitor student progress, have information on the quality of the educator workforce, monitor and analyze the costs of programs, provide for financial integrity and accountability, and have the capability to link across these various data components by student, by class, by teacher, by school, by district, and statewide. Education data systems must be flexible and able to adapt to evolving needs for information, but there must be an objective and orderly data governance process for determining when changes are needed and how to implement them. It is the further intent of the legislature to provide independent review and evaluation of a comprehensive K-12 education data improvement system by assigning the review and monitoring responsibilities to the education research and data center ~~((and the legislative evaluation and accountability program committee))~~.

(2) It is the intent that the data system specifically service reporting requirements for teachers, parents, superintendents, school

boards, the legislature, the office of the superintendent of public instruction, and the public.

(3) It is the legislature's intent that the K-12 education data improvement system used by school districts and the state include but not be limited to the following information and functionality:

(a) Comprehensive educator information, including grade level and courses taught, building or location, program, job assignment, years of experience, the institution of higher education from which the educator obtained his or her degree, compensation, class size, mobility of class population, socioeconomic data of class, number of languages and which languages are spoken by students, general resources available for curriculum and other classroom needs, and number and type of instructional support staff in the building;

(b) The capacity to link educator assignment information with educator certification information such as certification number, type of certification, route to certification, certification program, and certification assessment or evaluation scores;

(c) Common coding of secondary courses and major areas of study at the elementary level or standard coding of course content;

(d) Robust student information, including but not limited to student characteristics, course and program enrollment, performance on statewide and district summative and formative assessments to the extent district assessments are used, and performance on college readiness tests;

(e) A subset of student information elements to serve as a dropout early warning system;

(f) The capacity to link educator information with student information;

(g) A common, standardized structure for reporting the costs of programs at the school and district level with a focus on the cost of services delivered to students;

(h) Separate accounting of state, federal, and local revenues and costs;

(i) Information linking state funding formulas to school district budgeting and accounting, including procedures:

(i) To support the accuracy and auditing of financial data; and

(ii) Using the prototypical school model for school district financial accounting reporting;

(j) The capacity to link program cost information with student performance information to gauge the cost-effectiveness of programs;

(k) Information that is centrally accessible and updated regularly; and

(l) An anonymous, nonidentifiable replicated copy of data that is updated at least quarterly, and made available to the public by the state.

(4) It is the legislature's goal that all school districts have the capability to collect state-identified common data and export it in a standard format to support a statewide K-12 education data improvement system under this section.

(5) It is the legislature's intent that the K-12 education data improvement system be developed to provide the capability to make reports as required under RCW 28A.300.507 available.

(6) It is the legislature's intent that school districts collect and report new data elements to satisfy the requirements of ~~((RCW 43.41.400))~~ section 902 of this act, this section, and RCW 28A.300.507, only to the extent funds are available for this purpose.

Sec. 908. RCW 28A.657.110 and 2010 c 235 s 111 are each amended to read as follows:

(1) The state board of education shall continue to refine the development of an accountability framework that creates a unified system of support for challenged schools, that aligns with basic education, increases the level of support based upon the magnitude of need, and uses data for decisions.

(2) The state board of education shall develop an accountability index to identify schools and districts for recognition, for continuous improvement, and for additional state support. The index shall be

based on criteria that are fair, consistent, and transparent.

Performance shall be measured using multiple outcomes and indicators including, but not limited to, graduation rates and results from statewide assessments. The index shall be developed in such a way as to be easily understood by both employees within the schools and districts, as well as parents and community members. It is the legislature's intent that the index provide feedback to schools and districts to self-assess their progress, and enable the identification of schools with exemplary student performance and those that need assistance to overcome challenges in order to achieve exemplary student performance.

(3) The state board of education, in cooperation with the office of the superintendent of public instruction, shall annually recognize schools for exemplary performance as measured on the state board of education accountability index. The state board of education shall have ongoing collaboration with the achievement gap oversight and accountability committee regarding the measures used to measure the closing of the achievement gaps and the recognition provided to the school districts for closing the achievement gaps.

(4) In coordination with the superintendent of public instruction, the state board of education shall seek approval from the United States department of education for use of the accountability index and the state system of support, assistance, and intervention, to replace the federal accountability system under P.L. 107-110, the no child left behind act of 2001.

(5) The state board of education shall work with the education research and data center ~~((established within the office of financial management))~~ and the technical working group established in ~~((section 112, chapter 548, Laws of 2009))~~ RCW 28A.290.020 to determine the feasibility of using the prototypical funding allocation model as not only a tool for allocating resources to schools and districts but also as a tool for schools and districts to report to the state legislature and the state board of education on how the state resources received are being used.

NEW SECTION. Sec. 909. RCW 43.41.405 (K-12 data-- Securing federal funds) and 2009 c 548 s 204 are each repealed.

PART X

ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

NEW SECTION. Sec. 1001. A new section is added to chapter 41.80 RCW to read as follows:

(1) Consistent with the procedures for applications for certification set forth in RCW 41.80.070, the public employment relations commission may review the appropriateness of the collective bargaining units transferred under sections 1002 through 1004 and 1009 of this act.

(2) If the commission determines that an existing collective bargaining unit is appropriate pursuant to RCW 41.80.070, the exclusive bargaining representative certified to represent the bargaining unit prior to January 1, 2012, shall continue as the exclusive bargaining representative without the necessity of an election.

(3) If the commission determines that existing collective bargaining units are not appropriate, the commission may modify the units and order an election pursuant to RCW 41.80.080. Certified bargaining representatives will not be required to demonstrate a showing of interest to be included on the ballot.

(4) The commission may require an election pursuant to RCW 41.80.080 if similarly situated employees are represented by more than one employee organization. Certified bargaining representatives will not be required to demonstrate a showing of interest to be included on the ballot.

NEW SECTION. Sec. 1002. A new section is added to chapter 43.19 RCW to read as follows:

(1) The department of general administration is hereby abolished and its powers, duties, and functions are transferred to the department of enterprise services. All references to the director or department of

general administration in the Revised Code of Washington shall be construed to mean the director or the department of enterprise services.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of general administration shall be delivered to the custody of the department of enterprise services. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of general administration shall be made available to the department of enterprise services. All funds, credits, or other assets held by the department of general administration shall be assigned to the department of enterprise services.

(b) Any appropriations made to the department of general administration shall, on the effective date of this section, be transferred and credited to the department of enterprise services.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the department of general administration shall be continued and acted upon by the department of enterprise services. All existing contracts and obligations shall remain in full force and shall be performed by the department of enterprise services.

(4) The transfer of the powers, duties, functions, and personnel of the department of general administration shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(6) All employees of the department of general administration engaged in performing the powers, functions, and duties transferred to the department of enterprise services, are transferred to the department of enterprise services. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of enterprise services to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service law.

(7) Unless or until modified by the public employment relations commission pursuant to section 1001 of this act:

(a) The bargaining units of employees at the department of general administration existing on the effective date of this section shall be considered appropriate units at the department of enterprise services and will be so certified by the public employment relations commission.

(b) The exclusive bargaining representatives recognized as representing the bargaining units of employees at the department of general administration existing on the effective date of this section shall continue as the exclusive bargaining representatives of the transferred bargaining units without the necessity of an election.

NEW SECTION. Sec. 1003. A new section is added to chapter 43.19 RCW to read as follows:

(1) The public printer is hereby abolished and its powers, duties, and functions, to the extent provided in this act, are transferred to the department of enterprise services. All references to the public printer in the Revised Code of Washington shall be construed to mean the director or the department of enterprise services.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the public printer shall be delivered to the custody of the department of enterprise services.

All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the public printer shall be made available to the department of enterprise services. All funds, credits, or other assets held by the public printer shall be assigned to the department of enterprise services.

(b) Any appropriations made to the public printer shall, on the effective date of this section, be transferred and credited to the department of enterprise services.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the public printer shall be continued and acted upon by the department of enterprise services. All existing contracts and obligations shall remain in full force and shall be performed by the department of enterprise services.

(4) The transfer of the powers, duties, functions, and personnel of the public printer shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(6) All employees of the public printer engaged in performing the powers, functions, and duties transferred to the department of enterprise services are transferred to the department of enterprise services.

(a) The commercial agreement between the graphic communications conference of the international brotherhood of teamsters, local 767M and the department of printing-bindery that became effective July 1, 2007, shall remain in effect during its duration. Upon expiration, the parties may extend the terms of the agreement; however, the agreement may not be extended beyond September 30, 2011. Beginning October 1, 2011, chapter 41.80 RCW shall apply to the department of enterprise services with respect to employees in positions formerly covered under the expired commercial agreement.

(b) The commercial agreement between the graphic communications conference of the international brotherhood of teamsters, local 767M and the department of printing-litho that became effective July 1, 2007, shall remain in effect during its duration. Upon expiration, the parties may extend the terms of the agreement; however, the agreement may not be extended beyond September 30, 2011. Beginning October 1, 2011, chapter 41.80 RCW shall apply to the department of enterprise services with respect to the employees in positions formerly covered under the expired commercial agreement.

(c) The typographical contract between the communications workers of America, the newspaper guild, local 37082, and the department of printing-typographical that became effective July 1, 2007, shall remain in effect during its duration. Upon expiration, the parties may extend the terms of the agreement; however, the agreement may not be extended beyond September 30, 2011. Beginning October 1, 2011, chapter 41.80 RCW shall apply to the department of enterprise services with respect to the employees in positions formerly covered under the expired typographical contract.

(d) All other employees of the public printer not covered by the contracts and agreements specified in (a) through (c) of this subsection shall be exempt from chapter 41.06 RCW until October 1, 2011, at which time these employees shall be subject to chapter 41.06 RCW, unless otherwise deemed exempt in accordance with that chapter.

(7) Unless or until modified by the public employment relations commission pursuant to section 1001 of this act:

(a) The bargaining units of printing craft employees existing on the effective date of this section shall be considered an appropriate unit at the department of enterprise services and will be so certified by the public employment relations commission; and

(b) The exclusive bargaining representatives recognized as representing the bargaining units of printing craft employees existing on the effective date of this section shall continue as the exclusive bargaining representatives of the transferred bargaining units without the necessity of an election.

NEW SECTION. Sec. 1004. A new section is added to chapter 43.19 RCW to read as follows:

(1) The powers, duties, and functions of the department of information services as set forth in sections 601, 602, and 614 of this act are hereby transferred to the department of enterprise services.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of information services pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the department of enterprise services. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of information services in carrying out the powers, duties, and functions transferred shall be made available to the department of enterprise services. All funds, credits, or other assets held by the department of information services in connection with the powers, duties, and functions transferred shall be assigned to the department of enterprise services.

(b) Any appropriations made to the department of information services for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the department of enterprise services.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the department of information services pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the department of enterprise services. All existing contracts and obligations shall remain in full force and shall be performed by the department of enterprise services.

(4) The transfer of the powers, duties, functions, and personnel of the department of information services shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(6) All employees of the department of information services engaged in performing the powers, functions, and duties transferred to the department of enterprise services, are transferred to the department of enterprise services. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of enterprise services to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service law.

(7) Unless or until modified by the public employment relations commission pursuant to section 1001 of this act:

(a) The portions of the bargaining units of employees at the department of information services existing on the effective date of

this section shall be considered appropriate units at the department of enterprise services and will be so certified by the public employment relations commission.

(b) The exclusive bargaining representatives recognized as representing the portions of the bargaining units of employees at the department of information services existing on the effective date of this section shall continue as the exclusive bargaining representative of the transferred bargaining units without the necessity of an election.

NEW SECTION. Sec. 1005. A new section is added to chapter 43.19 RCW to read as follows:

(1) Those powers, duties, and functions of the department of personnel being transferred to the department of enterprise services as set forth in Part IV of this act are hereby transferred to the department of enterprise services.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of personnel pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the department of enterprise services. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of personnel in carrying out the powers, duties, and functions transferred shall be made available to the department of enterprise services. All funds, credits, or other assets held by the department of personnel in connection with the powers, duties, and functions transferred shall be assigned to the department of enterprise services.

(b) Any appropriations made to the department of personnel for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the department of enterprise services.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the department of personnel pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the department of enterprise services. All existing contracts and obligations shall remain in full force and shall be performed by the department of enterprise services.

(4) The transfer of the powers, duties, functions, and personnel of the department of personnel shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(6) All employees of the department of personnel engaged in performing the powers, functions, and duties transferred to the department of enterprise services, are transferred to the department of enterprise services. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of enterprise services to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service law.

NEW SECTION. Sec. 1006. A new section is added to chapter 43.41 RCW to read as follows:

(1) Those powers, duties, and functions of the department of personnel being transferred to the office of financial management as set forth in Part IV of this act are hereby transferred to the office of financial management.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of personnel pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the office of financial management. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of personnel in carrying out the powers, duties, and functions transferred shall be made available to the office of financial management. All funds, credits, or other assets held by the department of personnel in connection with the powers, duties, and functions transferred shall be assigned to the office of financial management.

(b) Any appropriations made to the department of personnel for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the office of financial management.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the department of personnel pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the office of financial management. All existing contracts and obligations shall remain in full force and shall be performed by the office of financial management.

(4) The transfer of the powers, duties, functions, and personnel of the department of personnel shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(6) All employees of the department of personnel engaged in performing the powers, functions, and duties transferred to the office of financial management, are transferred to the office of financial management. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the office of financial management to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service law.

NEW SECTION. Sec. 1007. A new section is added to chapter 43.19 RCW to read as follows:

(1) The powers, duties, and functions of the office of financial management as set forth in Part V of this act are hereby transferred to the department of enterprise services.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the office of financial management pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the department of enterprise services. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the office of financial management in carrying out the powers, duties, and functions transferred shall be made available to the department of enterprise services. All funds, credits, or other assets held by the office of financial management in connection with the powers, duties, and functions transferred shall be assigned to the department of enterprise services.

(b) Any appropriations made to the office of financial management for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the department of enterprise services.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the office of financial management pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the department of enterprise services. All existing contracts and obligations shall remain in full force and shall be performed by the department of enterprise services.

(4) The transfer of the powers, duties, functions, and personnel of the office of financial management shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(6) All employees of the office of financial management engaged in performing the powers, functions, and duties transferred to the department of enterprise services, are transferred to the department of enterprise services. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to department of enterprise services to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service law.

NEW SECTION. Sec. 1008. A new section is added to chapter 43.330 RCW to read as follows:

(1) All powers, duties, and functions of the department of information services pertaining to high-speed internet activities are transferred to the department of commerce. All references to the director or the department of information services in the Revised Code of Washington shall be construed to mean the director or the department of commerce when referring to the functions transferred in this section.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of information services pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the department of commerce. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of information services in carrying out the powers, functions, and duties transferred shall be made available to the department of commerce. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the department of commerce.

(b) Any appropriations made to the department of information services for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the department of commerce.

(c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All employees of the department of information services engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the department of commerce. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of commerce to perform their usual duties upon the same terms as formerly, without any loss of

rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

(4) All rules and all pending business before the department of information services pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the department of commerce. All existing contracts and obligations shall remain in full force and shall be performed by the department of commerce.

(5) The transfer of the powers, duties, functions, and personnel of the department of information services shall not affect the validity of any act performed before the effective date of this section.

(6) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(7) All classified employees of the department of information services assigned to the department of commerce under this section whose positions are within an existing bargaining unit description at the department of commerce shall become a part of the existing bargaining unit at the department of commerce and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

NEW SECTION. Sec. 1009. (1) Those powers, duties, and functions of the department of information services being transferred to the consolidated technology services agency as set forth in sections 801 through 818 of this act are hereby transferred to the consolidated technology services agency.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of information services shall be delivered to the custody of the consolidated technology services agency. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of information services shall be made available to the consolidated technology services agency. All funds, credits, or other assets held by the department of information services shall be assigned to the consolidated technology services agency.

(b) Any appropriations made to the department of information services shall, on the effective date of this section, be transferred and credited to the consolidated technology services agency.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the department of information services pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the consolidated technology services agency. All existing contracts and obligations shall remain in full force and shall be performed by the consolidated technology services agency.

(4) The transfer of the powers, duties, functions, and personnel of the department of information services shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(6) All employees of the department of information services engaged in performing the powers, functions, and duties transferred to the consolidated technology services agency, are transferred to the consolidated technology services agency. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to

the consolidated technology services agency to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service law.

(7) Unless or until modified by the public employment relations commission pursuant to section 1001 of this act:

(a) The portions of the bargaining units of employees at the department of information services existing on the effective date of this section shall be considered appropriate units at the consolidated technology services agency and will be so certified by the public employment relations commission.

(b) The exclusive bargaining representatives recognized as representing the portions of the bargaining units of employees at the department of information services existing on the effective date of this section shall continue as the exclusive bargaining representatives of the transferred bargaining units without the necessity of an election.

Sec. 1010. RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and 2010 c 1 s 1 are each reenacted and amended to read as follows:

(1) The provisions of this chapter do not apply to:

(a) The members of the legislature or to any employee of, or position in, the legislative branch of the state government including members, officers, and employees of the legislative council, joint legislative audit and review committee, statute law committee, and any interim committee of the legislature;

(b) The justices of the supreme court, judges of the court of appeals, judges of the superior courts or of the inferior courts, or to any employee of, or position in the judicial branch of state government;

(c) Officers, academic personnel, and employees of technical colleges;

(d) The officers of the Washington state patrol;

(e) Elective officers of the state;

(f) The chief executive officer of each agency;

(g) In the departments of employment security and social and health services, the director and the director's confidential secretary; in all other departments, the executive head of which is an individual appointed by the governor, the director, his or her confidential secretary, and his or her statutory assistant directors;

(h) In the case of a multimember board, commission, or committee, whether the members thereof are elected, appointed by the governor or other authority, serve ex officio, or are otherwise chosen:

(i) All members of such boards, commissions, or committees;

(ii) If the members of the board, commission, or committee serve on a part-time basis and there is a statutory executive officer: The secretary of the board, commission, or committee; the chief executive officer of the board, commission, or committee; and the confidential secretary of the chief executive officer of the board, commission, or committee;

(iii) If the members of the board, commission, or committee serve on a full-time basis: The chief executive officer or administrative officer as designated by the board, commission, or committee; and a confidential secretary to the chair of the board, commission, or committee;

(iv) If all members of the board, commission, or committee serve ex officio: The chief executive officer; and the confidential secretary of such chief executive officer;

(i) The confidential secretaries and administrative assistants in the immediate offices of the elective officers of the state;

(j) Assistant attorneys general;

(k) Commissioned and enlisted personnel in the military service of the state;

(l) Inmate, student, part-time, or temporary employees, and part-time professional consultants, as defined by the Washington personnel resources board;

(m) ((The public printer or to any employees of or positions in the state printing plant;

(n))) Officers and employees of the Washington state fruit commission;

((~~(n)~~)) (n) Officers and employees of the Washington apple commission;

((~~(o)~~)) (o) Officers and employees of the Washington state dairy products commission;

((~~(p)~~)) (p) Officers and employees of the Washington tree fruit research commission;

((~~(q)~~)) (q) Officers and employees of the Washington state beef commission;

((~~(r)~~)) (r) Officers and employees of the Washington grain commission;

((~~(s)~~)) (s) Officers and employees of any commission formed under chapter 15.66 RCW;

((~~(t)~~)) (t) Officers and employees of agricultural commissions formed under chapter 15.65 RCW;

((~~(u)~~)) (u) Officers and employees of the nonprofit corporation formed under chapter 67.40 RCW;

((~~(v)~~)) (v) Executive assistants for personnel administration and labor relations in all state agencies employing such executive assistants including but not limited to all departments, offices, commissions, boards, or other bodies subject to the provisions of this chapter and this subsection shall prevail over any provision of law inconsistent herewith unless specific exception is made in such law;

((~~(w)~~)) (w) In each agency with fifty or more employees: Deputy agency heads, assistant directors or division directors, and not more than three principal policy assistants who report directly to the agency head or deputy agency heads;

((~~(x)~~)) (x) All employees of the marine employees' commission;

((~~(y)~~)) (y) Staff employed by the department of commerce to administer energy policy functions;

((~~(aa)~~)) (z) The manager of the energy facility site evaluation council;

((~~(bb)~~)) (aa) A maximum of ten staff employed by the department of commerce to administer innovation and policy functions, including the three principal policy assistants exempted under (x) of this subsection;

((~~(bb)~~)) (bb) Staff employed by Washington State University to administer energy education, applied research, and technology transfer programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5);

(cc) Officers and employees of the consolidated technology services agency created in section 801 of this act that perform the following functions or duties: Systems integration; data center engineering and management; network systems engineering and management; information technology contracting; information technology customer relations management; senior expert in enterprise information technology infrastructure, engineering, or systems; and network and systems security.

(2) The following classifications, positions, and employees of institutions of higher education and related boards are hereby exempted from coverage of this chapter:

(a) Members of the governing board of each institution of higher education and related boards, all presidents, vice presidents, and their confidential secretaries, administrative, and personal assistants; deans, directors, and chairs; academic personnel; and executive heads of major administrative or academic divisions employed by institutions of higher education; principal assistants to executive heads of major administrative or academic divisions; other managerial or professional employees in an institution or related board having substantial responsibility for directing or controlling program operations and accountable for allocation of resources and program results, or for the formulation of institutional policy, or for carrying

out personnel administration or labor relations functions, legislative relations, public information, development, senior computer systems and network programming, or internal audits and investigations; and any employee of a community college district whose place of work is one which is physically located outside the state of Washington and who is employed pursuant to RCW 28B.50.092 and assigned to an educational program operating outside of the state of Washington;

(b) The governing board of each institution, and related boards, may also exempt from this chapter classifications involving research activities, counseling of students, extension or continuing education activities, graphic arts or publications activities requiring prescribed academic preparation or special training as determined by the board: PROVIDED, That no nonacademic employee engaged in office, clerical, maintenance, or food and trade services may be exempted by the board under this provision;

(c) Printing craft employees in the department of printing at the University of Washington.

(3) In addition to the exemptions specifically provided by this chapter, the director (~~(of personnel)~~) may provide for further exemptions pursuant to the following procedures. The governor or other appropriate elected official may submit requests for exemption to the (~~(director of personnel)~~) office of financial management stating the reasons for requesting such exemptions. The director (~~(of personnel)~~) shall hold a public hearing, after proper notice, on requests submitted pursuant to this subsection. If the director determines that the position for which exemption is requested is one involving substantial responsibility for the formulation of basic agency or executive policy or one involving directing and controlling program operations of an agency or a major administrative division thereof, the director (~~(of personnel)~~) shall grant the request (~~(and such determination shall be final as to any decision made before July 1, 1993)~~). The total number of additional exemptions permitted under this subsection shall not exceed one percent of the number of employees in the classified service not including employees of institutions of higher education and related boards for those agencies not directly under the authority of any elected public official other than the governor, and shall not exceed a total of twenty-five for all agencies under the authority of elected public officials other than the governor.

The salary and fringe benefits of all positions presently or hereafter exempted except for the chief executive officer of each agency, full-time members of boards and commissions, administrative assistants and confidential secretaries in the immediate office of an elected state official, and the personnel listed in subsections (1)(j) through ((~~(v)~~)) (u) and ((~~(x)~~)) (x) and (2) of this section, shall be determined by the director (~~(of personnel)~~). Changes to the classification plan affecting exempt salaries must meet the same provisions for classified salary increases resulting from adjustments to the classification plan as outlined in RCW 41.06.152.

From February 18, 2009, through June 30, 2011, a salary or wage increase shall not be granted to any position exempt from classification under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or negotiated by the nonprofit corporation formed under chapter 67.40 RCW, and except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(a) The salary increase can be paid within existing resources; and

(b) The salary increase will not adversely impact the provision of client services.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for

which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any person holding a classified position subject to the provisions of this chapter shall, when and if such position is subsequently exempted from the application of this chapter, be afforded the following rights: If such person previously held permanent status in another classified position, such person shall have a right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

Any classified employee having civil service status in a classified position who accepts an appointment in an exempt position shall have the right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

A person occupying an exempt position who is terminated from the position for gross misconduct or malfeasance does not have the right of reversion to a classified position as provided for in this section.

From February 15, 2010, until June 30, 2011, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.

NEW SECTION. Sec. 1011. Sections 701 through 721 of this act constitute a new chapter in Title 43 RCW to be codified as chapter 43.41A RCW.

NEW SECTION. Sec. 1012. RCW 43.105.052, 43.105.172, 43.105.250, 43.105.260, 43.105.270, 43.105.280, 43.105.290, 43.105.310, and 43.105.835 are each recodified as sections in chapter 43.--- RCW (the new chapter created in section 1011 of this act).

NEW SECTION. Sec. 1013. The following acts or parts of acts are each repealed:

(1) RCW 43.105.005 (Purpose) and 1990 c 208 s 1 & 1987 c 504 s 1;

(2) RCW 43.105.013 (Finding--Intent) and 2010 c 282 s 1;

(3) RCW 43.105.019 (Enterprise-based strategy--Coordination with legislative and judicial branches) and 2010 c 282 s 10;

(4) RCW 43.105.032 (Information services board--Members--Chairperson--Vacancies--Quorum--Compensation and travel expenses) and 2007 c 158 s 1, 1999 c 241 s 2, 1996 c 137 s 10, 1992 c 20 s 8, 1987 c 504 s 4, 1984 c 287 s 86, 1975-'76 2nd ex. s. c 34 s 128, & 1973 1st ex. s. c 219 s 5;

(5) RCW 43.105.041 (Powers and duties of board) and 2010 1st sp.s. c 7 s 65, 2009 c 486 s 13, 2003 c 18 s 3, & 1999 c 285 s 5;

(6) RCW 43.105.095 (Management and oversight structure) and 1999 c 80 s 3;

(7) RCW 43.105.105 (Information technology decisions and plans) and 1999 c 80 s 4;

(8) RCW 43.105.160 (Strategic information technology plan--Biennial state performance report on information technology) and 2010 c 282 s 9, 2005 c 319 s 110, 1999 c 80 s 9, 1998 c 177 s 3, 1996 c 171 s 9, & 1992 c 20 s 1;

(9) RCW 43.105.170 (Information technology portfolios--Contents-- Performance reports) and 1999 c 80 s 10;

(10) RCW 43.105.180 (Evaluation of budget requests for information technology projects) and 2010 c 282 s 6 & 1999 c 80 s 11;

(11) RCW 43.105.190 (Major information technology projects standards and policies--Project evaluation and reporting) and 2005 c 319 s 111, 1999 c 80 s 12, 1998 c 177 s 4, 1996 c 137 s 15, & 1992 c 20 s 4;

(12) RCW 43.105.200 (Application to institutions of higher education) and 1992 c 20 s 5;

(13) RCW 43.105.210 (Data processing expenditures-- Authorization-- Penalties) and 1993 sp.s. c 1 s 903;

(14) RCW 43.105.330 (State interoperability executive committee) and 2006 c 76 s 2 & 2003 c 18 s 4;

(15) RCW 43.105.805 (Information services board--Powers and duties) and 2010 1st sp.s. c 9 s 1, 2010 1st sp.s. c 7 s 66, & 1999 c 285 s 3;

(16) RCW 43.105.815 (K-20 operations cooperative--Ongoing management) and 1999 c 285 s 8; and

(17) RCW 43.105.820 (K-20 telecommunication system-- Technical plan) and 2010 1st sp.s. c 7 s 67, 1999 c 285 s 11, & 1996 c 137 s 8.

NEW SECTION. Sec. 1014. Sections 728 through 731 of this act expire January 1, 2012.

NEW SECTION. Sec. 1015. Section 732 of this act takes effect January 1, 2012.

NEW SECTION. Sec. 1016. The code reviser shall note wherever the director or department of any agency or agency's duties transferred or consolidated under this act is used or referred to in statute that the name of the director or department has changed. The code reviser shall prepare legislation for the 2012 regular session that (1) changes all statutory references to the director or department of any agency transferred or consolidated under this act, and (2) changes statutory references to sections recodified by this act but not amended in this act.

NEW SECTION. Sec. 1017. Except for sections 109, 448, 462, 732, and 901 through 909 of this act, this act takes effect October 1, 2011.

NEW SECTION. Sec. 1018. Sections 901 through 909 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 1, 2011."

Correct the title.

Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle; Cody; Haigh; Hudgins; Hunt; Kagi; Kenney; Ormsby; Seaquist; Springer and Sullivan.

MINORITY recommendation: Do not pass. Signed by Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler; Dickerson; Haler; Hinkle; Parker; Ross; Schmick and Wilcox.

May 23, 2011

ESSB 5942 Prime Sponsor, Committee on Ways & Means: Concerning the warehousing and distribution of liquor, including the lease and modernization of the state's liquor warehousing and distribution facilities. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Dickerson; Haigh; Haler; Hudgins; Hunt; Kagi; Kenney; Ormsby; Seaquist; Springer and Sullivan.

MINORITY recommendation: Do not pass. Signed by Representatives Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Hinkle; Parker; Ross; Schmick and Wilcox.

May 23, 2011

ESSB 5960 Prime Sponsor, Committee on Ways & Means: Concerning medicaid fraud. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 9A.04.080 and 2009 c 61 s 1 and 2009 c 53 s 1 are each reenacted and amended to read as follows:

(1) Prosecutions for criminal offenses shall not be commenced after the periods prescribed in this section.

(a) The following offenses may be prosecuted at any time after their commission:

- (i) Murder;
- (ii) Homicide by abuse;
- (iii) Arson if a death results;
- (iv) Vehicular homicide;
- (v) Vehicular assault if a death results;
- (vi) Hit-and-run injury-accident if a death results (RCW 46.52.020(4)).

(b) The following offenses shall not be prosecuted more than ten years after their commission:

(i) Any felony committed by a public officer if the commission is in connection with the duties of his or her office or constitutes a breach of his or her public duty or a violation of the oath of office;

(ii) Arson if no death results; or

(iii)(A) Violations of RCW 9A.44.040 or 9A.44.050 if the rape is reported to a law enforcement agency within one year of its commission; except that if the victim is under fourteen years of age when the rape is committed and the rape is reported to a law enforcement agency within one year of its commission, the violation may be prosecuted up to the victim's twenty-eighth birthday.

(B) If a violation of RCW 9A.44.040 or 9A.44.050 is not reported within one year, the rape may not be prosecuted: (I) More than three years after its commission if the violation was committed against a victim fourteen years of age or older; or (II) more than three years after the victim's eighteenth birthday or more than seven years after the rape's commission, whichever is later, if the violation was committed against a victim under fourteen years of age.

(c) Violations of the following statutes may be prosecuted up to the victim's twenty-eighth birthday: RCW 9A.44.073, 9A.44.076, 9A.44.083, 9A.44.086, (~~9A.44.070, 9A.44.080,~~) 9A.44.100(1)(b), 9A.44.079, 9A.44.089, or 9A.64.020.

(d) The following offenses shall not be prosecuted more than six years after their commission or their discovery, whichever occurs later:

- (i) Violations of RCW 9A.82.060 or 9A.82.080;
- (ii) Any felony violation of chapter 9A.83 RCW;
- (iii) Any felony violation of chapter 9.35 RCW; or
- (iv) Theft in the first or second degree under chapter 9A.56 RCW when accomplished by color or aid of deception.

(e) The following offenses shall not be prosecuted more than five years after their commission: Any class C felony under chapter (~~74.09,~~) 82.36(~~(:)~~) or 82.38 RCW.

(f) Any felony under chapter 74.09 RCW shall not be prosecuted more than ten years after their commission.

(g) Bigamy shall not be prosecuted more than three years after the time specified in RCW 9A.64.010.

(~~(#)~~) (h) A violation of RCW 9A.56.030 must not be prosecuted more than three years after the discovery of the offense when the victim is a tax exempt corporation under 26 U.S.C. Sec. 501(c)(3).

(~~(#)~~) (i) No other felony may be prosecuted more than three years after its commission; except that in a prosecution under RCW 9A.44.115, if the person who was viewed, photographed, or filmed did not realize at the time that he or she was being viewed, photographed, or filmed, the prosecution must be commenced within two years of the time the person who was viewed or in the photograph or film first learns that he or she was viewed, photographed, or filmed.

(~~(#)~~) (j) No gross misdemeanor may be prosecuted more than two years after its commission.

(~~(#)~~) (k) No misdemeanor may be prosecuted more than one year after its commission.

(2) The periods of limitation prescribed in subsection (1) of this section do not run during any time when the person charged is not usually and publicly resident within this state.

(3) In any prosecution for a sex offense as defined in RCW 9.94A.030, the periods of limitation prescribed in subsection (1) of this section run from the date of commission or one year from the date on which the identity of the suspect is conclusively established by deoxyribonucleic acid testing, whichever is later.

(4) If, before the end of a period of limitation prescribed in subsection (1) of this section, an indictment has been found or a complaint or an information has been filed, and the indictment, complaint, or information is set aside, then the period of limitation is extended by a period equal to the length of time from the finding or filing to the setting aside.

Sec. 2. RCW 74.09.210 and 1989 c 175 s 146 are each amended to read as follows:

(1) No person, firm, corporation, partnership, association, agency, institution, or other legal entity, but not including an individual public assistance recipient of health care, shall, on behalf of himself or others, obtain or attempt to obtain benefits or payments under this chapter in a greater amount than that to which entitled by means of:

(a) A willful false statement;

(b) By willful misrepresentation, or by concealment of any material facts; or

(c) By other fraudulent scheme or device, including, but not limited to:

(i) Billing for services, drugs, supplies, or equipment that were unfurnished, of lower quality, or a substitution or misrepresentation of items billed; or

(ii) Repeated billing for purportedly covered items, which were not in fact so covered.

(2) Any person or entity knowingly violating any of the provisions of subsection (1) of this section shall be liable for repayment of any excess benefits or payments received, plus interest at the rate and in the manner provided in RCW 43.20B.695. Such person or other entity shall further, in addition to any other penalties provided by law, be subject to civil penalties. The secretary or director, as appropriate, or the attorney general may assess civil penalties in an amount not to exceed three times the amount of such excess benefits or payments: PROVIDED, That these civil penalties shall not apply to any acts or omissions occurring prior to September 1, 1979. RCW 43.20A.215 governs notice of a civil fine assessed by the secretary or director, as appropriate, and provides the right to an adjudicative proceeding.

(3) A criminal action need not be brought against a person for that person to be civilly liable under this section.

(4) In all administrative proceedings under this section, service, adjudicative proceedings, and judicial review of such determinations shall be in accordance with chapter 34.05 RCW, the administrative procedure act.

(5) Civil penalties shall be deposited (~~(in the general fund)~~) upon their receipt into the medicaid fraud penalty account established in section 3 of this act.

(6) The attorney general may contract with private attorneys and local governments in bringing actions under this section as necessary.

NEW SECTION. **Sec. 3.** A new section is added to chapter 74.09 RCW to read as follows:

The medicaid fraud penalty account is created in the state treasury. All receipts from civil penalties collected under RCW 74.09.210, all receipts received under settlements that originated under a filing under the federal false claims act, and all receipts received under settlements that originated under the state medicaid

fraud false claims act, chapter 74.--- RCW (the new chapter created in section 17 of this act) must be deposited into the account. Moneys in the account may be spent only after appropriation and must be used only for medicaid services and for medicaid fraud enforcement activities.

NEW SECTION. Sec. 4. A new section is added to chapter 74.09 RCW to read as follows:

(1) For the purposes of this section:

(a) "Employer" means any person, firm, corporation, partnership, association, agency, institution, or other legal entity.

(b) "Whistleblower" means an employee of an employer that obtains or attempts to obtain benefits or payments under this chapter in violation of RCW 74.09.210, who in good faith reports a violation of RCW 74.09.210 to the department or the authority.

(c) "Workplace reprisal or retaliatory action" includes, but is not limited to: Denial of adequate staff to report duties; frequent staff changes; frequent and undesirable office changes; refusal to assign meaningful work; unwarranted and unsubstantiated report of misconduct under Title 18 RCW; unwarranted and unsubstantiated letters of reprimand or unsatisfactory performance evaluations; demotion; reduction in pay; denial of promotion; suspension; dismissal; denial of employment; or a supervisor or superior behaving in or encouraging coworkers to behave in a hostile manner toward the whistleblower; or a change in the physical location of the employee's workplace or a change in the basic nature of the employee's job, if either are in opposition to the employee's expressed wish.

(2) A whistleblower who has been subjected to workplace reprisal or retaliatory action has the remedies provided under chapter 49.60 RCW. RCW 4.24.500 through 4.24.520, providing certain protection to persons who communicate to government agencies, apply to complaints made under this section. The identity of a whistleblower who complains, in good faith, to the department or the authority about a suspected violation of RCW 74.09.210 may remain confidential if requested. The identity of the whistleblower must subsequently remain confidential unless the department or the authority, as appropriate, determines that the complaint was not made in good faith.

(3) This section does not prohibit an employer from exercising its authority to terminate, suspend, or discipline an employee who engages in workplace reprisal or retaliatory action against a whistleblower. The protections provided to whistleblowers under this chapter do not prevent an employer from: (a) Terminating, suspending, or disciplining a whistleblower for other lawful purposes; or (b) reducing the hours of employment or terminating employment as a result of the demonstrated inability to meet payroll requirements. The department or the authority, as appropriate, shall determine if the employer cannot meet payroll in cases where a whistleblower has been terminated or had hours of employment reduced due to the inability of a facility to meet payroll.

(4) The department or the authority, as appropriate, shall adopt rules to implement procedures for filing, investigation, and resolution of whistleblower complaints that are integrated with complaint procedures under this chapter. The department or the authority, as appropriate, shall adopt rules designed to discourage whistleblower complaints made in bad faith or for retaliatory purposes.

NEW SECTION. Sec. 5. A new section is added to chapter 74.09 RCW to read as follows:

The following must be medicare providers in order to be paid under the medicaid program: Providers of durable medical equipment and related supplies, providers of prosthetics, providers of orthotics, and providers of medical supplies and related services.

Sec. 6. RCW 74.09.230 and 1979 ex.s. c 152 s 4 are each amended to read as follows:

~~((Any))~~ (1)(a) A person, including any corporation, who with intent to deprive wrongfully obtains, or exerts unauthorized control over, property or services, which exceed or exceeds five thousand

dollars in value, from any program authorized by this chapter is guilty of medicaid theft.

(b) A person, including any corporation, who by color or aid of deception, obtains control over property or services from any program authorized under this chapter, or the value thereof and intends to deprive the program of such property and services, which exceed or exceeds five thousand dollars in value is guilty of medicaid theft.

(c) Medicaid theft is a class B felony: PROVIDED, That the fine, if imposed, shall not be in an amount more than fifty thousand dollars, except as authorized by RCW 9A.20.030.

(2) A person, including any corporation, ~~((that~~ ~~---(1)))~~ who

(a) knowingly makes or causes to be made any false statement or representation of a material fact in any application for any payment under any medical care program authorized under this chapter, or

~~((2))~~ (b) at any time knowingly makes or causes to be made any false statement or representation of a material fact for use in determining rights to such payment, or knowingly falsifies, conceals, or covers up by any trick, scheme, or device a material fact in connection with such application or payment, or

~~((3))~~ (c) having knowledge of the occurrence of any event affecting ~~((a))~~ (i) the initial or continued right to any payment, or ~~((b))~~ (ii) the initial or continued right to any such payment of any other individual in whose behalf he or she has applied for or is receiving such payment, conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount or quantity than is due or when no such payment is authorized,

shall be guilty of a class C felony: PROVIDED, That the fine, if imposed, shall not be in an amount more than twenty-five thousand dollars, except as authorized by RCW 9A.20.030.

(3) The definitions in RCW 9A.56.010 apply to this section.

Sec. 7. RCW 43.43.830 and 2011 c 253 s 5 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 43.43.830 through 43.43.845.

(1) "Applicant" means:

(a) Any prospective employee who will or may have unsupervised access to children under sixteen years of age or developmentally disabled persons or vulnerable adults during the course of his or her employment or involvement with the business or organization;

(b) Any prospective volunteer who will have regularly scheduled unsupervised access to children under sixteen years of age, developmentally disabled persons, or vulnerable adults during the course of his or her employment or involvement with the business or organization under circumstances where such access will or may involve groups of (i) five or fewer children under twelve years of age, (ii) three or fewer children between twelve and sixteen years of age, (iii) developmentally disabled persons, or (iv) vulnerable adults;

(c) Any prospective adoptive parent, as defined in RCW 26.33.020; or

(d) Any prospective custodian in a nonparental custody proceeding under chapter 26.10 RCW.

(2) "Business or organization" means a person, business, or organization licensed in this state, any agency of the state, or other governmental entity, that educates, trains, treats, supervises, houses, or provides recreation to developmentally disabled persons, vulnerable adults, or children under sixteen years of age, or that provides child day care, early learning, or early learning childhood education services, including but not limited to public housing authorities, school districts, and educational service districts.

(3) "Civil adjudication proceeding" is a judicial or administrative adjudicative proceeding that results in a finding of, or upholds an agency finding of, domestic violence, abuse, sexual abuse, neglect, abandonment, violation of a professional licensing standard regarding

a child or vulnerable adult, or exploitation or financial exploitation of a child or vulnerable adult under any provision of law, including but not limited to chapter 13.34, 26.44, or 74.34 RCW, or rules adopted under chapters 18.51 and 74.42 RCW. "Civil adjudication proceeding" also includes judicial or administrative findings that become final due to the failure of the alleged perpetrator to timely exercise a legal right to administratively challenge such findings.

(4) "Conviction record" means "conviction record" information as defined in RCW 10.97.030 and 10.97.050 relating to a crime committed by either an adult or a juvenile. It does not include a conviction for an offense that has been the subject of an expungement, pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted, or a conviction that has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence. It does include convictions for offenses for which the defendant received a deferred or suspended sentence, unless the record has been expunged according to law.

(5) "Crime against children or other persons" means a conviction of any of the following offenses: Aggravated murder; first or second degree murder; first or second degree kidnapping; first, second, or third degree assault; first, second, or third degree assault of a child; first, second, or third degree rape; first, second, or third degree rape of a child; first or second degree robbery; first degree arson; first degree burglary; first or second degree manslaughter; first or second degree extortion; indecent liberties; incest; vehicular homicide; first degree promoting prostitution; communication with a minor; unlawful imprisonment; simple assault; sexual exploitation of minors; first or second degree criminal mistreatment; endangerment with a controlled substance; child abuse or neglect as defined in RCW 26.44.020; first or second degree custodial interference; first or second degree custodial sexual misconduct; malicious harassment; first, second, or third degree child molestation; first or second degree sexual misconduct with a minor; commercial sexual abuse of a minor; child abandonment; promoting pornography; selling or distributing erotic material to a minor; custodial assault; violation of child abuse restraining order; child buying or selling; prostitution; felony indecent exposure; criminal abandonment; or any of these crimes as they may be renamed in the future.

(6) "Crimes relating to drugs" means a conviction of a crime to manufacture, delivery, or possession with intent to manufacture or deliver a controlled substance.

(7) "Crimes relating to financial exploitation" means a conviction for first, second, or third degree extortion; first, second, or third degree theft; medicaid theft or medicaid false statement (RCW 74.09.230); first or second degree robbery; forgery; or any of these crimes as they may be renamed in the future.

(8) "Unsupervised" means not in the presence of:

(a) Another employee or volunteer from the same business or organization as the applicant; or

(b) Any relative or guardian of any of the children or developmentally disabled persons or vulnerable adults to which the applicant has access during the course of his or her employment or involvement with the business or organization.

With regard to peer counselors, "unsupervised" does not include incidental contact with children under age sixteen at the location at which the peer counseling is taking place. "Incidental contact" means minor or casual contact with a child in an area accessible to and within visual or auditory range of others. It could include passing a child while walking down a hallway but would not include being alone with a child for any period of time in a closed room or office.

(9) "Vulnerable adult" means "vulnerable adult" as defined in chapter 74.34 RCW, except that for the purposes of requesting and receiving background checks pursuant to RCW 43.43.832, it shall also include adults of any age who lack the functional, mental, or physical ability to care for themselves.

(10) "Financial exploitation" means "financial exploitation" as defined in RCW 74.34.020.

(11) "Agency" means any person, firm, partnership, association, corporation, or facility which receives, provides services to, houses or otherwise cares for vulnerable adults, juveniles, or children, or which provides child day care, early learning, or early childhood education services.

(12) "Peer counselor" means a nonprofessional person who has equal standing with another person, providing advice on a topic about which the nonprofessional person is more experienced or knowledgeable, and who is a counselor for a peer counseling program that contracts with or is otherwise approved by the department, another state or local agency, or the court.

NEW SECTION. Sec. 8. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1)(a) "Claim" means any request or demand made for a medicaid payment under chapter 74.09 RCW, whether under a contract or otherwise, for money or property and whether or not a government entity has title to the money or property, that:

(i) Is presented to an officer, employee, or agent of a government entity; or

(ii) Is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the government entity's behalf or to advance a government entity program or interest, and the government entity:

(A) Provides or has provided any portion of the money or property requested or demanded; or

(B) Will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

(b) A "claim" does not include requests or demands for money or property that the government entity has paid to an individual as compensation for employment or as an income subsidy with no restrictions on that individual's use of the money or property.

(2) "Custodian" means the custodian, or any deputy custodian, designated by the attorney general.

(3) "Documentary material" includes the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document, or data compilations stored in or accessible through computer or other information retrieval systems, together with instructions and all other materials necessary to use or interpret the data compilations, and any product of discovery.

(4) "False claims act investigation" means any inquiry conducted by any false claims act investigator for the purpose of ascertaining whether any person is or has been engaged in any violation of this chapter.

(5) "False claims act investigator" means any attorney or investigator employed by the state attorney general who is charged with the duty of enforcing or carrying into effect any provision of this chapter, or any officer or employee of the state of Washington acting under the direction and supervision of the attorney or investigator in connection with an investigation pursuant to this chapter.

(6) "Government entity" means all state agencies that administer medicaid funded programs under this title.

(7)(a) "Knowing" and "knowingly" mean that a person, with respect to information:

(i) Has actual knowledge of the information;

(ii) Acts in deliberate ignorance of the truth or falsity of the information; or

(iii) Acts in reckless disregard of the truth or falsity of the information.

(b) "Knowing" and "knowingly" do not require proof of specific intent to defraud.

(8) "Material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

(9) "Obligation" means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or rule, or from the retention of any overpayment.

(10) "Official use" means any use that is consistent with the law, and the rules and policies of the attorney general, including use in connection with: Internal attorney general memoranda and reports; communications between the attorney general and a federal, state, or local government agency, or a contractor of a federal, state, or local government agency, undertaken in furtherance of an investigation or prosecution of a case; interviews of any witness; oral examinations; depositions; preparation for and response to civil discovery requests; introduction into the record of a case or proceeding; applications, motions, memoranda, and briefs submitted to a court or other tribunal; and communications with attorney general investigators, auditors, consultants and experts, the counsel of other parties, and arbitrators or mediators, concerning an investigation, case, or proceeding.

(11) "Person" means any natural person, partnership, corporation, association, or other legal entity, including any local or political subdivision of a state.

(12) "Product of discovery" includes:

(a) The original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission, which is obtained by any method of discovery in any judicial or administrative proceeding of an adversarial nature;

(b) Any digest, analysis, selection, compilation, or derivation of any item listed in (a) of this subsection; and

(c) Any index or other manner of access to any item listed in (a) of this subsection.

NEW SECTION. Sec. 9. (1) Subject to subsection (2) of this section, a person is liable to the government entity for a civil penalty of not less than five thousand dollars and not more than ten thousand dollars, plus three times the amount of damages which the government entity sustains because of the act of that person, if the person:

(a) Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval;

(b) Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim;

(c) Conspires to commit one or more of the violations in this subsection (1);

(d) Has possession, custody, or control of property or money used, or to be used, by the government entity and knowingly delivers, or causes to be delivered, less than all of that money or property;

(e) Is authorized to make or deliver a document certifying receipt of property used, or to be used, by the government entity and, intending to defraud the government entity, makes or delivers the receipt without completely knowing that the information on the receipt is true;

(f) Knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the government entity who lawfully may not sell or pledge property; or

(g) Knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the government entity, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the government entity.

(2) The court may assess not less than two times the amount of damages which the government entity sustains because of the act of a person, if the court finds that:

(a) The person committing the violation of subsection (1) of this section furnished the Washington state attorney general with all information known to him or her about the violation within thirty days after the date on which he or she first obtained the information;

(b) The person fully cooperated with any investigation by the attorney general of the violation; and

(c) At the time the person furnished the attorney general with the information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this title with respect to the violation, and the person did not have actual knowledge of the existence of an investigation into the violation.

(3) For the purposes of determining whether an insurer has a duty to provide a defense or indemnification for an insured and if coverage may be denied if the terms of the policy exclude coverage for intentional acts, a violation of subsection (1) of this section is an intentional act.

NEW SECTION. Sec. 10. Any information furnished pursuant to this chapter is exempt from disclosure under the public records act, chapter 42.56 RCW, until final disposition and all court ordered seals are lifted.

NEW SECTION. Sec. 11. Subject to funds appropriated for this purpose, the attorney general must diligently investigate a violation under section 9 of this act. If the attorney general finds that a person has violated or is violating section 9 of this act, the attorney general may bring a civil action under this section against the person.

NEW SECTION. Sec. 12. Any person who is the original source of the information used by the attorney general to bring an action under section 9 of this act shall receive at least fifteen percent but no more than twenty-five percent of any recovery by the attorney general, as determined by the court. As used in this section, "original source of information" means information no part of which has been previously disclosed to or known by the government or public. If the court finds that the person who was the original source of the information used by the attorney general to bring an action under section 9 of this act planned, initiated, or participated in the conduct upon which the action is brought, such person shall not be entitled to any percentage of the recovery obtained in such action.

NEW SECTION. Sec. 13. (1) Any employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, or agent or associated others in furtherance of an action under this section or other efforts to stop one or more violations of this chapter.

(2) Relief under subsection (1) of this section must include reinstatement with the same seniority status that employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees, and any and all relief available under RCW 49.60.030(2). An action under this subsection may be brought in the appropriate superior court of the state of Washington for the relief provided in this subsection.

(3) A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

NEW SECTION. Sec. 14. (1) Any action under section 11 of this act may be brought in the superior court in any county in which the defendant or, in the case of multiple defendants, any one defendant can be found, resides, transacts business, or in which any act proscribed by section 9 of this act occurred. The appropriate court must issue a summons as required by the superior court civil rules and service must occur at any place within the state of Washington.

(2) The superior courts have jurisdiction over any action brought under the laws of any city or county for the recovery of funds paid by

a government entity if the action arises from the same transaction or occurrence as an action brought under section 11 of this act.

NEW SECTION. Sec. 15. Beginning November 15, 2012, and annually thereafter, the attorney general in consultation with the department of social and health services and the health care authority must report results of implementing the medicaid false claims act. This report must include:

- (1) The number of attorneys assigned to qui tam initiated actions;
- (2) The number of cases brought by the qui tam actions and indicate how many cases are brought by the attorney general and how many by the qui tam relator without attorney general participation;
- (3) The results of any actions brought under subsection (2) of this section, delineated by cases brought by the attorney general and cases brought by the qui tam relator without attorney general participation; and
- (4) The amount of recoveries attributable to the medicaid false claims.

NEW SECTION. Sec. 16. This chapter may be known and cited as the medicaid fraud false claims act.

NEW SECTION. Sec. 17. Sections 8 through 16 of this act constitute a new chapter in Title 74 RCW.

NEW SECTION. Sec. 18. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Signed by Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle; Chandler; Cody; Dickerson; Haigh; Haler; Hinkle; Hudgins; Hunt; Kagi; Kenney; Ormsby; Parker; Ross; Schmick; Seaquist; Springer; Sullivan and Wilcox.

There being no objection, the bills listed on the day's committee reports under the fifth order of business were placed on the second reading calendar.

MESSAGES FROM THE SENATE

May 23, 2011

MR. SPEAKER:

The Senate concurred in the House amendment(s) to the following bill and passed the bill as amended by the House:

SECOND ENGROSSED SENATE BILL 5764 and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

May 23, 2011

MR. SPEAKER:

The Senate has adopted the report of the Conference Committee on SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5742, and has passed the bill as recommended by the Conference Committee.

and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

May 23, 2011

MR. SPEAKER:

The Senate has passed ENGROSSED HOUSE BILL 2123 and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

May 23, 2011

MR. SPEAKER:

The President has signed:

- ENGROSSED HOUSE BILL 1248
- ENGROSSED SUBSTITUTE HOUSE BILL 1277
- ENGROSSED SUBSTITUTE HOUSE BILL 1354
- SECOND ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1738
- HOUSE BILL 2070
- ENGROSSED SUBSTITUTE HOUSE BILL 2115

and the same are herewith transmitted.

Thomas Hoemann, Secretary

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

THIRD READING

MESSAGE FROM THE SENATE

May 21, 2011

Mr. Speaker:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 1981 with the following amendment:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature intends that the retirement and annuity programs of the state's institutions of higher education be revised for future participants to reflect changes that have already occurred in state pension plans. The legislature intends also that newly hired employees who are eligible for participation in an annuity or retirement income plan offered by a higher education institution have an opportunity to participate in either (1) that plan without a supplemental benefit under RCW 28B.10.400(1)(c), or (2) the public employees' retirement system plan 3 or the teachers' retirement system plan 3. Plan 3 provides a combination of defined contribution and defined benefit pension, which will be available for newly hired employees. The legislature also intends to reduce the expanded postretirement employment provisions for members of the public employees' retirement system and the teachers' retirement system plans 1 that were temporarily expanded due to the shortage of qualified workers in particular teaching and public employment categories, and eliminate postretirement employment exceptions that existed for annuity or retirement income plan-covered positions that have been the subject of abuse.

Sec. 2. RCW 28B.10.400 and 2010 c 21 s 1 are each amended to read as follows:

(1) The boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, ((and)) the state board for community and technical colleges, and the higher education coordinating board are authorized and empowered:

((1)) (a) To assist the faculties and such other employees exempt from civil service pursuant to RCW 41.06.070 (1)(cc) and (2) as any such board may designate in the purchase of old age annuities or retirement income plans under such rules as any such board may prescribe, subject to the restrictions in subsection (2) of this section. County agricultural agents, home demonstration agents, 4-H club agents, and assistant county agricultural agents paid jointly by the Washington State University and the several counties shall be deemed to be full time employees

of the Washington State University for the purposes ((hereof)) of this section;

((2)) (b) To provide, under such rules ((and regulations)) as any such board may prescribe for the faculty members or other employees exempt from civil service pursuant to RCW 41.06.070 (1)(cc) and (2) under its supervision, for the retirement of any such faculty member or other exempt employee on account of age or condition of health, retirement on account of age to be not earlier than the sixty-fifth birthday: PROVIDED, That such faculty member or such other exempt employee may elect to retire at the earliest age specified for retirement by federal social security law: PROVIDED FURTHER, That any supplemental payment authorized by (c) of this subsection ((3) of this section)) and paid as a result of retirement earlier than age sixty- five shall be at an actuarially reduced rate; and shall be provided only to those persons who participate in an annuity or retirement income plan under (a) of this subsection prior to July 1, 2011;

((3)) (c) To pay ((to any such retired person)) only to those persons who participate in an annuity or retirement income plan under (a) of this subsection prior to July 1, 2011, or to his or her designated beneficiary(s), each year after his or her retirement, a supplemental amount which, when added to the amount of such annuity or retirement income plan, or retirement income benefit pursuant to RCW 28B.10.415, received by the retired person or the retired person's designated beneficiary(s) in such year, will not exceed fifty percent of the average annual salary paid to such retired person for his or her highest two consecutive years of full time service under an annuity or retirement income plan established pursuant to (a) of this subsection ((1) of this section)) at an institution of higher education: PROVIDED, HOWEVER, That if such retired person prior to retirement elected a supplemental payment survivors option, any such supplemental payments to such retired person or the retired person's designated beneficiary(s) shall be at actuarially reduced rates: PROVIDED FURTHER, That if a faculty member or other employee of an institution of higher education who is a participant in a retirement plan authorized by this section dies, or has died before retirement but after becoming eligible for retirement on account of age, the designated beneficiary(s) shall be entitled to receive the supplemental payment authorized by this subsection to which such designated beneficiary(s) would have been entitled had said deceased faculty member or other employee retired on the date of death after electing a supplemental payment survivors option: PROVIDED FURTHER, That for the purpose of this subsection, the designated beneficiary(s) shall be ((a)) (i) the surviving spouse of the retiree; or, ((b)) (ii) with the written consent of such spouse, if any, such other person or persons as shall have an insurable interest in the retiree's life and shall have been nominated by written designation duly executed and filed with the retiree's institution of higher education(;;).

((4)) (2) Boards are prohibited from offering a purchased annuity or retirement income plan authorized under this section to employees hired on or after July 1, 2011, who have retired or are eligible to retire from a public employees' retirement system described in RCW 41.50.030. The higher education coordinating board ((is also authorized and empowered as described in this section, subject to the following: The board)) shall only offer participation in a purchased annuity or retirement income plan authorized under this section to employees who have previously contributed premiums to a similar qualified plan(, and the board is prohibited from offering or funding such a plan authorized under this section for the benefit of any retiree who is receiving or accruing a retirement allowance from a public employees' retirement system under Title 41 RCW or chapter 43.43 RCW)).

Sec. 3. RCW 28B.10.405 and 1977 ex.s. c 169 s 16 are each amended to read as follows:

Members of the faculties and ((such other)) senior academic administrator employees as are designated by the boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, the higher education coordinating board, or the state board for community and technical colleges ((education)) who do not opt to become members of the teachers' retirement system or the public employees' retirement system under section 9 or 18 of this act, or who are not prevented from participation in an annuity or retirement plan under RCW 28B.10.400(2) shall be required to contribute not less than five percent of their salaries during each year of full time service after the first two years of such service toward the purchase of such annuity or retirement income plan; such contributions may be in addition to federal social security tax contributions, if any.

Sec. 4. RCW 28B.10.410 and 1977 ex.s. c 169 s 17 are each amended to read as follows:

The boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, the higher education coordinating board, or the state board for community and technical colleges ((education)) shall pay not more than one-half of the annual premium of any annuity or retirement income plan established under the provisions of RCW 28B.10.400 ((as now or hereafter amended)). Such contribution shall not exceed ten percent of the salary of the faculty member or other employee on whose behalf the contribution is made. This contribution may be in addition to federal social security tax contributions made by the boards, if any.

Sec. 5. RCW 28B.10.415 and 1979 ex.s. c 259 s 2 are each amended to read as follows:

The boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, the higher education coordinating board, or the state board for community and technical colleges ((education)) shall not pay any amount to be added to the annuity or retirement income plan of any retired person who was first hired on or after July 1, 2011, or who has served for less than ten years in one or more of the state institutions of higher education. In the case of persons who have served more than ten years but less than twenty-five years no amount shall be paid in excess of four percent of the amount authorized in ((subdivision (3) of)) RCW 28B.10.400 ((as now or hereafter amended)) (1)(c), multiplied by the number of years of full time service rendered by such person: PROVIDED, That credit for years of service at an institution of higher education shall be limited to those years in which contributions were made by a faculty member or other employee designated pursuant to RCW 28B.10.400(1)(a) and the institution or the state as a result of which a benefit is being received by a retired person from any Washington state public retirement plan: PROVIDED FURTHER, That all such benefits that a retired person is eligible to receive shall reduce any supplementation payments provided for in RCW 28B.10.400 ((as now or hereafter amended)).

Sec. 6. RCW 28B.10.417 and 1977 ex.s. c 169 s 19 are each amended to read as follows:

(1) This section applies only to those persons who are first employed by a higher education institution in a position eligible for participation in an annuity or retirement program under RCW 28B.10.400 prior to July 1, 2011.

(2) A faculty member or other employee exempt from civil service pursuant to RCW 41.06.070 (1)(cc) and (2) designated by the board of trustees of the applicable regional university or of The Evergreen State College as being subject to an annuity or retirement income plan and who, at the time of such designation, is a member of the Washington state teachers'

retirement system, shall retain credit for such service in the Washington state teachers' retirement system and except as provided in subsection ((2)) (3) of this section, shall leave his or her accumulated contributions in the teachers' retirement fund. Upon his or her attaining eligibility for retirement under the Washington state teachers' retirement system, such faculty member or other employee shall receive from the Washington state teachers' retirement system a retirement allowance consisting of an annuity which shall be the actuarial equivalent of his or her accumulated contributions at his or her age when becoming eligible for such retirement and a pension for each year of creditable service established and retained at the time of said designation as provided in RCW 41.32.497 ((as now or hereafter amended)). Anyone who on July 1, 1967, was receiving pension payments from the teachers' retirement system based on thirty-five years of creditable service shall thereafter receive a pension based on the total years of creditable service established with the retirement system: PROVIDED, HOWEVER, That any such faculty member or other employee exempt from civil service pursuant to RCW 41.06.070 (1)(cc) and (2) who, upon attainment of eligibility for retirement under the Washington state teachers' retirement system, is still engaged in public educational employment, shall not be eligible to receive benefits under the Washington state teachers' retirement system until he or she ceases such public educational employment. Any retired faculty member or other employee who enters service in any public educational institution shall cease to receive pension payments while engaged in such service: PROVIDED FURTHER, That such service may be rendered up to seventy-five days in a school year without reduction of pension.

((2)) (3) A faculty member or other exempt employee designated by the board of trustees of the applicable regional university or of The Evergreen State College as being subject to the annuity and retirement income plan and who, at the time of such designation, is a member of the Washington state teachers' retirement system may, at his or her election and at any time, on and after midnight June 10, 1959, terminate his or her membership in the Washington state teachers' retirement system and withdraw his or her accumulated contributions and interest in the teachers' retirement fund upon written application to the board of trustees of the Washington state teachers' retirement system. Faculty members or other employees who withdraw their accumulated contributions, on and after the date of withdrawal of contributions, shall no longer be members of the Washington state teachers' retirement system and shall forfeit all rights of membership, including pension benefits, theretofore acquired under the Washington state teachers' retirement system.

Sec. 7. RCW 28B.10.423 and 1973 1st ex.s. c 149 s 8 are each amended to read as follows:

(1) For employees who are first employed by an institution of higher education in a position eligible for participation in an old age annuities or retirement income plan under this chapter prior to July 1, 2011, it is the intent of RCW 28B.10.400, 28B.10.405, 28B.10.410, 28B.10.415, 28B.10.420, 28B.10.423 and 83.20.030 that the retirement income resulting from the contributions described herein from the state of Washington and the employee shall be projected actuarially so that it shall not exceed sixty percent of the average of the highest two consecutive years salary. Periodic review of the retirement systems established pursuant to RCW 28B.10.400, 28B.10.405, 28B.10.410, 28B.10.415, 28B.10.420, and 28B.10.423 ((and 83.20.030)) will be undertaken at such time and in such manner as determined by the committees on ways and means of the senate and of the house of representatives ((and the public pension commission)), the select committee on pension policy, and the pension funding council, and

joint contribution rates will be adjusted if necessary to accomplish this intent.

(2) By June 30, 2013, and every two years thereafter, each institution of higher education that is responsible for payment of supplemental amounts under RCW 28B.10.400(1)(c) shall contract with the state actuary under chapter 41.44 RCW for an actuarial valuation of their supplemental benefit plan. By June 30, 2013, and at least once every six years thereafter, each institution shall also contract with the state actuary under chapter 41.44 RCW for an actuarial experience study of the mortality, service, compensation, and other experience of the annuity or retirement income plans created in this chapter, and into the financial condition of each system. At the discretion of the state actuary, the valuation or experience study may be performed by the state actuary or by an outside actuarial firm under contract to the office of the state actuary. Each institution of higher education is required to provide the data and information required for the performance of the valuation or experience study to the office of the state actuary or to the actuary performing the study on behalf of the state actuary. The state actuary may charge each institution for the actual cost of the valuation or experience study through an interagency agreement. Upon completion of the valuation or experience study, the state actuary shall provide copies of the study to the institution of higher education and to the select committee on pension policy and the pension funding council.

(3)(a) A higher education retirement plan supplemental benefit fund is created in the custody of the state treasurer for the purpose of funding future benefit obligations of higher education retirement plan supplemental benefits. The state investment board has the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the fund.

(b) Beginning January 1, 2014, an employer contribution rate of one-half of one percent of salary is established to begin prefunding the unfunded future obligations of the supplemental benefit established in RCW 28B.10.400.

(c) Consistent with chapter 41.50 RCW, the department of retirement systems shall collect the employer contribution rates established in this section from each state institution of higher education, and deposit those contributions into the higher education retirement plan supplemental benefit fund. The contributions made by each employer into the higher education retirement plan supplemental benefit fund and the earnings on those contributions shall be accounted for separately within the fund.

(d) Following the completion and review of the initial actuarial valuations and experience study conducted pursuant to subsection (2) of this section, the pension funding council may:

(i) Adopt and make changes to the employer contribution rate established in (a) of this subsection consistent with the procedures established in chapter 41.45 RCW. If the actuarial valuations of the higher education retirement plans of each institution contributing to the higher education retirement plan supplemental benefit fund suggest that different contribution rates are appropriate for each institution, different rates may be adopted. Rates adopted by the pension funding council are subject to revision by the legislature.

(ii) Recommend legislation that will, upon accumulation of sufficient funding in the higher education retirement plan supplemental benefit fund transfer the responsibility for making supplemental benefit payments to the department of retirement systems, and adjust employer contribution rates to reflect the transfer of responsibility.

Sec. 8. RCW 28B.10.430 and 1979 ex.s. c 96 s 5 are each amended to read as follows:

(1) This section applies only to those persons who are first employed by an institution of higher education in a position eligible for participation in an old age annuities or retirement income plan under this chapter prior to July 1, 2011.

(2) For any person receiving a monthly benefit pursuant to a program established under RCW 28B.10.400, the pension portion of such benefit shall be the sum of the following amounts:

(a) One-half of the monthly benefit payable under such program by a life insurance company; and

(b) The monthly equivalent of the supplemental benefit described in RCW 28B.10.400((3)) (1)(c).

((2)) (3) Notwithstanding any provision of law to the contrary, effective July 1, 1979, no person receiving a monthly benefit pursuant to RCW 28B.10.400 shall receive, as the pension portion of that benefit, less than ten dollars per month for each year of service creditable to the person whose service is the basis of the benefit. Portions of a year shall be treated as fractions of a year and the decimal equivalent shall be multiplied by ten dollars. Where the benefit was adjusted at the time benefit payments to the beneficiary commenced, the minimum pension provided in this section shall be adjusted in a manner consistent with that adjustment.

((3)) (4) Notwithstanding any provision of law to the contrary, effective July 1, 1979, the monthly benefit of each person who commenced receiving a monthly benefit under this chapter as of a date no later than July 1, 1974, shall be permanently increased by a post-retirement adjustment. Such adjustment shall be calculated as follows:

(a) Monthly benefits to which this subsection and subsection ((2)) (3) of this section are both applicable shall be determined by first applying subsection ((2)) (3) of this section and then applying this subsection. The ((department)) institution shall determine the total years of creditable service and the total dollar benefit base accrued as of December 31, 1978, except that this determination shall take into account only those persons to whom this subsection applies;

(b) The ((department)) institution shall multiply the total benefits determined in (a) of this subsection by six percent and divide the dollar value thus determined by the total service determined in (a) of this subsection. The resultant figure shall then be a post-retirement increase factor which shall be applied as specified in (c) of this subsection;

(c) Each person to whom this subsection applies shall receive an increase which is the product of the factor determined in (b) of this subsection multiplied by the years of creditable service.

NEW SECTION. Sec. 9. A new section is added to chapter 41.32 RCW to be codified under the subchapter heading "plan 3" to read as follows:

(1) All faculty members who are first employed by an institution of higher education in a position eligible for participation in old age annuities or retirement income plans under chapter 28B.10 RCW on or after July 1, 2011, have a period of thirty days to make an irrevocable choice to:

(a) Become a member of the teachers' retirement system plan 3 under this chapter; or

(b) Participate in the annuities or retirement income plan provided by the institution.

(2) At the end of thirty days, if the member has not made a choice to become a member of the teachers' retirement system, he or she becomes a participant in the institution's plan under RCW 28B.10.400, but does not become eligible for any supplemental benefit under RCW 28B.10.400(1)(c).

Sec. 10. RCW 41.32.570 and 2007 c 50 s 3 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every seven hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred forty hours per month. Any monthly benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2) Except under subsection (3) of this section, any retired teacher or retired administrator who enters service in any public educational institution in Washington state at least one calendar month after his or her accrual date shall cease to receive pension payments while engaged in such service, after the retiree has rendered service for more than eight hundred sixty-seven hours in a school year.

(3) Any retired teacher or retired administrator who retired prior to September 1, 2011, and who enters service in any public educational institution in Washington state one and one-half calendar months or more after his or her accrual date and:

(a) Is hired pursuant to a written policy into a position for which the school board has documented a justifiable need to hire a retiree into the position;

(b) Is hired through the established process for the position with the approval of the school board or other highest decision-making authority of the prospective employer;

(c) Whose employer retains records of the procedures followed and the decisions made in hiring the retired teacher or retired administrator and provides those records in the event of an audit; and

(d) The employee has not already rendered a cumulative total of more than one thousand nine hundred hours of service while in receipt of pension payments beyond an annual threshold of eight hundred sixty-seven hours;

shall cease to receive pension payments while engaged in that service after the retiree has rendered service for more than one thousand five hundred hours in a school year. The one thousand nine hundred hour cumulative total limitation under this section applies prospectively after July 22, 2007.

(4) When a retired teacher or administrator renders service beyond eight hundred sixty-seven hours, the department shall collect from the employer the applicable employer retirement contributions for the entire duration of the member's employment during that fiscal year.

(5) The department shall collect and provide the state actuary with information relevant to the use of this section for the select committee on pension policy.

(6) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to be employed for more than five hundred twenty-five hours per year without a reduction of his or her pension.

Sec. 11. RCW 41.32.800 and 2004 c 242 s 55 are each amended to read as follows:

(1) Except as provided in RCW 41.32.802, no retiree under the provisions of plan 2 shall be eligible to receive such retiree's monthly retirement allowance if he or she is employed in an eligible position as defined in RCW 41.40.010, 41.32.010, 41.37.010, or 41.35.010, or as a law enforcement officer or firefighter as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400.

If a retiree's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree terminates the employment that caused his or her benefits to be suspended. Upon reinstatement, the retiree's benefits shall be actuarially recomputed pursuant to the rules adopted by the department.

(2) The department shall adopt rules implementing this section.

Sec. 12. RCW 41.32.802 and 2004 c 242 s 61 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every seven hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred forty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2) A retiree who has satisfied the break in employment requirement of subsection (1) of this section, may work up to eight hundred sixty- seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

(3) If the retiree opts to reestablish membership under RCW 41.32.044, he or she terminates his or her retirement status and immediately becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible.

Sec. 13. RCW 41.32.860 and 2005 c 327 s 2 are each amended to read as follows:

(1) Except under RCW 41.32.862, no retiree shall be eligible to receive such retiree's monthly retirement allowance if he or she is employed in an eligible position as defined in RCW 41.40.010, 41.32.010, 41.35.010, or 41.37.010, or as a law enforcement officer or firefighter as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400.

(2) If a retiree's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree terminates the employment that caused the suspension of benefits. Upon reinstatement, the retiree's benefits shall be actuarially recomputed pursuant to the rules adopted by the department.

Sec. 14. RCW 41.32.862 and 2004 c 242 s 62 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every seven hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred forty hours per month. Any benefit reduction over one hundred percent will

be applied to the benefit the retiree is eligible to receive in subsequent months.

(2) A retiree who has satisfied the break in employment requirement of subsection (1) of this section, may work up to eight hundred sixty- seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

(3) If the retiree opts to reestablish membership under RCW 41.32.044, he or she terminates his or her retirement status and immediately becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible.

Sec. 15. RCW 41.35.060 and 2004 c 242 s 64 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred sixty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2) A retiree who has satisfied the break in employment requirement of subsection (1) of this section may work up to eight hundred sixty- seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

(3) If the retiree opts to reestablish membership under RCW 41.35.030, he or she terminates his or her retirement status and becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.35.420 or 41.35.680. However, if the right to retire is exercised to become effective before the member has rendered two uninterrupted years of service, the retirement formula and survivor options the member had at the time of the member's previous retirement shall be reinstated.

Sec. 16. RCW 41.35.230 and 2004 c 242 s 56 are each amended to read as follows:

(1) Except as provided in RCW 41.35.060, no retiree under the provisions of plan 2 shall be eligible to receive such retiree's monthly retirement allowance if he or she is employed in an eligible position as defined in RCW 41.35.010, 41.40.010, 41.37.010, or 41.32.010, or as a law enforcement officer or firefighter as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, except that a retiree who ends his or her membership in the retirement system pursuant to RCW 41.40.023(3)(b) is not subject to this section if the retiree's only employment is as an elective official.

(2) If a retiree's benefits have been suspended under this section, his or her benefits shall be reinstated when the retiree terminates the employment that caused his or her benefits to be suspended. Upon reinstatement, the retiree's benefits shall be actuarially recomputed pursuant to the rules adopted by the department.

(3) The department shall adopt rules implementing this section.

Sec. 17. RCW 41.37.050 and 2005 c 327 s 6 are each amended to read as follows:

(1)(a) If a retiree enters employment in an eligible position with an employer as defined in this chapter sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) If a retiree enters employment in an eligible position with an employer as defined in chapter 41.32, 41.35, or 41.40 RCW sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(c) The benefit reduction provided in (a) and (b) of this subsection will accrue for a maximum of one hundred sixty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2) A retiree who has satisfied the break in employment requirement of subsection (1) of this section may work up to eight hundred sixty- seven hours per calendar year in an eligible position as defined in RCW 41.32.010, 41.35.010, or 41.40.010, or as a law enforcement officer or firefighter as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

(3) If the retiree opts to reestablish membership under this chapter, he or she terminates his or her retirement status and becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with this chapter. However, if the right to retire is exercised to become effective before the member has rendered two uninterrupted years of service, the retirement formula and survivor options the member had at the time of the member's previous retirement shall be reinstated.

(4) The department shall collect and provide the state actuary with information relevant to the use of this section for the select committee on pension policy.

NEW SECTION. Sec. 18. A new section is added to chapter 41.40 RCW to be codified under the subchapter heading "plan 3" to read as follows:

(1) All employees who are not qualified under section 9 of this act and who are first employed by an institution of higher education in a position eligible for participation in old age annuities or retirement income plans under RCW 28B.10.400 on or after July 1, 2011, have a period of thirty days to make an irrevocable choice to:

(a) Become a member of the public employees' retirement system plan 3 under this chapter; or

(b) Participate in the annuities or retirement income plan provided by the institution.

(2) At the end of thirty days, if the member has not made a choice to become a member of the public employees' retirement system, he or she becomes a participant in the institution's plan under RCW 28B.10.400, but does not become eligible for any supplemental benefit under RCW 28B.10.400(1)(c).

Sec. 19. RCW 41.40.037 and 2007 c 50 s 5 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred sixty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2)(a) Except as provided in (b) of this subsection, a retiree from plan 1 who enters employment with an employer at least one calendar month after his or her accrual date may continue to receive pension payments while engaged in such service for up to eight hundred sixty- seven hours of service in a calendar year without a reduction of pension.

(b) A retiree from plan 1 who retired prior to September 1, 2011, and who enters employment with an employer at least three calendar months after his or her accrual date and:

(i) Is hired pursuant to a written policy into a position for which the employer has documented a justifiable need to hire a retiree into the position;

(ii) Is hired through the established process for the position with the approval of: A school board for a school district; the chief executive officer of a state agency employer; the secretary of the senate for the senate; the chief clerk of the house of representatives for the house of representatives; the secretary of the senate and the chief clerk of the house of representatives jointly for the joint legislative audit and review committee, the select committee on pension policy, the legislative evaluation and accountability program, the legislative systems committee, and the statute law committee; or according to rules adopted for the rehiring of retired plan 1 members for a local government employer;

(iii) The employer retains records of the procedures followed and decisions made in hiring the retiree, and provides those records in the event of an audit; and

(iv) The employee has not already rendered a cumulative total of more than one thousand nine hundred hours of service while in receipt of pension payments beyond an annual threshold of eight hundred sixty- seven hours;

shall cease to receive pension payments while engaged in that service after the retiree has rendered service for more than one thousand five hundred hours in a calendar year. The one thousand nine hundred hour cumulative total under this subsection applies prospectively to those retiring after July 27, 2003, and retroactively to those who retired prior to July 27, 2003, and shall be calculated from the date of retirement.

(c) When a plan 1 member renders service beyond eight hundred sixty-seven hours, the department shall collect from the employer the applicable employer retirement contributions for the entire duration of the member's employment during that calendar year.

(d) A retiree from plan 2 or plan 3 who has satisfied the break in employment requirement of subsection (1) of this section may work up to eight hundred sixty-seven hours in a calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030, without suspension of his or her benefit.

(3) If the retiree opts to reestablish membership under RCW 41.40.023(12), he or she terminates his or her retirement status and becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.40.180. However, if the right to retire is exercised to become effective before the member has rendered two uninterrupted years of service, the retirement formula and survivor options the member had at the time of the member's previous retirement shall be reinstated.

(4) The department shall collect and provide the state actuary with information relevant to the use of this section for the select committee on pension policy.

(5) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to be employed for more than five months in a calendar year without a reduction of his or her pension.

Sec. 20. RCW 41.50.030 and 2004 c 242 s 42 are each amended to read as follows:

(1) As soon as possible but not more than one hundred and eighty days after March 19, 1976, there is transferred to the department of retirement systems, except as otherwise provided in this chapter, all powers, duties, and functions of:

- (a) The Washington public employees' retirement system;
 - (b) The Washington state teachers' retirement system;
 - (c) The Washington law enforcement officers' and firefighters' retirement system;
 - (d) The Washington state patrol retirement system;
 - (e) The Washington judicial retirement system;
- and

(f) The state treasurer with respect to the administration of the judges' retirement fund imposed pursuant to chapter 2.12 RCW.

(2) On July 1, 1996, there is transferred to the department all powers, duties, and functions of the deferred compensation committee.

(3) The department shall administer chapter 41.34 RCW.

(4) The department shall administer the Washington school employees' retirement system created under chapter 41.35 RCW.

(5) The department shall administer the Washington public safety employees' retirement system created under chapter 41.37 RCW.

(6) The department shall administer the collection of employer contributions and initial prefunding of the higher education retirement plan supplemental benefits, also referred to as the annuity or retirement income plans created under chapter 28B.10 RCW.

Sec. 21. RCW 41.50.080 and 2004 c 242 s 45 are each amended to read as follows:

The state investment board shall provide for the investment of all funds of the Washington public employees' retirement system, the teachers' retirement system, the school employees' retirement system, the Washington law enforcement

officers' and firefighters' retirement system, the Washington state patrol retirement system, the Washington judicial retirement system, the Washington public safety employees' retirement system, the higher education retirement plan supplemental benefit fund, and the judges' retirement fund, pursuant to RCW 43.84.150, and may sell or exchange investments acquired in the exercise of that authority.

Sec. 22. RCW 41.50.110 and 2009 c 564 s 924 are each amended to read as follows:

(1) Except as provided by RCW 41.50.255 and subsection (6) of this section, all expenses of the administration of the department, the expenses of administration of the retirement systems, and the expenses of the administration of the office of the state actuary created in chapters 2.10, 2.12, 28B.10, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43, and 44.44 RCW shall be paid from the department of retirement systems expense fund.

(2) In order to reimburse the department of retirement systems expense fund on an equitable basis the department shall ascertain and report to each employer, as defined in RCW 28B.10.400, 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.

(3) The department shall compute and bill each employer, as defined in RCW 28B.10.400, 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the end of each month for the amount due for that month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

(4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.

(5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.

(a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.

(b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.

(c) The department shall adopt rules implementing this section.

(6) Expenses other than those under RCW 41.34.060(3) shall be paid pursuant to subsection (1) of this section.

(7) During the 2007-2009 and 2009-2011 fiscal biennia, the legislature may transfer from the department of

retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund.

NEW SECTION. Sec. 23. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011."

On page 1, line 2 of the title, after "plans;" strike the remainder of the title and insert "amending RCW 28B.10.400, 28B.10.405, 28B.10.410, 28B.10.415, 28B.10.417, 28B.10.423, 28B.10.430, 41.32.570, 41.32.800, 41.32.802, 41.32.860, 41.32.862, 41.35.060, 41.35.230, 41.37.050, 41.40.037, 41.50.030, 41.50.080, and 41.50.110; adding a new section to chapter 41.32 RCW; adding a new section to chapter 41.40 RCW; creating a new section; providing an effective date; and declaring an emergency."

and the same is herewith transmitted.

Brad Hendrickson, Deputy, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1981 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Hunter and Bailey spoke in favor of the passage of the bill.

MOTION

On motion of Representative Walsh, Representatives Angel and McCune were excused.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1981, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1981, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 94; Nays, 2; Absent, 0; Excused, 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Asay, Bailey, Billig, Blake, Buys, Carlyle, Chandler, Clibborn, Cody, Condotta, Crouse, Dahlquist, Dammeier, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Haler, Hargrove, Harris, Hasegawa, Hinkle, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Kirby, Klippert, Kretz, Kristiansen, Ladenburg, Liias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Orcutt, Ormsby, Orwall, Overstreet, Parker, Pearson, Pedersen, Pettigrew, Probst, Rivers, Roberts, Rodne, Rolfes, Ross, Ryu, Santos, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Stanford, Sullivan, Takko, Taylor, Tharinger, Upthegrove, Van De Wege, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Hunt and Reykdal.

Excused: Representatives Angel and McCune.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1981, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

There being no objection, the rules were suspended, and ENGROSSED HOUSE BILL NO. 2003 was returned to second reading for the purpose of amendment.

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

SECOND READING

ENGROSSED HOUSE BILL NO. 2003, by Representatives Pettigrew, Hunter, Ryu and Kenney

Concerning premium payments for children's health coverage for certain families who are not eligible for federal children's health insurance coverage.

Representative Hunter moved the adoption of amendment (834).
0)

On page 4, beginning on line 7, after "shall be" strike all material through "under" on line 8 and insert "set every two years in an amount no greater than the average state-only share of the per capita cost of coverage in"

On page 4, beginning on line 8, after "program." strike all material through "department." on line 13

On page 6, after line 17, insert the following:

"Sec. 2. RCW 74.09.470 and 2011 1st sp.s. c . . . (2E2SHB 1738) s 21 are each amended to read as follows:

(1) Consistent with the goals established in RCW 74.09.402, through the apple health for kids program authorized in this section, the authority shall provide affordable health care coverage to children under the age of nineteen who reside in Washington state and whose family income at the time of enrollment is not greater than two hundred fifty percent of the federal poverty level as adjusted for family size and determined annually by the federal department of health and human services, and effective January 1, 2009, and only to the extent that funds are specifically appropriated therefor, to children whose family income is not greater than three hundred percent of the federal poverty level. In administering the program, the authority shall take such actions as may be necessary to ensure the receipt of federal financial participation under the medical assistance program, as codified at Title XIX of the federal social security act, the state children's health insurance program, as codified at Title XXI of the federal social security act, and any other federal funding sources that are now available or may become available in the future. The authority and the caseload forecast council shall estimate the anticipated caseload and costs of the program established in this section.

(2) The authority shall accept applications for enrollment for children's health care coverage; establish appropriate minimum-enrollment periods, as may be necessary; and determine eligibility based on current family income. The authority shall make eligibility determinations within the time frames for establishing eligibility for children on medical assistance, as defined by RCW 74.09.510. The application and annual renewal processes shall be designed to minimize administrative barriers for applicants and enrolled clients, and to minimize gaps in eligibility for families who are eligible for coverage. If a change in family income results in a change in the source of funding for coverage, the authority shall transfer the family members to the appropriate source of funding and notify the family with respect to any change in premium obligation, without a break in eligibility. The authority shall use the same eligibility redetermination and appeals procedures as those provided for children on medical assistance programs. The authority shall modify its eligibility renewal procedures to lower the percentage of children

failing to annually renew. The authority shall manage its outreach, application, and renewal procedures with the goals of: (a) Achieving year by year improvements in enrollment, enrollment rates, renewals, and renewal rates; (b) maximizing the use of existing program databases to obtain information related to earned and unearned income for purposes of eligibility determination and renewals, including, but not limited to, the basic food program, the child care subsidy program, federal social security administration programs, and the employment security department wage database; (c) streamlining renewal processes to rely primarily upon data matches, online submissions, and telephone interviews; and (d) implementing any other eligibility determination and renewal processes to allow the state to receive an enhanced federal matching rate and additional federal outreach funding available through the federal children's health insurance program reauthorization act of 2009 by January 2010. The department shall advise the governor and the legislature regarding the status of these efforts by September 30, 2009. The information provided should include the status of the department's efforts, the anticipated impact of those efforts on enrollment, and the costs associated with that enrollment.

(3) To ensure continuity of care and ease of understanding for families and health care providers, and to maximize the efficiency of the program, the amount, scope, and duration of health care services provided to children under this section shall be the same as that provided to children under medical assistance, as defined in RCW 74.09.520.

(4) The primary mechanism for purchasing health care coverage under this section shall be through contracts with managed health care systems as defined in RCW 74.09.522, subject to conditions, limitations, and appropriations provided in the biennial appropriations act. However, the authority shall make every effort within available resources to purchase health care coverage for uninsured children whose families have access to dependent coverage through an employer-sponsored health plan or another source when it is cost-effective for the state to do so, and the purchase is consistent with requirements of Title XIX and Title XXI of the federal social security act. To the extent allowable under federal law, the authority shall require families to enroll in available employer-sponsored coverage, as a condition of participating in the program established under this section, when it is cost-effective for the state to do so. Families who enroll in available employer-sponsored coverage under this section shall be accounted for separately in the annual report required by RCW 74.09.053.

(5)(a) To reflect appropriate parental responsibility, the authority shall develop and implement a schedule of premiums for children's health care coverage due to the authority from families with income greater than two hundred percent of the federal poverty level. For families with income greater than two hundred fifty percent of the federal poverty level, the premiums shall be established in consultation with the senate majority and minority leaders and the speaker and minority leader of the house of representatives. For children eligible for coverage under the federally funded children's health insurance program, Title XXI of the federal social security act, premiums shall be set at a reasonable level that does not pose a barrier to enrollment. The amount of the premium shall be based upon family income and shall not exceed the premium limitations in Title XXI of the federal social security act. For children who are not eligible for coverage under the federally funded children's health insurance program, premiums shall be set every two years in an amount no greater than the average state-only share of the per capita cost of coverage in the state-funded children's health program.

(b) Premiums shall not be imposed on children in households at or below two hundred percent of the federal poverty level as articulated in RCW 74.09.055.

~~((b))~~ (c) Beginning no later than January 1, 2010, the authority shall offer families whose income is greater than three hundred

percent of the federal poverty level the opportunity to purchase health care coverage for their children through the programs administered under this section without an explicit premium subsidy from the state. The design of the health benefit package offered to these children should provide a benefit package substantially similar to that offered in the apple health for kids program, and may differ with respect to cost-sharing, and other appropriate elements from that provided to children under subsection (3) of this section including, but not limited to, application of preexisting conditions, waiting periods, and other design changes needed to offer affordable coverage. The amount paid by the family shall be in an amount equal to the rate paid by the state to the managed health care system for coverage of the child, including any associated and administrative costs to the state of providing coverage for the child. Any pooling of the program enrollees that results in state fiscal impact must be identified and brought to the legislature for consideration.

(6) The authority shall undertake and continue a proactive, targeted outreach and education effort with the goal of enrolling children in health coverage and improving the health literacy of youth and parents. The authority shall collaborate with the department of social and health services, department of health, local public health jurisdictions, the office of the superintendent of public instruction, the department of early learning, health educators, health care providers, health carriers, community-based organizations, and parents in the design and development of this effort. The outreach and education effort shall include the following components:

(a) Broad dissemination of information about the availability of coverage, including media campaigns;

(b) Assistance with completing applications, and community-based outreach efforts to help people apply for coverage. Community-based outreach efforts should be targeted to the populations least likely to be covered;

(c) Use of existing systems, such as enrollment information from the free and reduced-price lunch program, the department of early learning child care subsidy program, the department of health's women, infants, and children program, and the early childhood education and assistance program, to identify children who may be eligible but not enrolled in coverage;

(d) Contracting with community-based organizations and government entities to support community-based outreach efforts to help families apply for coverage. These efforts should be targeted to the populations least likely to be covered. The authority shall provide informational materials for use by government entities and community-based organizations in their outreach activities, and should identify any available federal matching funds to support these efforts;

(e) Development and dissemination of materials to engage and inform parents and families statewide on issues such as: The benefits of health insurance coverage; the appropriate use of health services, including primary care provided by health care practitioners licensed under chapters 18.71, 18.57, 18.36A, and 18.79 RCW, and emergency services; the value of a medical home, well-child services and immunization, and other preventive health services with linkages to department of health child profile efforts; identifying and managing chronic conditions such as asthma and diabetes; and the value of good nutrition and physical activity;

(f) An evaluation of the outreach and education efforts, based upon clear, cost-effective outcome measures that are included in contracts with entities that undertake components of the outreach and education effort;

(g) An implementation plan to develop online application capability that is integrated with the automated client eligibility system, and to develop data linkages with the office of the superintendent of public instruction for free and reduced-price lunch enrollment information and the department of early learning for child care subsidy program enrollment information.

(7) The authority shall take action to increase the number of primary care physicians providing dental disease preventive services including oral health screenings, risk assessment, family education, the application of fluoride varnish, and referral to a dentist as needed.

(8) The department shall monitor the rates of substitution between private-sector health care coverage and the coverage provided under this section.

NEW SECTION. Sec. 3. (1) Section 1 of this act takes effect if section 21, chapter . . . (2E2SHB 1738), Laws of 2011 1st sp. sess. is not enacted into law.

(2) Section 2 of this act takes effect if section 21, chapter . . . (2E2SHB 1738), Laws of 2011 1st sp. sess. is enacted into law."

Renumber the remaining section consecutively and correct the title.

On page 6, line 18, after "**Sec. 2.**" strike "This" and insert "Subject to section 3 of this act, this"

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

Amendment (834) was adopted.

Representatives Hunter and Schmick spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 2003.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 2003, and the bill passed the House by the following vote: Yeas, 96; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Asay, Bailey, Billig, Blake, Buys, Carlyle, Chandler, Clibborn, Cody, Condotta, Crouse, Dahlquist, Dammeier, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Haler, Hargrove, Harris, Hasegawa, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Kirby, Klippert, Kretz, Kristiansen, Ladenburg, Lias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Orcutt, Ormsby, Orwall, Overstreet, Parker, Pearson, Pedersen, Pettigrew, Probst, Reykdal, Rivers, Roberts, Rodne, Rolfes, Ross, Ryu, Santos, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Stanford, Sullivan, Takko, Taylor, Tharinger, Upthegrove, Van De Wege, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Excused: Representatives Angel and McCune.

ENGROSSED HOUSE BILL NO. 2003, having received the necessary constitutional majority, was declared passed.

SECOND READING

HOUSE BILL NO. 1548, by Representatives Hunter, Darneille and Kenney

Concerning the implementation of long-term care worker requirements regarding background checks and training.

The bill was read the second time.

There being no objection, Substitute House Bill No. 1548 was substituted for House Bill No. 1548 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1548 was read the second time.

With the consent of the house, amendment (820) was withdrawn.

Representative Cody moved the adoption of amendment (819).

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 18.88B.020 and 2009 c 580 s 18 are each amended to read as follows:

(1) Effective January 1, (~~2014~~) 2014, except as provided in RCW 18.88B.040, the department of health shall require that any person hired as a long-term care worker for the elderly or persons with disabilities must be certified as a home care aide within one hundred fifty days from the date of being hired.

(2) Except as provided in RCW 18.88B.040, certification as a home care aide requires both completion of seventy-five hours of training and successful completion of a certification examination pursuant to RCW 74.39A.073 and 18.88B.030.

(3) No person may practice or, by use of any title or description, represent himself or herself as a certified home care aide without being certified pursuant to this chapter.

(4) The department of health shall adopt rules by August 1, (~~2010~~) 2013, to implement this section.

Sec. 2. RCW 18.88B.030 and 2009 c 580 s 4 are each amended to read as follows:

(1) Effective January 1, (~~2014~~) 2014, except as provided in RCW 18.88B.040, the department of health shall require that all long-term care workers successfully complete a certification examination. Any long-term care worker failing to make the required grade for the examination will not be certified as a home care aide.

(2) The department of health, in consultation with consumer and worker representatives, shall develop a home care aide certification examination to evaluate whether an applicant possesses the skills and knowledge necessary to practice competently. Unless excluded by RCW 18.88B.040 (1) and (2), only those who have completed the training requirements in RCW 74.39A.073 shall be eligible to sit for this examination.

(3) The examination shall include both a skills demonstration and a written or oral knowledge test. The examination papers, all grading of the papers, and records related to the grading of skills demonstration shall be preserved for a period of not less than one year. The department of health shall establish rules governing the number of times and under what circumstances individuals who have failed the examination may sit for the examination, including whether any intermediate remedial steps should be required.

(4) All examinations shall be conducted by fair and wholly impartial methods. The certification examination shall be administered and evaluated by the department of health or by a contractor to the department of health that is neither an employer of long-term care workers or private contractors providing training services under this chapter.

(5) The department of health has the authority to:

(a) Establish forms, procedures, and examinations necessary to certify home care aides pursuant to this chapter;

(b) Hire clerical, administrative, and investigative staff as needed to implement this section;

(c) Issue certification as a home care aide to any applicant who has successfully completed the home care aide examination;

(d) Maintain the official record of all applicants and persons with certificates;

(e) Exercise disciplinary authority as authorized in chapter 18.130 RCW; and

(f) Deny certification to applicants who do not meet training, competency examination, and conduct requirements for certification.

(6) The department of health shall adopt rules by August 1, ~~((2010))~~ 2013, that establish the procedures, including criteria for reviewing an applicant's state and federal background checks, and examinations necessary to carry this section into effect.

Sec. 3. RCW 18.88B.040 and 2010 c 169 s 11 are each amended to read as follows:

The following long-term care workers are not required to become a certified home care aide pursuant to this chapter.

(1) Registered nurses, licensed practical nurses, certified nursing assistants or persons who are in an approved training program for certified nursing assistants under chapter 18.88A RCW, medicare-certified home health aides, or other persons who hold a similar health credential, as determined by the secretary of health, or persons with special education training and an endorsement granted by the superintendent of public instruction, as described in RCW 28A.300.010, if the secretary of health determines that the circumstances do not require certification. After December 31, 2013, individuals exempted by this subsection may obtain certification as a home care aide from the department of health without fulfilling the training requirements in RCW 74.39A.073 but must successfully complete a certification examination pursuant to RCW 18.88B.030.

(2) A person already employed as a long-term care worker prior to January 1, ~~((2014))~~ 2014, who completes all of his or her training requirements in effect as of the date he or she was hired, is not required to obtain certification. After December 31, 2013, individuals exempted by this subsection may obtain certification as a home care aide from the department of health without fulfilling the training requirements in RCW 74.39A.073 but must successfully complete a certification examination pursuant to RCW 18.88B.030.

(3) All long-term care workers employed by supported living providers are not required to obtain certification under this chapter.

(4) An individual provider caring only for his or her biological, step, or adoptive child or parent is not required to obtain certification under this chapter.

(5) (Prior to June 30, 2014, a person hired as an individual provider who provides twenty hours or less of care for one person in any calendar month is not required to obtain certification under this chapter.

(6)) A long-term care worker exempted by this section from the training requirements contained in RCW 74.39A.073 may not be prohibited from enrolling in training pursuant to that section.

~~((7))~~ (6) The department of health shall adopt rules by August 1, ~~((2010))~~ 2013, to implement this section.

Sec. 4. RCW 18.88B.050 and 2009 c 580 s 17 are each amended to read as follows:

(1) The uniform disciplinary act, chapter 18.130 RCW, governs uncertified practice, issuance of certificates, and the discipline of persons with certificates under this chapter. The secretary of health shall be the disciplinary authority under this chapter.

(2) The secretary of health may take action to immediately suspend the certification of a long-term care worker upon finding that conduct of the long-term care worker has caused or presents an imminent threat of harm to a functionally disabled person in his or her care.

(3) If the secretary of health imposes suspension or conditions for continuation of certification, the suspension or conditions for continuation are effective immediately upon notice and shall continue in effect pending the outcome of any hearing.

(4) The department of health shall take appropriate enforcement action related to the licensure of a private agency or facility licensed

by the state, to provide personal care services, other than an individual provider, who knowingly employs a long-term care worker who is not a certified home care aide as required under this chapter or, if exempted from certification by RCW 18.88B.040, has not completed his or her required training pursuant to this chapter.

(5) Chapter 34.05 RCW shall govern actions by the department of health under this section.

(6) The department of health shall adopt rules by August 1, ~~((2010))~~ 2013, to implement this section.

Sec. 5. RCW 74.39A.050 and 2009 c 580 s 7 are each amended to read as follows:

The department's system of quality improvement for long-term care services shall use the following principles, consistent with applicable federal laws and regulations:

(1) The system shall be client-centered and promote privacy, independence, dignity, choice, and a home or home-like environment for consumers consistent with chapter 392, Laws of 1997.

(2) The goal of the system is continuous quality improvement with the focus on consumer satisfaction and outcomes for consumers. This includes that when conducting licensing or contract inspections, the department shall interview an appropriate percentage of residents, family members, resident case managers, and advocates in addition to interviewing providers and staff.

(3) Providers should be supported in their efforts to improve quality and address identified problems initially through training, consultation, technical assistance, and case management.

(4) The emphasis should be on problem prevention both in monitoring and in screening potential providers of service.

(5) Monitoring should be outcome based and responsive to consumer complaints and based on a clear set of health, quality of care, and safety standards that are easily understandable and have been made available to providers, residents, and other interested parties.

(6) Prompt and specific enforcement remedies shall also be implemented without delay, pursuant to RCW 74.39A.080, RCW 70.128.160, chapter 18.51 RCW, or chapter 74.42 RCW, for providers found to have delivered care or failed to deliver care resulting in problems that are serious, recurring, or uncorrected, or that create a hazard that is causing or likely to cause death or serious harm to one or more residents. These enforcement remedies may also include, when appropriate, reasonable conditions on a contract or license. In the selection of remedies, the safety, health, and well-being of residents shall be of paramount importance.

(7) All long-term care workers shall be screened through background checks in a uniform and timely manner to ensure that they do not have a criminal history that would disqualify them from working with vulnerable persons. Long-term care workers who are hired after January 1, ~~((2012))~~ 2014, are subject to background checks under RCW 74.39A.055. This information will be shared with the department of health in accordance with RCW 74.39A.055 to advance the purposes of chapter 2, Laws of 2009.

(8) No provider, or its staff, or long-term care worker, or prospective provider or long-term care worker, with a stipulated finding of fact, conclusion of law, an agreed order, or finding of fact, conclusion of law, or final order issued by a disciplining authority, a court of law, or entered into a state registry finding him or her guilty of abuse, neglect, exploitation, or abandonment of a minor or a vulnerable adult as defined in chapter 74.34 RCW shall be employed in the care of and have unsupervised access to vulnerable adults.

(9) The department shall establish, by rule, a state registry which contains identifying information about long-term care workers identified under this chapter who have substantiated findings of abuse, neglect, financial exploitation, or abandonment of a vulnerable adult as defined in RCW 74.34.020. The rule must include disclosure, disposition of findings, notification, findings of fact, appeal rights, and fair hearing requirements. The department shall

disclose, upon request, substantiated findings of abuse, neglect, financial exploitation, or abandonment to any person so requesting this information. This information will also be shared with the department of health to advance the purposes of chapter 2, Laws of 2009.

(10) Until December 31, (~~2010~~) 2013, individual providers and home care agency providers must satisfactorily complete department-approved orientation, basic training, and continuing education within the time period specified by the department in rule. The department shall adopt rules by March 1, 2002, for the implementation of this section. The department shall deny payment to an individual provider or a home care provider who does not complete the training requirements within the time limit specified by the department by rule.

(11) Until December 31, (~~2010~~) 2013, in an effort to improve access to training and education and reduce costs, especially for rural communities, the coordinated system of long-term care training and education must include the use of innovative types of learning strategies such as internet resources, videotapes, and distance learning using satellite technology coordinated through community colleges or other entities, as defined by the department.

(12) The department shall create an approval system by March 1, 2002, for those seeking to conduct department-approved training.

(13) The department shall establish, by rule, background checks and other quality assurance requirements for long-term care workers who provide in-home services funded by medicaid personal care as described in RCW 74.09.520, community options program entry system waiver services as described in RCW 74.39A.030, or chore services as described in RCW 74.39A.110 that are equivalent to requirements for individual providers. Long-term care workers who are hired after January 1, (~~2012~~) 2014, are subject to background checks under RCW 74.39A.055.

(14) Under existing funds the department shall establish internally a quality improvement standards committee to monitor the development of standards and to suggest modifications.

(15) Within existing funds, the department shall design, develop, and implement a long-term care training program that is flexible, relevant, and qualifies towards the requirements for a nursing assistant certificate as established under chapter 18.88A RCW. This subsection does not require completion of the nursing assistant certificate training program by providers or their staff. The long-term care teaching curriculum must consist of a fundamental module, or modules, and a range of other available relevant training modules that provide the caregiver with appropriate options that assist in meeting the resident's care needs. Some of the training modules may include, but are not limited to, specific training on the special care needs of persons with developmental disabilities, dementia, mental illness, and the care needs of the elderly. No less than one training module must be dedicated to workplace violence prevention. The nursing care quality assurance commission shall work together with the department to develop the curriculum modules. The nursing care quality assurance commission shall direct the nursing assistant training programs to accept some or all of the skills and competencies from the curriculum modules towards meeting the requirements for a nursing assistant certificate as defined in chapter 18.88A RCW. A process may be developed to test persons completing modules from a caregiver's class to verify that they have the transferable skills and competencies for entry into a nursing assistant training program. The department may review whether facilities can develop their own related long-term care training programs. The department may develop a review process for determining what previous experience and training may be used to waive some or all of the mandatory training. The department of social and health services and the nursing care quality assurance commission shall work together to develop an implementation plan by December 12, 1998.

Sec. 6. RCW 74.39A.055 and 2009 c 580 s 2 are each amended to read as follows:

(1) All long-term care workers for the elderly or persons with disabilities hired after January 1, (~~2012~~) 2014, shall be screened through state and federal background checks in a uniform and timely manner to ensure that they do not have a criminal history that would disqualify them from working with vulnerable persons. These background checks shall include checking against the federal bureau of investigation fingerprint identification records system and against the national sex offenders registry or their successor programs. The department shall require these long-term care workers to submit fingerprints for the purpose of investigating conviction records through both the Washington state patrol and the federal bureau of investigation.

(2) To allow the department of health to satisfy its certification responsibilities under chapter 18.88B RCW, the department shall share state and federal background check results with the department of health. Neither department may share the federal background check results with any other state agency or person.

(3) The department shall not pass on the cost of these criminal background checks to the workers or their employers.

(4) The department shall adopt rules to implement the provisions of this section by August 1, (~~2010~~) 2013.

Sec. 7. RCW 74.39A.073 and 2009 c 580 s 10 are each amended to read as follows:

(1) Effective January 1, (~~2014~~) 2014, except as provided in RCW 18.88B.040, all persons employed as long-term care workers for the elderly or persons with disabilities must meet the minimum training requirements in this section within one hundred twenty calendar days of employment.

(2) All persons employed as long-term care workers must obtain seventy-five hours of entry-level training approved by the department. A long-term care worker must accomplish five of these seventy-five hours before becoming eligible to provide care.

(3) Training required by subsection (4)(c) of this section will be applied towards training required under RCW 18.20.270 or 70.128.230 as well as any statutory or regulatory training requirements for long-term care workers employed by supportive living providers.

(4) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The seventy-five hours of entry-level training required shall be as follows:

(a) Before a long-term care worker is eligible to provide care, he or she must complete two hours of orientation training regarding his or her role as caregiver and the applicable terms of employment;

(b) Before a long-term care worker is eligible to provide care, he or she must complete three hours of safety training, including basic safety precautions, emergency procedures, and infection control; and

(c) All long-term care workers must complete seventy hours of long-term care basic training, including training related to core competencies and population specific competencies.

(5) The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors on the competencies and training topics in this section.

(6) Individual providers under RCW 74.39A.270 shall be compensated for training time required by this section.

(7) The department of health shall adopt rules by August 1, (~~2010~~) 2013, to implement subsections (1), (2), and (3) of this section.

(8) The department shall adopt rules by August 1, (~~2010~~) 2013, to implement subsections (4) and (5) of this section.

Sec. 8. RCW 74.39A.075 and 2009 c 580 s 11 are each amended to read as follows:

(1) Effective January 1, ~~((2011))~~ 2014, a biological, step, or adoptive parent who is the individual provider only for his or her developmentally disabled son or daughter must receive twelve hours of training relevant to the needs of adults with developmental disabilities within the first one hundred twenty days of becoming an individual provider.

(2) Effective January 1, ~~((2011))~~ 2014, individual providers identified in ~~((a) and (b) of)~~ this subsection must complete thirty-five hours of training within the first one hundred twenty days of becoming an individual provider. Five of the thirty-five hours must be completed before becoming eligible to provide care. Two of these five hours shall be devoted to an orientation training regarding an individual provider's role as caregiver and the applicable terms of employment, and three hours shall be devoted to safety training, including basic safety precautions, emergency procedures, and infection control. Individual providers subject to this requirement include(~~(:~~

~~—(a)) an individual provider caring only for his or her biological, step, or adoptive child or parent unless covered by subsection (1) of this section(~~(:~~ and~~

~~—(b) Before January 1, 2014, a person hired as an individual provider who provides twenty hours or less of care for one person in any calendar month)).~~

(3) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors.

(4) The department shall adopt rules by August 1, ~~((2010))~~ 2013, to implement this section.

Sec. 9. RCW 74.39A.085 and 2009 c 580 s 14 are each amended to read as follows:

(1) The department shall deny payment to any individual provider of home care services who has not been certified by the department of health as a home care aide as required under chapter 2, Laws of 2009 or, if exempted from certification by RCW 18.88B.040, has not completed his or her required training pursuant to chapter 2, Laws of 2009.

(2) The department may terminate the contract of any individual provider of home care services, or take any other enforcement measure deemed appropriate by the department if the individual provider's certification is revoked under chapter 2, Laws of 2009 or, if exempted from certification by RCW 18.88B.040, has not completed his or her required training pursuant to chapter 2, Laws of 2009.

(3) The department shall take appropriate enforcement action related to the contract of a private agency or facility licensed by the state, to provide personal care services, other than an individual provider, who knowingly employs a long-term care worker who is not a certified home care aide as required under chapter 2, Laws of 2009 or, if exempted from certification by RCW 18.88B.040, has not completed his or her required training pursuant to chapter 2, Laws of 2009.

(4) Chapter 34.05 RCW shall govern actions by the department under this section.

(5) The department shall adopt rules by August 1, ~~((2010))~~ 2013, to implement this section.

Sec. 10. RCW 74.39A.260 and 2009 c 580 s 9 are each amended to read as follows:

The department must perform criminal background checks for individual providers and prospective individual providers and ensure that the authority has ready access to any long-term care abuse and neglect registry used by the department. Individual providers who are hired after January 1, ~~((2012))~~ 2014, are subject to background checks under RCW 74.39A.055.

Sec. 11. RCW 74.39A.330 and 2009 c 478 s 1 are each amended to read as follows:

Long-term care workers shall be offered on-the-job training or peer mentorship for at least one hour per week in the first ninety days of work from a long-term care worker who has completed at least twelve hours of mentor training and is mentoring no more than ten other workers at any given time. This requirement applies to long-term care workers who begin work on or after ~~((July 1, 2011))~~ January 1, 2014.

Sec. 12. RCW 74.39A.340 and 2009 c 580 s 12 are each amended to read as follows:

(1) The department of health shall ensure that all long-term care workers shall complete twelve hours of continuing education training in advanced training topics each year. This requirement applies beginning on July 1, ~~((2014))~~ 2014.

(2) Completion of continuing education as required in this section is a prerequisite to maintaining home care aide certification under chapter 2, Laws of 2009.

(3) Unless voluntarily certified as a home care aide under chapter 2, Laws of 2009, subsection (1) of this section does not apply to(~~(:~~

~~—(a)) an individual provider caring only for his or her biological, step, or adoptive child(~~(:~~ and~~

~~—(b) Before June 30, 2014, a person hired as an individual provider who provides twenty hours or less of care for one person in any calendar month)).~~

(4) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors.

(5) Individual providers under RCW 74.39A.270 shall be compensated for training time required by this section.

(6) The department of health shall adopt rules by August 1, ~~((2010))~~ 2013, to implement subsections (1), (2), and (3) of this section.

(7) The department shall adopt rules by August 1, ~~((2010))~~ 2013, to implement subsection (4) of this section.

Sec. 13. RCW 74.39A.350 and 2009 c 580 s 13 are each amended to read as follows:

The department shall offer, directly or through contract, training opportunities sufficient for a long-term care worker to accumulate seventy hours of training within a reasonable time period. For individual providers represented by an exclusive bargaining representative under RCW 74.39A.270, the training opportunities shall be offered through the training partnership established under RCW 74.39A.360. Training topics shall include, but are not limited to: Client rights; personal care; mental illness; dementia; developmental disabilities; depression; medication assistance; advanced communication skills; positive client behavior support; developing or improving client-centered activities; dealing with wandering or aggressive client behaviors; medical conditions; nurse delegation core training; peer mentor training; and advocacy for quality care training. The department may not require long-term care workers to obtain the training described in this section. This requirement to offer advanced training applies beginning January 1, ~~((2012))~~ 2014.

Sec. 14. RCW 74.39A.095 and 2009 c 580 s 8 are each amended to read as follows:

(1) In carrying out case management responsibilities established under RCW 74.39A.090 for consumers who are receiving services under the medicaid personal care, community options programs entry system or chore services program through an individual provider, each area agency on aging shall provide oversight of the care being provided to consumers receiving services under this section to the

extent of available funding. Case management responsibilities incorporate this oversight, and include, but are not limited to:

- (a) Verification that any individual provider who has not been referred to a consumer by the authority has met any training requirements established by the department;
- (b) Verification of a sample of worker time sheets;
- (c) Monitoring the consumer's plan of care to verify that it adequately meets the needs of the consumer, through activities such as home visits, telephone contacts, and responses to information received by the area agency on aging indicating that a consumer may be experiencing problems relating to his or her home care;
- (d) Reassessing and reauthorizing services;
- (e) Monitoring of individual provider performance. If, in the course of its case management activities, the area agency on aging identifies concerns regarding the care being provided by an individual provider who was referred by the authority, the area agency on aging must notify the authority regarding its concerns; and
- (f) Conducting criminal background checks or verifying that criminal background checks have been conducted for any individual provider who has not been referred to a consumer by the authority. Individual providers who are hired after January 1, ~~((2012))~~ 2014, are subject to background checks under RCW 74.39A.055.

(2) The area agency on aging case manager shall work with each consumer to develop a plan of care under this section that identifies and ensures coordination of health and long-term care services that meet the consumer's needs. In developing the plan, they shall utilize, and modify as needed, any comprehensive community service plan developed by the department as provided in RCW 74.39A.040. The plan of care shall include, at a minimum:

- (a) The name and telephone number of the consumer's area agency on aging case manager, and a statement as to how the case manager can be contacted about any concerns related to the consumer's well-being or the adequacy of care provided;
- (b) The name and telephone numbers of the consumer's primary health care provider, and other health or long-term care providers with whom the consumer has frequent contacts;
- (c) A clear description of the roles and responsibilities of the area agency on aging case manager and the consumer receiving services under this section;
- (d) The duties and tasks to be performed by the area agency on aging case manager and the consumer receiving services under this section;
- (e) The type of in-home services authorized, and the number of hours of services to be provided;
- (f) The terms of compensation of the individual provider;
- (g) A statement by the individual provider that he or she has the ability and willingness to carry out his or her responsibilities relative to the plan of care; and
- (h)(i) Except as provided in (h)(ii) of this subsection, a clear statement indicating that a consumer receiving services under this section has the right to waive any of the case management services offered by the area agency on aging under this section, and a clear indication of whether the consumer has, in fact, waived any of these services.
- (ii) The consumer's right to waive case management services does not include the right to waive reassessment or reauthorization of services, or verification that services are being provided in accordance with the plan of care.

(3) Each area agency on aging shall retain a record of each waiver of services included in a plan of care under this section.

(4) Each consumer has the right to direct and participate in the development of their plan of care to the maximum practicable extent of their abilities and desires, and to be provided with the time and support necessary to facilitate that participation.

(5) A copy of the plan of care must be distributed to the consumer's primary care provider, individual provider, and other

relevant providers with whom the consumer has frequent contact, as authorized by the consumer.

(6) The consumer's plan of care shall be an attachment to the contract between the department, or their designee, and the individual provider.

(7) If the department or area agency on aging case manager finds that an individual provider's inadequate performance or inability to deliver quality care is jeopardizing the health, safety, or well-being of a consumer receiving service under this section, the department or the area agency on aging may take action to terminate the contract between the department and the individual provider. If the department or the area agency on aging has a reasonable, good faith belief that the health, safety, or well-being of a consumer is in imminent jeopardy, the department or area agency on aging may summarily suspend the contract pending a fair hearing. The consumer may request a fair hearing to contest the planned action of the case manager, as provided in chapter 34.05 RCW. When the department or area agency on aging terminates or summarily suspends a contract under this subsection, it must provide oral and written notice of the action taken to the authority. The department may by rule adopt guidelines for implementing this subsection.

(8) The department or area agency on aging may reject a request by a consumer receiving services under this section to have a family member or other person serve as his or her individual provider if the case manager has a reasonable, good faith belief that the family member or other person will be unable to appropriately meet the care needs of the consumer. The consumer may request a fair hearing to contest the decision of the case manager, as provided in chapter 34.05 RCW. The department may by rule adopt guidelines for implementing this subsection.

Sec. 15. RCW 18.20.125 and 2009 c 580 s 3 are each amended to read as follows:

(1) Inspections must be outcome based and responsive to resident complaints and based on a clear set of health, quality of care, and safety standards that are easily understandable and have been made available to facilities, residents, and other interested parties. This includes that when conducting licensing inspections, the department shall interview an appropriate percentage of residents, family members, and advocates in addition to interviewing appropriate staff.

(2) Prompt and specific enforcement remedies shall also be implemented without delay, consistent with RCW 18.20.190, for facilities found to have delivered care or failed to deliver care resulting in problems that are serious, recurring, or uncorrected, or that create a hazard that is causing or likely to cause death or serious harm to one or more residents. These enforcement remedies may also include, when appropriate, reasonable conditions on a license. In the selection of remedies, the safety, health, and well-being of residents shall be of paramount importance.

(3)(a) To the extent funding is available, the licensee, administrator, and their staff should be screened through background checks in a uniform and timely manner to ensure that they do not have a criminal history that would disqualify them from working with vulnerable adults. Employees may be provisionally hired pending the results of the background check if they have been given three positive references.

(b) Long-term care workers, as defined in RCW 74.39A.009, who are hired after January 1, ~~((2012))~~ 2014, are subject to background checks under RCW 74.39A.055.

(4) No licensee, administrator, or staff, or prospective licensee, administrator, or staff, with a stipulated finding of fact, conclusion of law, and agreed order, or finding of fact, conclusion of law, or final order issued by a disciplining authority, a court of law, or entered into the state registry finding him or her guilty of abuse, neglect, exploitation, or abandonment of a minor or a vulnerable adult as defined in chapter 74.34 RCW shall be employed in the care of and have unsupervised access to vulnerable adults.

Sec. 16. RCW 43.20A.710 and 2011 c 253 s 1 are each amended to read as follows:

(1) The secretary shall investigate the conviction records, pending charges and disciplinary board final decisions of:

(a) Any current employee or applicant seeking or being considered for any position with the department who will or may have unsupervised access to children, vulnerable adults, or individuals with mental illness or developmental disabilities. This includes, but is not limited to, positions conducting comprehensive assessments, financial eligibility determinations, licensing and certification activities, investigations, surveys, or case management; or for state positions otherwise required by federal law to meet employment standards;

(b) Individual providers who are paid by the state and providers who are paid by home care agencies to provide in-home services involving unsupervised access to persons with physical, mental, or developmental disabilities or mental illness, or to vulnerable adults as defined in chapter 74.34 RCW, including but not limited to services provided under chapter 74.39 or 74.39A RCW; and

(c) Individuals or businesses or organizations for the care, supervision, case management, or treatment of children, persons with developmental disabilities, or vulnerable adults, including but not limited to services contracted for under chapter 18.20, 70.127, 70.128, 72.36, or 74.39A RCW or Title 71A RCW.

(2) The secretary shall require a fingerprint-based background check through both the Washington state patrol and the federal bureau of investigation as provided in RCW 43.43.837. Unless otherwise authorized by law, the secretary shall use the information solely for the purpose of determining the character, suitability, and competence of the applicant.

(3) Except as provided in subsection (4) of this section, an individual provider or home care agency provider who has resided in the state less than three years before applying for employment involving unsupervised access to a vulnerable adult as defined in chapter 74.34 RCW must be fingerprinted for the purpose of investigating conviction records through both the Washington state patrol and the federal bureau of investigation. This subsection applies only with respect to the provision of in-home services funded by medicaid personal care under RCW 74.09.520, community options program entry system waiver services under RCW 74.39A.030, or chore services under RCW 74.39A.110. However, this subsection does not supersede RCW 74.15.030(2)(b).

(4) Long-term care workers, as defined in RCW 74.39A.009, who are hired after January 1, (~~2012~~) 2014, are subject to background checks under RCW 74.39A.055, except that the department may require a background check at any time under RCW 43.43.837. For the purposes of this subsection, "background check" includes, but is not limited to, a fingerprint check submitted for the purpose of investigating conviction records through both the Washington state patrol and the federal bureau of investigation.

(5) An individual provider or home care agency provider hired to provide in-home care for and having unsupervised access to a vulnerable adult as defined in chapter 74.34 RCW must have no conviction for a disqualifying crime under RCW 43.43.830 and 43.43.842. An individual or home care agency provider must also have no conviction for a crime relating to drugs as defined in RCW 43.43.830. This subsection applies only with respect to the provision of in-home services funded by medicaid personal care under RCW 74.09.520, community options program entry system waiver services under RCW 74.39A.030, or chore services under RCW 74.39A.110.

(6) The secretary shall provide the results of the state background check on long-term care workers, including individual providers, to the persons hiring them or to their legal guardians, if any, for their determination of the character, suitability, and competence of the applicants. If the person elects to hire or retain an individual provider after receiving notice from the department that the applicant has a conviction for an offense that would disqualify the applicant from

having unsupervised access to persons with physical, mental, or developmental disabilities or mental illness, or to vulnerable adults as defined in chapter 74.34 RCW, then the secretary shall deny payment for any subsequent services rendered by the disqualified individual provider.

(7) Criminal justice agencies shall provide the secretary such information as they may have and that the secretary may require for such purpose.

Sec. 17. RCW 43.43.837 and 2011 c 253 s 2 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, in order to determine the character, competence, and suitability of any applicant or service provider to have unsupervised access, the secretary may require a fingerprint-based background check through both the Washington state patrol and the federal bureau of investigation at any time, but shall require a fingerprint-based background check when the applicant or service provider has resided in the state less than three consecutive years before application, and:

(a) Is an applicant or service provider providing services to children or people with developmental disabilities under RCW 74.15.030;

(b) Is an individual residing in an applicant or service provider's home, facility, entity, agency, or business or who is authorized by the department to provide services to children or people with developmental disabilities under RCW 74.15.030; or

(c) Is an applicant or service provider providing in-home services funded by:

(i) Medicaid personal care under RCW 74.09.520;

(ii) Community options program entry system waiver services under RCW 74.39A.030;

(iii) Chore services under RCW 74.39A.110; or

(iv) Other home and community long-term care programs, established pursuant to chapters 74.39 and 74.39A RCW, administered by the department.

(2) Long-term care workers, as defined in RCW 74.39A.009, who are hired after January 1, (~~2012~~) 2014, are subject to background checks under RCW 74.39A.055.

(3) To satisfy the shared background check requirements provided for in RCW 43.215.215 and 43.20A.710, the department of early learning and the department of social and health services shall share federal fingerprint-based background check results as permitted under the law. The purpose of this provision is to allow both departments to fulfill their joint background check responsibility of checking any individual who may have unsupervised access to vulnerable adults, children, or juveniles. Neither department may share the federal background check results with any other state agency or person.

(4) The secretary shall require a fingerprint-based background check through the Washington state patrol identification and criminal history section and the federal bureau of investigation when the department seeks to approve an applicant or service provider for a foster or adoptive placement of children in accordance with federal and state law.

(5) Any secure facility operated by the department under chapter 71.09 RCW shall require applicants and service providers to undergo a fingerprint-based background check through the Washington state patrol identification and criminal history section and the federal bureau of investigation.

(6) Service providers and service provider applicants who are required to complete a fingerprint-based background check may be hired for a one hundred twenty-day provisional period as allowed under law or program rules when:

(a) A fingerprint-based background check is pending; and

(b) The applicant or service provider is not disqualified based on the immediate result of the background check.

(7) Fees charged by the Washington state patrol and the federal bureau of investigation for fingerprint-based background checks shall be paid by the department for applicants or service providers providing:

- (a) Services to people with a developmental disability under RCW 74.15.030;
 - (b) In-home services funded by medicaid personal care under RCW 74.09.520;
 - (c) Community options program entry system waiver services under RCW 74.39A.030;
 - (d) Chore services under RCW 74.39A.110;
 - (e) Services under other home and community long-term care programs, established pursuant to chapters 74.39 and 74.39A RCW, administered by the department;
 - (f) Services in, or to residents of, a secure facility under RCW 71.09.115; and
 - (g) Foster care as required under RCW 74.15.030.
- (8) Service providers licensed under RCW 74.15.030 must pay fees charged by the Washington state patrol and the federal bureau of investigation for conducting fingerprint-based background checks.
- (9) Children's administration service providers licensed under RCW 74.15.030 may not pass on the cost of the background check fees to their applicants unless the individual is determined to be disqualified due to the background information.
- (10) The department shall develop rules identifying the financial responsibility of service providers, applicants, and the department for paying the fees charged by law enforcement to roll, print, or scan fingerprints-based for the purpose of a Washington state patrol or federal bureau of investigation fingerprint-based background check.
- (11) For purposes of this section, unless the context plainly indicates otherwise:
- (a) "Applicant" means a current or prospective department or service provider employee, volunteer, student, intern, researcher, contractor, or any other individual who will or may have unsupervised access because of the nature of the work or services he or she provides. "Applicant" includes but is not limited to any individual who will or may have unsupervised access and is:
 - (i) Applying for a license or certification from the department;
 - (ii) Seeking a contract with the department or a service provider;
 - (iii) Applying for employment, promotion, reallocation, or transfer;
 - (iv) An individual that a department client or guardian of a department client chooses to hire or engage to provide services to himself or herself or another vulnerable adult, juvenile, or child and who might be eligible to receive payment from the department for services rendered; or
 - (v) A department applicant who will or may work in a department- covered position.
 - (b) "Authorized" means the department grants an applicant, home, or facility permission to:
 - (i) Conduct licensing, certification, or contracting activities;
 - (ii) Have unsupervised access to vulnerable adults, juveniles, and children;
 - (iii) Receive payments from a department program; or
 - (iv) Work or serve in a department-covered position.
 - (c) "Department" means the department of social and health services.
 - (d) "Secretary" means the secretary of the department of social and health services.
 - (e) "Secure facility" has the meaning provided in RCW 71.09.020.
 - (f) "Service provider" means entities, facilities, agencies, businesses, or individuals who are licensed, certified, authorized, or regulated by, receive payment from, or have contracts or agreements with the department to provide services to vulnerable adults, juveniles, or children. "Service provider" includes individuals whom

a department client or guardian of a department client may choose to hire or engage to provide services to himself or herself or another vulnerable adult, juvenile, or child and who might be eligible to receive payment from the department for services rendered. "Service provider" does not include those certified under chapter 70.96A RCW.

NEW SECTION. Sec. 18. Except for sections 6, 10, and 14 through 17 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Representative Schmick moved the adoption of amendment (826) to amendment (819).
0)

On page 11, beginning on line 31 of the striking amendment, after "apply to" strike all material through "an" on line 32 and insert ":

(a) An"

On page 11, line 33 of the striking amendment, after "child" strike all material through "b)" on line 34 and insert ";

(b) ("

On page 12, line 2 of the striking amendment, after "month))" insert "A person who is exempt under RCW 18.88B.040(1) so long as he or she maintains his or her credential in good standing"

Representatives Schmick and Cody spoke in favor of the adoption of the amendment to the amendment.

Amendment (826) was adopted.

Representative Cody spoke in favor of the adoption of amendment (819) as amended.

Amendment (819) was adopted as amended.

The bill was ordered engrossed.

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

Representatives Cody and Schmick spoke in favor of the passage of the bill.

Representative Liias spoke against the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1548.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1548, and the bill passed the House by the following vote: Yeas, 83; Nays, 13; Absent, 0; Excused, 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Asay, Bailey, Blake, Buys, Carlyle, Chandler, Clibborn, Cody, Condotta, Crouse, Dahlquist, Dammeier, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Green, Haigh, Haler, Hargrove, Harris, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Klippert, Kretz, Kristiansen, Ladenburg, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Nealey, Orcutt, Orwall, Overstreet, Parker, Pearson, Pedersen, Pettigrew, Rivers, Roberts, Rodne, Rolfes, Ross, Ryu, Santos, Schmick, Seaquist,

Shea, Short, Smith, Springer, Sullivan, Takko, Taylor, Tharinger, Upthegrove, Van De Wege, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Appleton, Billig, Frockt, Goodman, Hasegawa, Kirby, Lias, Moscoso, Ormsby, Probst, Reykdal, Sells and Stanford.

Excused: Representatives Angel and McCune.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1548, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5749, by Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Brown, Hewitt and Shin)

Regarding the Washington advanced college tuition payment (GET) program.

The bill was read the second time.

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

Representatives Seaquist and Haler spoke in favor of the passage of the bill.

Representative Hasegawa spoke against the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5749.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5749, and the bill passed the House by the following vote: Yeas, 89; Nays, 7; Absent, 0; Excused, 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Asay, Bailey, Billig, Blake, Carlyle, Chandler, Clibborn, Cody, Condotta, Crouse, Dahlquist, Dammeier, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Goodman, Haigh, Haler, Hargrove, Harris, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Kirby, Klippert, Kretz, Kristiansen, Ladenburg, Lias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Moscoso, Nealey, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Probst, Reykdal, Rivers, Roberts, Rodne, Rolfes, Ross, Ryu, Schmick, Seaquist, Sells, Shea, Short, Smith, Springer, Stanford, Sullivan, Takko, Taylor, Tharinger, Upthegrove, Van De Wege, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Buys, Frockt, Green, Hasegawa, Morris, Overstreet and Santos.

Excused: Representatives Angel and McCune.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5749, having received the necessary constitutional majority, was declared passed.

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

There being no objection, the Committee on Rules was relieved of SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1365 and the bill was placed on the third reading calendar.

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bills:

SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1224
 ENGROSSED SUBSTITUTE HOUSE BILL NO. 1449
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1795
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1371
 ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1965
 ENGROSSED HOUSE BILL NO. 2123
 ENGROSSED SUBSTITUTE SENATE BILL NO. 5921
 SENATE BILL NO. 5956
 ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5182
 SENATE BILL NO. 5289
 SECOND ENGROSSED SENATE BILL NO. 5638
 SUBSTITUTE SENATE BILL NO. 5912
 SENATE BILL NO. 5941
 SENATE JOINT RESOLUTION NO. 8206

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

THIRD READING

There being no objection, the rules were suspended, and ENGROSSED SUBSTITUTE HOUSE BILL NO. 1087 was returned to second reading for the purpose of amendment.

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

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1087, by House Committee on Ways & Means (originally sponsored by Representatives Hunter, Alexander and Darneille)

Making 2011-2013 operating appropriations. Revised for 1st Substitute: Making 2009-2011 and 2011-2013 fiscal biennia operating appropriations.

With the consent of the house, amendments (828), (836) and (838) to amendment (821) was withdrawn.

Representative Hunter moved the adoption of amendment (821).

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in parts I through IX of this act, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for

other specified purposes for the fiscal biennium beginning July 1, 2011, and ending June 30, 2013, except as otherwise provided, out of the several funds of the state hereinafter named.

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

(a) "Fiscal year 2012" or "FY 2012" means the fiscal year ending June 30, 2012.

(b) "Fiscal year 2013" or "FY 2013" means the fiscal year ending June 30, 2013.

(c) "FTE" means full time equivalent.

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

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

PART I

GENERAL GOVERNMENT

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

General Fund--State Appropriation (FY 2012)	\$29,923,000
General Fund--State Appropriation (FY 2013)	\$30,444,000
Motor Vehicle Account--State Appropriation	\$1,316,000
TOTAL APPROPRIATION	\$61,683,000

NEW SECTION. Sec. 102. FOR THE SENATE

General Fund--State Appropriation (FY 2012)	\$21,772,000
General Fund--State Appropriation (FY 2013)	\$23,868,000
Motor Vehicle Account--State Appropriation	\$1,400,000
TOTAL APPROPRIATION	\$47,040,000

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

General Fund--State Appropriation (FY 2012)	\$2,680,000
General Fund--State Appropriation (FY 2013)	\$2,741,000
Medical Aid Account--State Appropriation	\$85,000
Accident Account--State Appropriation	\$85,000
TOTAL APPROPRIATION	\$5,591,000

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

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

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

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

(a) An analysis of marketing expenses and the impact on ticket sales; the impact to sales of tickets from the change in lottery beneficiaries; the competitive contracting processes for marketing

services and vendors and comparison to other states; identification of whether there are duplicative or unproductive marketing activities; and identification of whether savings may occur from changing vendors.

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

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

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

General Fund--State Appropriation (FY 2012)	\$2,027,000
General Fund--State Appropriation (FY 2013)	\$2,193,000
TOTAL APPROPRIATION	\$4,220,000

NEW SECTION. Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY

General Fund--State Appropriation (FY 2012)	\$24,000
General Fund--State Appropriation (FY 2013)	\$24,000
Department of Retirement Systems Expense	
Account--State Appropriation	\$3,344,000
TOTAL APPROPRIATION	\$3,392,000

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

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

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

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

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

NEW SECTION. Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund--State Appropriation (FY 2012)	\$8,016,000
General Fund--State Appropriation (FY 2013)	\$7,911,000
TOTAL APPROPRIATION	\$15,927,000

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

General Fund--State Appropriation (FY 2012)	\$4,249,000
General Fund--State Appropriation (FY 2013)	\$4,691,000
TOTAL APPROPRIATION	\$8,940,000

NEW SECTION. Sec. 108. FOR THE REDISTRICTING COMMISSION

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

The appropriations in this section are subject to the following conditions and limitations: \$443,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the support of legislative redistricting efforts. The commission shall enter into an interagency agreement with the house of representatives and the senate for the expenditure of these funds.

NEW SECTION. Sec. 109. FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2012)	\$6,714,000
General Fund--State Appropriation (FY 2013)	\$6,729,000
TOTAL APPROPRIATION	\$13,443,000

NEW SECTION. Sec. 110. FOR THE LAW LIBRARY

General Fund--State Appropriation (FY 2012)	\$1,472,000
General Fund--State Appropriation (FY 2013)	\$1,466,000
TOTAL APPROPRIATION	\$2,938,000

NEW SECTION. Sec. 111. FOR THE COURT OF APPEALS

General Fund--State Appropriation (FY 2012)	\$15,227,000
General Fund--State Appropriation (FY 2013)	\$15,280,000
TOTAL APPROPRIATION	\$30,507,000

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

General Fund--State Appropriation (FY 2012)	\$1,057,000
General Fund--State Appropriation (FY 2013)	\$991,000
TOTAL APPROPRIATION	\$2,048,000

NEW SECTION. Sec. 113. FOR THE ADMINISTRATOR FOR THE COURTS

General Fund--State Appropriation (FY 2012)	\$50,619,000
General Fund--State Appropriation (FY 2013)	\$50,174,000
General Fund--Federal Appropriation	\$1,551,000
General Fund--Private/Local Appropriation	\$248,000
Judicial Information Systems Account--State Appropriation	\$42,383,000
Judicial Stabilization Trust Account--State Appropriation	\$5,414,000
TOTAL APPROPRIATION	\$150,389,000

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

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

(2)(a) \$8,252,000 of the general fund--state appropriation for fiscal year 2012 and \$8,253,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than

average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2009-11 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives and senate ways and means committees no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

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

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

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

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

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

NEW SECTION. Sec. 114. FOR THE OFFICE OF PUBLIC DEFENSE

General Fund--State Appropriation (FY 2012)	\$25,027,000
General Fund--State Appropriation (FY 2013)	\$24,966,000
Judicial Stabilization Trust Account--State Appropriation	\$2,490,000
TOTAL APPROPRIATION	\$52,483,000

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

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

(2) By December 1, 2011, the office of public defense shall submit to the appropriate policy and fiscal committees of the legislature a proposal for office of public defense to assume the effective and efficient administration of defense services for indigent persons throughout the state who are involved in proceedings under chapter 71.09 RCW. In developing its proposal, the office of public defense should consult with interested stakeholders, including the

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

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

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

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

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

NEW SECTION. Sec. 115. FOR THE OFFICE OF CIVIL LEGAL AID

General Fund--State Appropriation (FY 2012)	\$11,038,000
General Fund--State Appropriation (FY 2013)	\$11,048,000
Judicial Stabilization Trust Account--State Appropriation	\$1,093,000
TOTAL APPROPRIATION	\$23,179,000

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

NEW SECTION. Sec. 116. FOR THE OFFICE OF THE GOVERNOR

General Fund--State Appropriation (FY 2012)	\$5,312,000
General Fund--State Appropriation (FY 2013)	\$5,293,000
Economic Development Strategic Reserve Account--State Appropriation	\$1,500,000
TOTAL APPROPRIATION	\$12,105,000

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

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

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

NEW SECTION. Sec. 117. FOR THE LIEUTENANT GOVERNOR

General Fund--State Appropriation (FY 2012)	\$687,000
General Fund--State Appropriation (FY 2013)	\$698,000
General Fund--Private/Local Appropriation	\$90,000
TOTAL APPROPRIATION	\$1,475,000

NEW SECTION. Sec. 118. FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund--State Appropriation (FY 2012)	\$2,107,000
General Fund--State Appropriation (FY 2013)	\$2,130,000
TOTAL APPROPRIATION	\$4,237,000

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

NEW SECTION. Sec. 119. FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2012)	\$16,710,000
General Fund--State Appropriation (FY 2013)	\$14,135,000
General Fund--Federal Appropriation	\$7,338,000
Public Records Efficiency, Preservation, and Access Account--State Appropriation	\$7,943,000
Charitable Organization Education Account--State Appropriation	\$452,000
Local Government Archives Account--State Appropriation	\$10,556,000
Election Account--Federal Appropriation	\$17,288,000
Washington State Heritage Center Account--State Appropriation	\$1,028,000
TOTAL APPROPRIATION	\$75,450,000

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

(1) \$4,101,000 of the general fund--state appropriation for fiscal year 2012 is provided solely to reimburse counties for the state's share of primary and general election costs and the costs of conducting mandatory recounts on state measures. Counties shall be reimbursed only for those odd-year election costs that the secretary of state validates as eligible for reimbursement.

(2)(a) \$1,997,000 of the general fund--state appropriation for fiscal year 2012 and \$2,076,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2011-2013 biennium. The funding level for each year of the contract shall be based on the amount provided in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in this subsection have been satisfactorily documented.

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

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

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

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

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

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

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

NEW SECTION. Sec. 120. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund--State Appropriation (FY 2012)	\$259,000
General Fund--State Appropriation (FY 2013)	\$267,000
TOTAL APPROPRIATION	\$526,000

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

NEW SECTION. Sec. 121. FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2012)	\$232,000
General Fund--State Appropriation (FY 2013)	\$219,000
TOTAL APPROPRIATION	\$451,000

NEW SECTION. Sec. 122. FOR THE STATE TREASURER

State Treasurer's Service Account--State

Appropriation \$14,996,000

NEW SECTION. Sec. 123. FOR THE STATE AUDITOR

State Auditing Services Revolving Account--State

Appropriation \$10,293,000

Performance Audit of Government Account--State

Appropriation \$1,348,000

TOTAL APPROPRIATION	\$11,641,000
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The appropriations in this section are subject to the following conditions and limitations:

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

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

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

(4) \$224,000 of performance audits of state government account appropriation is provided solely for the fraud ombudsman to review and audit the fraud investigative work of the division of fraud investigations of the department of social and health services.

NEW SECTION. Sec. 124. FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund--State Appropriation (FY 2012)	\$158,000
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General Fund--State Appropriation (FY 2013)	\$195,000
TOTAL APPROPRIATION	\$353,000

NEW SECTION. Sec. 125. FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2012)	\$4,028,000
General Fund--State Appropriation (FY 2013)	\$3,997,000
General Fund--Federal Appropriation	\$8,819,000
New Motor Vehicle Arbitration Account--State	
Appropriation	\$972,000
Legal Services Revolving Account--State	
Appropriation	\$206,635,000
Tobacco Prevention and Control Account--State	
Appropriation	\$270,000
Medicaid Fraud Penalty Account--State Appropriation	\$2,825,000
TOTAL APPROPRIATION	\$227,546,000

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

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

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

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

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

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

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

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

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

(9) \$99,000 of the legal services revolving fund--state appropriation is provided solely to implement Engrossed Second Substitute Senate Bill No. 5769 (coal-fired generation). If the bill is

not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

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

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

NEW SECTION. Sec. 126. FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2012)	\$1,308,000
General Fund--State Appropriation (FY 2013)	\$1,305,000
TOTAL APPROPRIATION	\$2,613,000

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

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

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

NEW SECTION. Sec. 127. FOR THE DEPARTMENT OF COMMERCE

General Fund--State Appropriation (FY 2012)	\$57,271,000
General Fund--State Appropriation (FY 2013)	\$72,479,000
General Fund--Federal Appropriation	\$282,218,000
General Fund--Private/Local Appropriation	\$4,998,000
Public Works Assistance Account--State Appropriation	\$2,767,000
Drinking Water Assistance Administrative Account--State Appropriation	\$437,000
Lead Paint Account--State Appropriation	\$65,000
Building Code Council Account--State Appropriation	\$13,000
Home Security Fund Account--State Appropriation	\$16,655,000
Affordable Housing for All Account--State Appropriation	\$11,902,000
County Research Services Account--State Appropriation	\$1,081,000
Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account--State Appropriation	\$1,166,000
Low-Income Weatherization Assistance Account--State Appropriation	\$5,778,000
City and Town Research Services Account--State	

Appropriation	\$5,166,000
Manufacturing Innovation and Modernization Account--State Appropriation	\$61,000
Community and Economic Development Fee Account--State Appropriation	\$6,488,000
Washington Housing Trust Account--State Appropriation	\$17,503,000
Prostitution Prevention and Intervention Account-- State Appropriation	\$94,000
Public Facility Construction Loan Revolving Account--State Appropriation	\$755,000
Washington Community Technology Opportunity Account-- State Appropriation	\$713,000
TOTAL APPROPRIATION	\$487,610,000

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

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

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

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

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

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

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

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

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

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

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

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

(11) The public works assistance account appropriation reflects savings required by Substitute Senate Bill No. 5844 (local government infrastructure), which requires the department to reduce expenditures from the public works assistance account for central agency administration for the 2011-2013 biennium.

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

(13) \$2,000,000 of the community and economic development fee account appropriation is provided solely for the department of commerce for services to homeless families through the Washington families fund.

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

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

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

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

(18) \$24,605,000 of the general fund--state appropriation for fiscal year 2012 and \$39,527,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for establishment of the essential needs and housing support program created in Engrossed Substitute House Bill No. 2082 (essential needs and assistance program). The department of commerce shall contract for these services with counties or community-based organizations involved in providing essential needs and housing supports to low-income persons who meet eligibility pursuant to Engrossed Substitute House Bill No. 2082. The department shall limit the funding used for administration of the program to no more than five percent. Counties and community providers shall limit the funding used for administration of the program to no more than seven percent.

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

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

(b) Of the amounts provided in this subsection, \$30,000,000 is provided solely for housing support services to individuals who are homeless and eligible for services under this program pursuant to Engrossed Substitute House Bill No. 2082.

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

NEW SECTION. Sec. 128. FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund--State Appropriation (FY 2012)	\$674,000
General Fund--State Appropriation (FY 2013)	\$728,000
Lottery Administrative Account--State Appropriation	\$50,000
TOTAL APPROPRIATION	\$1,452,000

NEW SECTION. Sec. 129. FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund--State Appropriation (FY 2012)	\$18,688,000
General Fund--State Appropriation (FY 2013)	\$18,547,000
General Fund--Federal Appropriation	\$31,534,000
General Fund--Private/Local Appropriation	\$1,270,000
Performance Audits of Government Account--	
State Appropriation	\$25,000
Economic Development Strategic Reserve Account--	
State Appropriation	\$280,000
Department of Personnel Services--State Appropriation	\$9,111,000
Data Processing Revolving Account--State	
Appropriation	\$5,208,000
Higher Education Personnel Services Account--State	
Appropriation	\$1,581,000
Aquatic Lands Enhancement Account--State Appropriation	\$100,000
TOTAL APPROPRIATION	\$86,344,000

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

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

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

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

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

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

- (i) Ownership issues, including consultation with the federal government about its current legal requirements associated with the island;
- (ii) Federal and state decision-making processes to change use or ownership;
- (iii) Tribal treaty interests;
- (iv) Fish and wildlife species and their habitats;
- (v) Land use and public safety needs;
- (vi) Recreational opportunities for the general public;
- (vii) Historic and archaeological resources; and
- (viii) Revenue from and necessary to support potential future uses of the island.

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

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

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

- (i) Federal agencies with relevant responsibilities;
- (ii) Tribal governments;
- (iii) State agencies;
- (iv) Local governments and communities in the area, including the Anderson Island community, Steilacoom, and Pierce county; and
- (v) Interested private organizations and individuals.

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

(4) As part of negotiations for labor contracts for the 2013-2015 fiscal biennium, the office of labor relations shall propose to the bargaining representatives for state employees the authorization to collect employee health care premiums on a sliding scale based on the employee's salary.

(5) Funding provided in this section is sufficient for the office of financial management to conduct an impact and feasibility study to review possible implications of a direct deposit mandate for state employees. This mandate would require that state employees receive their paychecks through direct deposit. The impact and feasibility study will consider the potential impact on employees and potential liabilities for employers and include a recommendation as to whether the state should implement a direct deposit mandate. The study shall be due to the fiscal committees of the legislature by December 1, 2011.

(6) Funding provided in this section is sufficient for the office of financial management to conduct a feasibility study on the potential impacts of a system that would allow digital signatures to serve as valid employee signatures for the purpose of employment activities. In conducting this study, the office of financial management should assume that this system would be available to all state employees. The study must consider cost and other impacts to the state, including potential liabilities. The study shall be due to the fiscal committees of the legislature by December 1, 2011.

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

(8) \$50,000 of the general fund--state appropriation for fiscal year 2012 and \$50,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the office of financial management

to contract with the Washington state quality award for training, outreach, and assessments for public agencies and public agency vendors.

(9) The government management and accountability performance program will develop by October 1, 2011, in coordination with the Washington state quality award, a plan for all agencies to complete a Washington state quality award or baldridge full assessment by June 30, 2013. The plan must also include a schedule for agencies to complete an assessment at least every three years, and for agencies to attain a score of 60 percent by 2020.

(10) The priorities of government program must include in their report the Washington state quality award assessment score for agencies, as defined in chapter 384, Laws of 2005 (HB 1970), in its performance measures for implementing the quality management, accountability and performance system.

NEW SECTION. Sec. 130. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account--State
Appropriation \$34,040,000

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

NEW SECTION. Sec. 131. FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account--State
Appropriation \$25,694,000

NEW SECTION. Sec. 132. FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund--State Appropriation (FY 2012)	\$246,000
General Fund--State Appropriation (FY 2013)	\$250,000
TOTAL APPROPRIATION	\$496,000

NEW SECTION. Sec. 133. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2012)	\$239,000
General Fund--State Appropriation (FY 2013)	\$238,000
TOTAL APPROPRIATION	\$477,000

NEW SECTION. Sec. 134. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS

Department of Retirement Systems Expense
Account--State Appropriation \$47,057,000

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

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

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

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

(4) \$44,000 of the department of retirement systems--state appropriation is provided solely for the administrative costs associated with implementation of Substitute Senate Bill No. 5846

(retired public employees). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

NEW SECTION. Sec. 135. FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2012)	\$104,380,000
General Fund--State Appropriation (FY 2013)	\$104,232,000
Timber Tax Distribution Account--State Appropriation	\$5,940,000
Waste Reduction/Recycling/Litter Control--State Appropriation	\$129,000
Waste Tire Removal Account--State Appropriation	\$2,000
State Toxics Control Account--State Appropriation	\$87,000
Oil Spill Prevention Account--State Appropriation	\$19,000
Master License Fund--State Appropriation	\$14,012,000
Vehicle License Fraud Account--State Appropriation	\$5,000
Performance Audits of Government Account--State Appropriation	\$3,188,000
TOTAL APPROPRIATION	\$231,994,000

NEW SECTION. Sec. 136. FOR THE STATE INVESTMENT BOARD

State Investment Board Expense Account--State Appropriation	\$29,256,000
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NEW SECTION. Sec. 137. FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2012)	\$1,241,000
General Fund--State Appropriation (FY 2013)	\$1,219,000
TOTAL APPROPRIATION	\$2,460,000

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

OMWBE Enterprises Account--State Appropriation	\$3,266,000
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NEW SECTION. Sec. 139. FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY

General Fund--State Appropriation (FY 2012)	\$3,000
General Fund--State Appropriation (FY 2013)	\$4,000
General Fund--Private/Local Appropriation	\$356,000
Data Processing Revolving Account--State Appropriation	\$53,000
TOTAL APPROPRIATION	\$416,000

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

(1) The appropriations in this section are for the operations and expenses of the consolidated technology services agency as established by Engrossed Substitute Senate Bill No. 5931 (central service functions of state government), effective October 1, 2011. Prior to October 1, 2011, the appropriations in this section may be expended for the continued operations and expenses of the department of information services pursuant to the expenditure authority schedules produced by the office of financial management in accordance with chapter 43.88 RCW.

(2) The appropriations in this section fund implementation of Senate Bill No. 5931 (streamlining central service functions).

(3) \$26,794,000 from the data processing revolving account appropriation may be expended to design and install the network and other necessary equipment to operate a consolidated state data center. Before expending any funds from this account for equipping and operating the data center, the following conditions must be met:

(a) The office of the chief information officer shall be established and a chief information officer appointed as directed under Engrossed Substitute Senate Bill No. 5931 (information technology management);

(b) Technical standards for agencies to adopt shared services consistent with the consolidated data center have been developed and approved by the chief information officer;

(c) Labor provisions and contracting and purchasing authority have been implemented consistent with Engrossed Substitute Senate Bill No. 5931 (information technology management); and

(d) The consolidated technology services agency has developed a rate model that provides competitive rates for agencies that use the state data center. If necessary, the consolidated technology services agency shall identify options with input from various stakeholders to offset the fixed costs of operating the data center to allow for competitive rates to be charged to agencies, including, but not limited to, considering the agency competitively selecting a vendor to design, install, and operate the consolidated data center.

(4) Once the conditions in subsection (1) of this section have been met and approved by the office of financial management and the chief information officer, the chief information officer and the consolidated technology services agency shall submit to the appropriate committees of the legislature a detailed technical, financial, and logistical implementation plan for operation of the consolidated data center.

NEW SECTION. Sec. 140. FOR THE INSURANCE COMMISSIONER

General Fund--Federal Appropriation	\$4,452,000
Insurance Commissioners Regulatory Account--State Appropriation	\$47,509,000
TOTAL APPROPRIATION	\$51,961,000

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

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

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

NEW SECTION. Sec. 141. FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account--State Appropriation	\$2,810,000
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NEW SECTION. Sec. 142. FOR THE FORENSIC INVESTIGATION COUNCIL

Death Investigations Account--State Appropriation	\$286,000
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The appropriation in this section is subject to the following conditions and limitations: \$250,000 of the death investigations account appropriation is provided solely for providing financial assistance to local jurisdictions in multiple death investigations. The forensic investigation council shall develop criteria for awarding these funds for multiple death investigations involving an unanticipated, extraordinary, and catastrophic event or those involving multiple jurisdictions.

NEW SECTION. Sec. 143. FOR THE HORSE RACING COMMISSION

Horse Racing Commission Operating Account--State Appropriation	\$4,040,000
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NEW SECTION. Sec. 144. FOR THE LIQUOR CONTROL BOARD

Liquor Control Board Construction and Maintenance Account--State Appropriation	\$10,081,000
Liquor Revolving Account--State Appropriation	\$176,646,000
General Fund--Federal Appropriation	\$120,000
TOTAL APPROPRIATION	\$186,847,000

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

(1) \$198,000 of the liquor revolving account--state appropriation is provided solely for the implementation of Senate Bill No. 5916 or House Bill No. 2043 (liquor related products). If neither bill is enacted by June 30, 2011, the amount provided in this section shall lapse.

(2) \$82,000 of the liquor revolving account--state appropriation is provided solely for the implementation of Senate Bill No. 5917 or House Bill No. 2043 (co-located contract stores). If neither bill is enacted by June 30, 2011, the amount provided in this section shall lapse.

NEW SECTION. Sec. 145. FOR THE UTILITIES AND TRANSPORTATION COMMISSION

General Fund--Federal Appropriation	\$502,000
General Fund--Private/Local Appropriation	\$11,175,000
Public Service Revolving Account--State Appropriation	\$30,990,000
Pipeline Safety Account--State Appropriation	\$3,201,000
Pipeline Safety Account--Federal Appropriation	\$2,848,000
TOTAL APPROPRIATION	\$48,716,000

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

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

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

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

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

NEW SECTION. Sec. 146. FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2012)	\$8,010,000
General Fund--State Appropriation (FY 2013)	\$8,001,000
General Fund--Federal Appropriation	\$159,181,000
Enhanced 911 Account--State Appropriation	\$46,556,000
Disaster Response Account--State Appropriation	\$17,933,000
Disaster Response Account--Federal Appropriation	\$66,266,000
Military Department Rent and Lease Account--State Appropriation	\$615,000
Worker and Community Right-to-Know Account--State Appropriation	\$2,165,000
TOTAL APPROPRIATION	\$308,727,000

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.

NEW SECTION. Sec. 147. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS

Volunteer Firefighters' and Reserve Officers' Administrative Account--State Appropriation	\$1,064,000
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NEW SECTION. Sec. 148. FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2012)	\$2,347,000
General Fund--State Appropriation (FY 2013)	\$2,402,000
Higher Education Personnel Services Account--State Appropriation	\$251,000

Department of Personnel Service Account--State Appropriation	\$3,309,000
TOTAL APPROPRIATION	\$8,309,000

NEW SECTION. Sec. 149. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

Washington State Heritage Center Account--State Appropriation	\$2,517,000
General Fund--Federal Appropriation	\$1,908,000
General Fund--Private/Local Appropriation	\$14,000
TOTAL APPROPRIATION	\$4,439,000

NEW SECTION. Sec. 150. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

General Fund--State Appropriation (FY 2012)	\$4,052,000
General Fund--State Appropriation (FY 2013)	\$4,047,000
General Fund--Federal Appropriation	\$177,000
General Fund--Private/Local Appropriation	\$368,000
Building Code Council Account--State Appropriation	\$1,185,000
Department of Personnel Service Account--State Appropriation	\$9,511,000
General Administration Service Account--State Appropriation	\$26,524,000
TOTAL APPROPRIATION	\$45,864,000

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

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

(2) \$3,090,000 of the general fund--state appropriation for fiscal year 2012 and \$3,090,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, and joint legislative systems committee. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance

provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

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

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

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

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

NEW SECTION. Sec. 151. FOR INNOVATE WASHINGTON

General Fund--State Appropriation (FY 2012)	\$2,999,000
General Fund--State Appropriation (FY 2013)	\$3,011,000
TOTAL APPROPRIATION	\$6,010,000
(End of part)	

**PART II
HUMAN SERVICES**

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

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

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

(3) The health care authority and the department are authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP), the health care authority and the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 213 of this act as may be necessary to finance a unified health care plan for the WMIP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons, nor expand beyond one county during the 2011-2013 fiscal biennium. The amount of funding assigned from each program may not exceed the average per capita cost assumed in this act for individuals covered by that program, actuarially adjusted for the health condition of persons enrolled, times the number of clients enrolled. In implementing the WMIP, the health care authority and the department may: (a) Withhold from calculations of "available resources" as set forth in RCW 71.24.025 a sum equal to the capitated rate for enrolled individuals; and (b) employ capitation financing and risk-sharing arrangements in collaboration with health care service contractors licensed by the office of the insurance commissioner and qualified to participate in both the medicaid and medicare programs. The health care authority and the department shall conduct an evaluation of the WMIP, measuring changes in participant health outcomes, changes in patterns of service utilization, participant satisfaction, participant access to services, and the state fiscal impact.

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

(5) By October 1, 2011, the department shall compile and submit to the department of health data regarding food procurement costs for fiscal year 2011 regarding meals and other food for both residential and nonresidential clients, including the percentage of food purchased from Washington sources. The data shall be reported by setting and population, including costs per client, and be accompanied by the department's current food purchasing policies and standards.

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

NEW SECTION. Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM

General Fund--State Appropriation (FY 2012)	\$301,565,000
General Fund--State Appropriation (FY 2013)	\$302,895,000
General Fund--Federal Appropriation	\$473,030,000
General Fund--Private/Local Appropriation	\$1,358,000
Home Security Fund--State Appropriation	\$10,741,000
Domestic Violence Prevention Account--State Appropriation	\$1,154,000
Education Legacy Trust Account--State Appropriation	\$725,000

TOTAL APPROPRIATION \$1,091,468,000

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

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

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

(3)(a) \$85,114,000 of the general fund--state appropriation for fiscal year 2012, \$85,409,000 of the general fund--state appropriation for fiscal year 2013, and \$79,166,000 of the general fund--federal appropriation are provided solely for services for children and families subject to RCW 74.13.360 and House Bill No. 2122 (child welfare). Prior to approval of contract services pursuant to RCW 74.13.360 and House Bill No. 2122, the amounts provided in this section shall be allotted on a monthly basis and expenditures shall not exceed allotments based on a three month rolling average without approval of the office of financial management following notification to the legislative fiscal committees.

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

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

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

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

(7) \$10,741,000 of the home security fund--state appropriation is provided solely for the department to contract for services pursuant to RCW 13.32A.030 and 74.15.220. The department shall contract and collaborate with service providers in a manner that maintains the availability and geographic representation of secure and semi-secure crisis residential centers and HOPE centers. To achieve efficiencies and increase utilization, the department shall allow the co-location of these centers, except that a youth may not be placed in a secure facility or the secure portion of a co-located facility except as specifically authorized by chapter 13.32A RCW. The reductions to appropriations in this subsection related to semi-secure crisis residential centers reflect a reduction to the number of beds for semi-secure crisis residential centers and not a reduction in rates. Any secure crisis residential center or semi-secure crisis residential center bed reduction shall not be based solely upon bed utilization. The department is to exercise its discretion in reducing the number of beds but to do so in a manner that maintains availability and geographic representation of semi-secure and secure crisis residential centers.

(8) The department shall convene a workgroup to develop a methodology for calculating savings associated with reductions in foster care caseloads that may be made available for reinvestment into evidence-based prevention and other intervention services designed to prevent the need for or reduce the duration of foster care placements. The workgroup membership shall include, at a minimum, the department, office of financial management, caseload forecast council, Partners for our Children, and legislative fiscal committee staff. The workgroup shall obtain input from experts who have provided consultation in the implementation of performance-based contracting under RCW 74.13.360. The workgroup shall evaluate necessary data, define and establish a baseline level of foster care caseloads or spending to use in calculating savings, and develop a methodology for calculating and distributing savings. The department shall submit a report to the governor and relevant fiscal and policy committees of the legislature by November 15, 2011.

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

(10) \$564,000 of the general fund--federal appropriation is provided solely to implement Second Substitute House Bill No. 1128 (extended foster care). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(11) The appropriations in this section reflect reductions in the appropriations for the children's administration administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE REHABILITATION PROGRAM

General Fund--State Appropriation (FY 2012)	\$87,025,000
General Fund--State Appropriation (FY 2013)	\$86,803,000
General Fund--Federal Appropriation	\$702,000
General Fund--Private/Local Appropriation	\$1,903,000

Washington Auto Theft Prevention Authority Account--		
State Appropriation	\$196,000	
Juvenile Accountability Incentive Account--Federal		
Appropriation	\$2,801,000	
TOTAL APPROPRIATION	\$179,430,000	

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

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

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

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

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

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

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

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

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

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

(c) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-

based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

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

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

NEW SECTION. Sec. 204. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH PROGRAM

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2012)	\$322,704,000
General Fund--State Appropriation (FY 2013)	\$327,615,000
General Fund--Federal Appropriation	\$456,691,000
General Fund--Private/Local Appropriation	\$17,604,000
Hospital Safety Net Assessment Fund--State Appropriation	\$6,802,000
TOTAL APPROPRIATION	\$1,131,416,000

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

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

(b) \$6,590,000 of the general fund--state appropriation for fiscal year 2012, \$6,590,000 of the general fund--state appropriation for fiscal year 2013, and \$7,620,000 of the general fund--federal

appropriation are provided solely for the department and regional support networks to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to regional support networks with PACT teams, the department shall consider the differences between regional support networks in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow regional support networks which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under section 204(1)(a) of this act. The department and regional support networks shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

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

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

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

(f) \$4,582,000 of the general fund--state appropriation for fiscal year 2012 and \$4,582,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

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

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

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

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

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

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

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

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

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

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

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

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2012)	\$114,686,000
General Fund--State Appropriation (FY 2013)	\$113,766,000
General Fund--Federal Appropriation	\$150,767,000
General Fund--Private/Local Appropriation	\$65,834,000
TOTAL APPROPRIATION	\$445,053,000

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

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

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

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

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

(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2012)	\$1,457,000
General Fund--State Appropriation (FY 2013)	\$1,462,000
General Fund--Federal Appropriation	\$2,682,000
General Fund--Private/Local Appropriation	\$700,000
TOTAL APPROPRIATION	\$6,301,000

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

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

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

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2012)	\$4,276,000
General Fund--State Appropriation (FY 2013)	\$4,102,000
General Fund--Federal Appropriation	\$6,894,000
General Fund--Private/Local Appropriation	\$446,000
TOTAL APPROPRIATION	\$15,718,000

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

NEW SECTION. Sec. 205. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL DISABILITIES PROGRAM

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2012)	\$418,664,000
General Fund--State Appropriation (FY 2013)	\$422,393,000
General Fund--Federal Appropriation	\$726,897,000
General Fund--Private/Local Appropriation	\$184,000
TOTAL APPROPRIATION	\$1,568,138,000

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

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

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

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

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

(e) \$1,871,000 of the general fund--state appropriation for fiscal year 2012, \$1,995,000 of the general fund--state appropriation for fiscal year 2013, and \$3,865,000 of the general fund--federal appropriation are provided solely for home care agencies to purchase health coverage for home care providers. The department shall calculate and distribute payments for health care benefits to home care agencies at \$558 per month for each worker who cares for publicly funded clients at 86 hours or more per month. In order to negotiate the most comprehensive health benefits package for its employees, each agency may determine benefit levels according to the hours an employee works providing state-funded personal care. Health benefits shall be offered to all employees who care for publicly funded clients for 86 hours per month or more. At a minimum, employees who care for publicly funded clients at 140 hours a month or greater must receive a comprehensive medical benefit. Benefits shall not be provided to employees who care for publicly funded clients at 85 hours or less per month or as interim respite workers. The department shall not pay an agency for benefits provided to an employee who otherwise receives health care coverage through other family members, other employment-based coverage, or military or veteran's coverage. The department shall require annually, each home care agency to review each of its employee's available health coverage and to provide a written declaration to the department verifying that health benefits purchased with public funds are solely for employees that do not have other available coverage. Home care agencies may determine a reasonable employee co-premium not to exceed 20 percent of the total benefit cost.

(f) \$1,127,000 of the general fund--state appropriation for fiscal year 2012, \$1,199,000 of the general fund--state appropriation for fiscal year 2013, and \$2,322,000 of the general fund--federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, for instructional costs associated with the training of individual providers. House Bill No. 1548 and Senate Bill No. 5473 (long-term care worker requirements) make statutory changes to the increased training requirements and therefore the state shall contribute to the partnership \$0.17 per paid hour worked by all home care workers. This amount is pursuant to the collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270. Expenditures for the

purposes specified in this subsection shall not exceed the amounts provided in this subsection.

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

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

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

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

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

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

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

(j) The department shall assess and determine whether it would be cost-efficient for the state to exercise the option made available under section 1915(k) of the federal social security act (42 U.S.C. Sec. 1396n(k)). If the department determines that it would be cost-efficient for the state to exercise the federal option, it shall prepare a proposal to provide home- and community-based attendant services and supports that include assistance with activities of daily living (ADL's), instrumental activities of daily living (IADL's), and health-related tasks pursuant to section 1915(k) of the federal social security act (42 U.S.C. Sec. 1396n(k)) and submit that plan to the legislature during the next legislative session.

(k) Clients with developmental disabilities have demonstrated a need and a desire for a day services program as verified by over 900 clients currently accessing day programs through a long-term care service model. In addition, every individual, to include those with a developmental disability, should have the opportunity for meaningful employment which allows them to contribute to their communities and to become as self-sufficient as possible. Providing choice

empowers recipients of publicly funded services and their families by expanding their degree of control over the services and supports they need.

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2012)	\$80,256,000
General Fund--State Appropriation (FY 2013)	\$79,288,000
General Fund--Federal Appropriation	\$153,007,000
General Fund--Private/Local Appropriation	\$22,043,000
TOTAL APPROPRIATION	\$334,594,000

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

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

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

(c) In addition to other reductions, the appropriations in this subsection reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2012)	\$1,383,000
General Fund--State Appropriation (FY 2013)	\$1,376,000
General Fund--Federal Appropriation	\$1,326,000
TOTAL APPROPRIATION	\$4,085,000

(4) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2012)	\$4,659,000
General Fund--State Appropriation (FY 2013)	\$4,659,000
General Fund--Federal Appropriation	\$9,590,000
General Fund--Private/Local Appropriation	\$998,000
TOTAL APPROPRIATION	\$19,906,000

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

Amounts appropriated in this subsection are for the purposes of transitioning clients with developmental disabilities into community settings. The department is authorized as needed to use these funds to either pay for clients residing within a residential habilitation center or for placements in the community. Pursuant to Second Substitute Senate Bill No. 5459 (services for people with developmental

disabilities), funding in this subsection must be prioritized for the purpose of facilitating the consolidation and closure of Frances Haddon Morgan Center. The department shall use a person-centered approach in developing the discharge plan to assess each resident's needs and identify services the resident requires to successfully transition to the community or another residential habilitation center. The department is authorized to use any savings from this effort for the purpose of developing community resources to address the needs of clients with developmental disabilities who are in crisis or in need of respite. The department shall track the costs and savings of closing Frances Haddon Morgan Center and any investments into community placements and resources. The department shall provide a fiscal progress report to the legislature by December 5, 2011.

NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULTSERVICES PROGRAM

General Fund--State Appropriation (FY 2012)	\$783,305,000
General Fund--State Appropriation (FY 2013)	\$811,670,000
General Fund--Federal Appropriation	\$1,686,010,000
General Fund--Private/Local Appropriation	\$27,517,000
Traumatic Brain Injury Account--State Appropriation	\$3,388,000
Nursing Facility Quality Assurance Account--State Appropriation	\$88,000,000
TOTAL APPROPRIATION	\$3,399,890,000

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

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

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

(b) The department shall do a comparative analysis of the facility-based payment rates calculated on July 1, 2011, using the payment methodology defined in Engrossed Substitute Senate Bill No. 5581 (nursing home payments), to the facility-based payment rates in effect

June 30, 2010. If the facility-based payment rate calculated on July 1, 2011, is smaller than the facility-based payment rate on June 30, 2010, then the difference shall be provided to the individual nursing facilities as an add-on payment per medicaid resident day.

(c) During the comparative analysis performed in subsection (b) of this section, if it is found that the direct care rate for any facility calculated using the payment methodology defined in Engrossed Substitute Senate Bill No. 5581 (nursing home payments) is greater than the direct care rate in effect on June 30, 2010, then the facility shall receive a ten percent direct care rate add-on to compensate that facility for taking on more acute clients than they have in the past.

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

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

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

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

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

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

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

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

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

(8) \$2,063,000 of the general fund--state appropriation for fiscal year 2012, \$2,195,000 of the general fund--state appropriation for fiscal year 2013, and \$4,260,000 of the general fund--federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, for instructional costs associated with the training of individual providers. House Bill No. 1548 and Senate Bill No. 5473 (long-term care worker requirements) make statutory changes to the increased training requirements and therefore the state shall contribute to the partnership \$0.17 per paid hour worked by all home care workers. This amount is pursuant to the collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270. Expenditures for the purposes specified in this subsection shall not exceed the amounts provided in this subsection.

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

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

(11) \$4,588,000 of the general fund--state appropriation for fiscal year 2012, \$4,559,000 of the general fund--state appropriation for fiscal year 2013, and \$9,237,000 of the general fund--federal appropriation are provided solely for the continued operation of community residential and support services for persons who are older adults or who have co-occurring medical and behavioral disorders and who have been discharged or diverted from a state psychiatric hospital. These funds shall be used to serve individuals whose treatment needs constitute substantial barriers to community placement, who no longer require active psychiatric treatment at an inpatient hospital level of care, and who no longer meet the criteria for inpatient involuntary commitment.

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

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

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

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

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

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

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

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

(16) \$30,000 of the general fund--state appropriation for fiscal year 2012 and \$30,000 of the general fund--federal appropriation are provided solely to implement Engrossed Second Substitute House Bill No. 1901 (reshaping the delivery of long-term care services). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(17) The department shall assess and determine whether it would be cost-efficient for the state to exercise the option made available under section 1915(k) of the federal social security act (42 U.S.C. Sec. 1396n(k)). If the department determines that it would be cost efficient for the state to exercise the federal option, it shall prepare a proposal to provide home- and community-based attendant services and supports that include assistance with activities of daily living (ADL's), instrumental activities of daily living (IADL's), and health-related tasks pursuant to section 1915(k) of the federal social security act (42 U.S.C. Sec. 1396n(k)) and submit that plan to the legislature during the subsequent legislative session.

NEW SECTION. Sec. 207. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM

General Fund--State Appropriation (FY 2012)	\$506,611,000
General Fund--State Appropriation (FY 2013)	\$500,003,000
General Fund--Federal Appropriation	\$1,115,799,000
General Fund--Private/Local Appropriation	\$30,592,000
TOTAL APPROPRIATION	\$2,153,005,000

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

(1) \$297,623,000 of the general fund--state appropriation for fiscal year 2012, \$297,623,000 of the general fund--state appropriation for fiscal year 2013, and \$672,443,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program. Under section 2 of Engrossed Substitute Senate Bill No. 5921 (social services programs), the amounts in this

subsection assume that any participant in the temporary assistance for needy families where their participation is suspended and does not volunteer to participate in WorkFirst services or unsubsidized employment does not receive child care subsidies or WorkFirst subsidies as a condition of the suspension. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families.

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

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

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

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

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

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

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

(3) \$31,960,000 of the general fund--state appropriation for fiscal year 2012, in addition to supplemental security income recoveries, is provided solely for financial assistance and other services to recipients in the program established in section 4, chapter 8, Laws of 2010 1st sp. sess., until the program terminates on October 31, 2011.

(4)(a) \$11,690,000 of the general fund--state appropriation for fiscal year 2012 and \$21,494,000 of the general fund--state appropriation for fiscal year 2013, in addition to supplemental security income recoveries, are provided solely for the programs created in Engrossed Substitute House Bill No. 2082 (essential needs and assistance program) beginning November 1, 2011.

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

(c) The department shall continue the interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veterans' services. This agreement must include out-stationing department of veterans' affairs staff in

selected community service office locations in King and Pierce counties to facilitate applications for veterans' services.

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

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

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

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

(9) The appropriations in this section reflect reductions in the appropriations for the economic services administration's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

NEW SECTION. Sec. 208. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund--State Appropriation (FY 2012)	\$75,785,000
General Fund--State Appropriation (FY 2013)	\$75,924,000
General Fund--Federal Appropriation	\$141,516,000
General Fund--Private/Local Appropriation	\$2,086,000
Criminal Justice Treatment Account--State Appropriation	\$17,748,000
Problem Gambling Account--State Appropriation	\$1,448,000
TOTAL APPROPRIATION	\$314,507,000

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

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

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

(3) In accordance with RCW 70.96A.090 and 43.135.055, the department is authorized to increase fees for the review and approval of treatment programs in fiscal years 2012 and 2013 as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect

the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited.

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

NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL REHABILITATION PROGRAM

General Fund--State Appropriation (FY 2012)	\$10,852,000
General Fund--State Appropriation (FY 2013)	\$10,861,000
General Fund--Federal Appropriation	\$102,622,000
Telecommunications Devices for the Hearing and Speech Impaired--State Appropriation	\$2,766,000
TOTAL APPROPRIATION	\$127,101,000

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

(1) The vocational rehabilitation program shall coordinate closely with the economic services program to serve lifeline clients under chapter 8, Laws of 2010 1st sp. sess. who are referred for eligibility determination and vocational rehabilitation services, and shall make every effort, within the requirements of the federal rehabilitation act of 1973, to serve these clients.

(2) \$480,000 of the telecommunications devices for the hearing and speech impaired account--state appropriation is provided solely for the office of deaf and hard of hearing to contract for services that provide employment support and help with life activities for deaf-blind individuals in King county.

NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--SPECIAL COMMITMENT PROGRAM

General Fund--State Appropriation (FY 2012)	\$47,779,000
General Fund--State Appropriation (FY 2013)	\$47,609,000
TOTAL APPROPRIATION	\$95,388,000

NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund--State Appropriation (FY 2012)	\$25,698,000
General Fund--State Appropriation (FY 2013)	\$23,960,000
General Fund--Federal Appropriation	\$38,917,000
General Fund--Private/Local Appropriation	\$2,116,000
Performance Audits of State Government--State Appropriation	\$4,812,000
TOTAL APPROPRIATION	\$95,503,000

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

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

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

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

(4) \$4,812,000 of the performance audits of state government--state appropriation is provided solely for support and expansion of the

division of fraud investigation. The division shall conduct investigatory and enforcement activities for all department programs, including the child support and TANF programs.

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

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund--State Appropriation (FY 2012)	\$66,410,000
General Fund--State Appropriation (FY 2013)	\$63,304,000
General Fund--Federal Appropriation	\$60,313,000
TOTAL APPROPRIATION	\$190,027,000

The appropriations in this section are subject to the following conditions and limitations: \$469,000 of the general fund--state appropriation for fiscal year 2011 and \$270,000 of the general fund--state appropriation for fiscal year 2012 are provided solely for implementation of Engrossed Substitute Senate Bill No. 5921 (social services programs). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 213. FOR THE STATE HEALTH CARE AUTHORITY

General Fund--State Appropriation (FY 2012)	\$2,195,580,000
General Fund--State Appropriation (FY 2013)	\$2,263,679,000
General Fund--Federal Appropriation	\$5,608,085,000
General Fund--Private/Local Appropriation	\$60,277,000
Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation	\$15,077,000
Hospital Safety Net Assessment Fund--State Appropriation	\$404,438,000
State Health Care Authority Administration Account--State Appropriation	\$34,476,000
Medicaid Fraud Penalty Account--State Appropriation	\$17,039,000
Basic Health Plan Stabilization Account--State Appropriation	\$44,000,000
Medical Aid Account--State Appropriation	\$529,000
TOTAL APPROPRIATION	\$10,643,180,000

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

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

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

(3)(a) \$1,200,000 of the general fund--state appropriation for fiscal year 2012 is provided solely to plan the implementation of a

system of consolidated public school employee health benefits purchasing.

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

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

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

- (i) The current K-12 health benefits system;
- (ii) A new K-12 employee health benefits pool; and
- (iii) Enrolling K-12 employees into the health benefits pool for state employees.

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

- (i) The costs and benefits of the current K-12 health benefits system;
- (ii) The costs and benefits of providing a new statewide K-12 employees' health benefits pool to school districts and school employees;
- (iii) The costs and benefits of enrolling K-12 employees into the existing health benefits pool for state employees;
- (iv) Recommendations of ways to limit administrative duplication and costs, improve transparency to employees, the legislature, and the public and assure equity among beneficiaries of publicly provided employee health benefits;
- (v) Recommendations for standardizing benefit packages and purchasing efforts in a manner that seeks to maximize funding and equity for all school employees;
- (vi) Recommendations regarding the use of incentives, including how changes to state health benefit allocations could provide employees with benefits that would encourage participation;
- (vii) Recommendations regarding the implementation of a new K-12 employee benefit plan, with separate options for voluntary participation and mandatory statewide participation;
- (viii) Recommendations regarding methods to reduce inequities between individual and family coverage;
- (ix) Consolidation of the purchasing and budget accountability for school employee benefits to maximize administrative efficiency and leverage existing skills and resources; and

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

- (A) Approaches for implementing the transition to a statewide pool, including administrative and statutory changes necessary to ensure a successful transition, and whether the pool should be separate from, or combined with, the public employees' benefits pool;
- (B) The structure of a permanent governing group to provide ongoing oversight to the consolidated pool, in a manner similar to the public employees benefits board functions for employee health benefits, including statutory duties and authorities of the board; and
- (C) Options for including potential changes to: Eligibility standardization, the public employees benefits risk pools, the movement of school employee retirees into the new K-12 pool or pools, and the movement of educational service district employees into the new K-12 pool or pools.

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) \$5,905,000 of the general fund--state appropriation for fiscal year 2012, \$5,905,000 of the general fund--state appropriation for

fiscal year 2013, and \$11,810,000 of the general fund--federal appropriation are provided solely for nonrural indigent assistance disproportionate share hospital payments in accordance with RCW 74.09.730(1).

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

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

(15) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2011-2013 fiscal biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2011, and by November 1, 2012, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2012 and fiscal year 2013, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2011-13 biennial operating appropriations act and in effect on July 1, 2011, (b) one half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2011-

13 biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. \$32,673,000 of the general fund--state appropriation for fiscal year 2012, of which \$6,570,000 is appropriated in section 204(1) of this act, and \$29,693,000 of the general fund--state appropriation for fiscal year 2013, of which \$6,570,000 is appropriated in section 204(1) of this act, are provided solely for state grants for the participating hospitals. CPE hospitals will receive the inpatient and outpatient reimbursement rate restorations in RCW 74.60.080 and rate increases in RCW 74.60.090 funded through the hospital safety net assessment fund rather than through the baseline mechanism specified in this subsection.

(16) The contract with the managed care plan to provide services for disability lifeline clients shall be designed to incentivize care in the most appropriate setting, including maximizing primary care-based services and optimizing appropriate hospital utilization and savings. The health care authority may include shared savings or other risk sharing arrangements in the contract with the managed care plan in order to incentivize aggressive management of hospital services, including prior authorization, concurrent review, and discharge planning. In determining the allocation of shared savings, the health care authority shall consider the appropriate balance between incentivizing aggressive management of hospital services by the managed care plan and realizing budgetary savings from the state's investment in the inclusion of care management and mental health services in the managed care contract.

(17) The health care authority shall evaluate the impact of the use of a managed care delivery and financing system on state costs and outcomes for lifeline medical clients. Outcomes measured shall include state costs, utilization, changes in mental health status and symptoms, and involvement in the criminal justice system.

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

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

(20) For children with family incomes above 200 percent of the federal poverty level in the state-funded children's health program for children who are not eligible for coverage under the federally funded children's health insurance program, premiums shall be set every two years in an amount equal to the average state-only share of the per capita cost of coverage in the state-funded children's health program

for children in families with incomes at or less than two hundred percent of the federal poverty level.

(21) \$704,000 of the general fund--state appropriation for fiscal year 2012, \$726,000 of the general fund--state appropriation for fiscal year 2013, and \$1,431,000 of the general fund--federal appropriation are provided solely for disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

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

(23) \$249,000 of the general fund--state appropriation for fiscal year 2012, \$246,000 of the general fund--state appropriation for fiscal year 2013, and \$495,000 of the general fund--federal appropriation are provided solely to increase prior authorization activities for surgical procedures, which may include orthopedic procedures, spinal procedures and interventions, and nerve procedures.

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

(25) \$570,000 of the general fund--private/local appropriation is provided solely for continued operation of the partnership access line for child mental health consultations. The health care authority shall enter into an interagency agreement with the office of the attorney general for expenditure of \$570,000 of the state's proceeds of the *cy pres* settlement in *State of Washington v. AstraZeneca (Seroquel)* for this purpose.

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

(27) \$75,000 of the general fund--state appropriation for fiscal year 2012, \$75,000 of the general fund--state appropriation for fiscal year 2013, and \$150,000 of the general fund--federal appropriation are provided solely to assist with development and implementation of evidence-based strategies regarding the appropriate, safe, and effective role of C-section surgeries and early induced labor in births and neonatal care. The strategies shall be identified and implemented in consultation with clinical research specialists, physicians, hospitals, advanced registered nurse practitioners, and organizations concerned with maternal and child health.

(28) \$4,126,000 of the general fund--state appropriation for fiscal year 2012, \$4,268,000 of the general fund--state appropriation for fiscal year 2013, \$11,816,000 of the general fund--private/local appropriation, and \$20,207,000 of the general fund--federal appropriation are provided solely for continued provision of school-based medical services by means of an intergovernmental transfer arrangement. Under the arrangement, the state shall provide forty percent and school districts sixty percent of the nonfederal matching funds required for receipt of federal medicaid funding for the service.

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

(30) \$19,000 of the general fund--state appropriation for fiscal year 2012, \$17,000 of the general fund--state appropriation for fiscal year 2013, and \$34,000 of the general fund--federal appropriation are provided solely to support a partnership among the department of social and health services, the department of health, and agencies that deliver medical care and behavioral health services in Cowlitz county. The partnership shall identify and recommend strategies for resolving regulatory, licensing, data management, reporting, and funding barriers to more effective integration of primary medical and behavioral health care services in the county.

(31) \$4,761,000 of the general fund--state appropriation for fiscal year 2012, \$4,066,000 of the general fund--state appropriation for fiscal year 2013, and \$10,902,000 of the general fund--federal appropriation are provided solely for spoken-language interpreter services. The authority shall develop and implement a new model for delivery of such services no later than January 1, 2012. The model shall include:

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

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

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

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

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

(33) \$1,430,000 of the general fund--state appropriation for fiscal year 2012, \$1,430,000 of the general fund--state appropriation for

fiscal year 2013, and \$2,860,000 of the general fund--federal appropriation are provided solely to pay federally-designated rural health clinics their standard encounter rate for prenatal and well-child visits, whether delivered under a managed care contract or fee-for-service. In reconciling managed care enhancement payments for calendar years 2009 and 2010, the department shall treat well-child and prenatal care visits as encounters subject to the clinic's encounter rate.

(34) The medical assistance program shall continue to purchase power wheelchairs for all nursing home residents for whom they are determined to be medically necessary, and shall not limit such purchases to only those residents who are in school or employed.

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

(36) \$70,000 of the general fund--state appropriation for fiscal year 2012, \$70,000 of the general fund--state appropriation for fiscal year 2013, and \$140,000 of the general fund--federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program.

(37) \$400,000 of the general fund--state appropriation for fiscal year 2012 and \$400,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the local outreach, case management, and coordination with dental providers needed to execute the access to baby and child dentistry program, which provides dental care to Medicaid eligible children up to age six.

(38) Payments to federally qualified health centers and rural health clinics shall be made under an alternative payment methodology, consistent with the requirements of 42 U.S.C. Sec. 1396a(bb). Encounter rates for clinics whose rates were rebased in 2010 shall be their allowed cost per visit during the cost report year, as determined by the authority, inflated each calendar year by the cumulative percentage increase in the medicare economic index since the cost report year. Encounter rates for clinics that did not rebase in 2010 shall be their prospective payment system rate from 2001, or from a subsequent year to the extent that the 2001 rate was updated to account for addition of a new clinic or type of service, inflated by the cumulative percentage increase in the global insight Washington health care inflator through calendar year 2007, and by the cumulative increase in the medicare economic index from 2007 through 2011 (for the first six months of fiscal year 2012) and through 2012 (for that calendar year). Effective January 2013, encounter rates for clinics whose rates were not rebased in 2010 shall be their allowed cost per visit during cost report year 2010, inflated forward by the cumulative increase in the medicare economic index from that year to 2013.

(39) \$1,555,000 of the general fund--state appropriation for fiscal year 2012, \$1,580,000 of the general fund--state appropriation for fiscal year 2013, and \$2,171,000 of the general fund--federal appropriation are provided solely to continue to provide dental services to pregnant women. Services shall include preventive, routine, and emergent dental care.

(40) \$395,000 of the general fund--state appropriation for fiscal year 2012, \$395,000 of the general fund--state appropriation for fiscal year 2013, and \$790,000 of the general fund--federal appropriation are provided solely for continued operation of the dental education in care of persons with disabilities (DECOD) program at the University of Washington.

(41) \$112,000 of the general fund--state appropriation for fiscal year 2012, \$112,000 of the general fund--state appropriation for fiscal year 2013, and \$1,928,000 of the general fund--federal appropriation are provided solely for the provider incentive program and other initiatives related to the health information technology Medicaid plan.

(42) \$1,373,000 of the general fund--state appropriation for fiscal year 2012, \$2,105,000 of the medicaid fraud penalty account--state appropriation, and \$3,701,000 of the general fund--federal appropriation are provided solely for efforts to reduce Medicaid fraud and abuse and to seek coverage or recovery from other medical payers.

(43) \$2,926,000 of the general fund--local appropriation and \$2,928,000 of the general fund--federal appropriation are provided solely to support medical airlift services.

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

(45) \$480,000 of the general fund--state appropriation for fiscal year 2012, \$480,000 of the general fund--state appropriation for fiscal year 2013, and \$824,000 of the general fund--federal appropriation are provided solely for customer services staff. The authority will attempt to improve the phone answer rate to 40 percent and reduce the response times to written questions to ten days for clients and 25 days for providers. The authority will report to the legislature on its progress toward achieving these goals by January 1, 2012. If the authority has not achieved these goals by July 1, 2012, then the authority shall reduce expenditures on management staff in order to increase expenditures on customer service staff until the goals are achieved.

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

(47) The department shall contract with an organization that will use Washington state pharmacists to provide medication therapy management services to increase the use of lower cost alternative medications, improve patient compliance with prescribed regimens, reduce harmful side effects from medication, and ensure that medications achieve their desired therapeutic results. The department shall not contract for these services unless the contractor guarantees that the services will generate savings, as measured by the department's actual experience after implementation that are greater than the cost of the contracted services.

(48) All not-for-profit hospitals that apply for disproportionate share hospital payments in accordance with RCW 74.09.730(1) shall submit a completed copy of federal internal revenue service schedule H for the most recently completed year to the department. The department shall report to the appropriate fiscal and policy committees of the legislature by December 1, 2011, with an assessment of the extent to which information on community benefit as reported on the schedule H would provide a more consistent and accurate measure of hospital charity care efforts than the measures presently used by the department.

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

NEW SECTION. Sec. 214. FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2012)	\$2,240,000
General Fund--State Appropriation (FY 2013)	\$2,242,000
General Fund--Federal Appropriation	\$1,903,000
TOTAL APPROPRIATION	\$6,385,000

NEW SECTION. Sec. 215. FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account--State Appropriation	\$10,000
Accident Account--State Appropriation	\$19,685,000
Medical Aid Account--State Appropriation	\$19,685,000
TOTAL APPROPRIATION	\$39,380,000

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

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

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

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

NEW SECTION. Sec. 216. FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund--State Appropriation (FY 2012)	\$15,165,000
General Fund--State Appropriation (FY 2013)	\$15,140,000
General Fund--Federal Appropriation	\$456,000
General Fund--Private/Local Appropriation	\$4,048,000
Death Investigations Account--State Appropriation	\$148,000
Municipal Criminal Justice Assistance Account--State Appropriation	\$460,000
Washington Auto Theft Prevention Authority Account--State Appropriation	\$8,597,000
TOTAL APPROPRIATION	\$44,014,000

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

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

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

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

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

(5) \$96,000 of the general fund--state appropriation for fiscal year 2012 and \$90,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the school safety center within the commission. The safety center shall act as an information dissemination and resource center when an incident occurs in a school

district in Washington or in another state, coordinate activities relating to school safety, and review and approve manuals and curricula used for school safety models and training. Through an interagency agreement, the commission shall provide funding for the office of the superintendent of public instruction to continue to develop and maintain a school safety information web site. The school safety center advisory committee shall develop and revise the training program, using the best practices in school safety, for all school safety personnel. The commission shall provide research-related programs in school safety and security issues beneficial to both law enforcement and schools.

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

NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2012)	\$18,605,000
General Fund--State Appropriation (FY 2013)	\$19,513,000
General Fund--Federal Appropriation	\$10,100,000
Asbestos Account--State Appropriation	\$395,000
Electrical License Account--State Appropriation	\$37,019,000
Farm Labor Revolving Account--Private/Local Appropriation	\$28,000
Worker and Community Right-to-Know Account--State Appropriation	\$949,000
Public Works Administration Account--State Appropriation	\$6,814,000
Manufactured Home Installation Training Account--State Appropriation	\$151,000
Accident Account--State Appropriation	\$252,689,000
Accident Account--Federal Appropriation	\$13,622,000
Medical Aid Account--State Appropriation	\$264,070,000
Medical Aid Account--Federal Appropriation	\$3,186,000
Plumbing Certificate Account--State Appropriation	\$1,688,000
Pressure Systems Safety Account--State Appropriation	\$4,068,000
TOTAL APPROPRIATION	\$632,897,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees related to factory assembled structures, contractor registration, electricians, plumbers, asbestos removal, boilers, elevators, and manufactured home installers. These increases are necessary to support expenditures authorized in this section, consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

(2) \$50,000 of the general fund--state appropriation for fiscal year 2012 and \$50,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the crime victims compensation program to pay claims for mental health services for crime victim compensation program clients who have an established relationship with a mental health provider and subsequently obtain coverage under the medicaid program or the medical care services program under chapter 74.09 RCW. Prior to making such payment, the program must have determined that payment for the specific treatment or provider is not available under the medicaid or medical care services program. In addition, the program shall make efforts to contact any

healthy options or medical care services health plan in which the client may be enrolled to help the client obtain authorization to pay the claim on an out-of-network basis.

(3) \$34,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1701 (contractor misclassification). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

(5) \$51,000 of the accident account--state appropriation and \$51,000 of the medical aid account--state appropriation are provided solely for implementation of Engrossed Substitute House Bill No. 1367 (for hire vehicles, operators). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(6) \$8,727,000 of the medical aid account--state appropriation is provided solely for implementation of Substitute Senate Bill No. 5801 (industrial insurance system). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(7) \$625,000 of the general fund--state appropriation for fiscal year 2012, \$625,000 of the general fund--state appropriation for fiscal year 2013, \$1,250,000 of the public works administration account--state appropriation, \$708,000 of the accident account--state appropriation, and \$708,000 of the medical aid account--state appropriation are provided solely for the purposes of expanding the detecting unregistered employers targeting system and to support field staff in investigation and enforcement. Within the funds appropriated in this subsection, the department shall aggressively combat the underground economy in construction. Of the amounts provided in this subsection, \$800,000 shall be used for investigation and enforcement.

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

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2012)	\$1,832,000
General Fund--State Appropriation (FY 2013)	\$1,826,000
Charitable, Educational, Penal, and Reformatory Institutions Account--State Appropriation	\$10,000
TOTAL APPROPRIATION	\$3,668,000

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2012)	\$5,006,000
General Fund--State Appropriation (FY 2013)	\$5,001,000
General Fund--Federal Appropriation	\$2,704,000
General Fund--Private/Local Appropriation	\$4,161,000
Veterans Innovations Program Account--State Appropriation	\$812,000
Veteran Estate Management Account--Private/Local Appropriation	\$1,083,000
TOTAL APPROPRIATION	\$18,767,000

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

(a) The department shall collaborate with the department of social and health services to identify and assist eligible general assistance unemployable clients to access the federal department of veterans affairs benefits.

(b) \$821,000 of the veterans innovations program account--state appropriation is provided solely for the department to continue support for returning combat veterans through the veterans innovation program, including emergency financial assistance through the defenders' fund and long-term financial assistance through the competitive grant program.

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2012)	\$1,693,000
General Fund--State Appropriation (FY 2013)	\$903,000
General Fund--Federal Appropriation	\$56,141,000
General Fund--Private/Local Appropriation	\$33,630,000
TOTAL APPROPRIATION	\$92,367,000

NEW SECTION. Sec. 219. FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2012)	\$80,370,000
General Fund--State Appropriation (FY 2013)	\$80,177,000
General Fund--Federal Appropriation	\$533,065,000
General Fund--Private/Local Appropriation	\$148,386,000
Hospital Data Collection Account--State Appropriation	\$214,000
Health Professions Account--State Appropriation	\$94,505,000
Aquatic Lands Enhancement Account--State Appropriation	\$604,000
Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation	\$12,302,000
Safe Drinking Water Account--State Appropriation	\$4,480,000
Drinking Water Assistance Account--Federal Appropriation	\$22,884,000
Waterworks Operator Certification--State Appropriation	\$1,532,000
Drinking Water Assistance Administrative Account--State Appropriation	\$326,000
Site Closure Account--State Appropriation	\$349,000
Biotoxin Account--State Appropriation	\$1,167,000
State Toxics Control Account--State Appropriation	\$3,649,000
Medical Test Site Licensure Account--State Appropriation	\$2,321,000
Youth Tobacco Prevention Account--State Appropriation	\$1,512,000
Community and Economic Development Fee Account--State Appropriation	\$596,000
Public Health Supplemental Account--Private/Local Appropriation	\$3,598,000
Accident Account--State Appropriation	\$297,000
Medical Aid Account--State Appropriation	\$50,000
Tobacco Prevention and Control Account--State Appropriation	\$4,037,000
TOTAL APPROPRIATION	\$996,421,000

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

(1) The department of health shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department of health and the state board of health shall not implement any new or amended rules pertaining to primary and secondary school facilities until the rules and a final cost estimate have been presented to the legislature, and the legislature has formally funded implementation of the rules through the omnibus appropriations act or by statute. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any

other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

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

(3) \$1,969,000 of the health professions account--state appropriation is provided solely to implement online licensing for health care providers. The department must submit a detailed investment plan for this project to the office of financial management. The office of financial management must review and approve this plan before funding may be expended. The department of health must successfully implement online application and renewal for at least one profession as a pilot project before pursuing additional professions. The department must report to the office of financial management on the outcome of the pilot project.

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

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

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

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

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

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

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

(11) \$1,670,000 of the safe drinking water account--state appropriation is provided solely for implementation of Substitute

House Bill No. 1468 (public water system permits). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(12) \$85,000 of the general fund--state appropriation for fiscal year 2012 and \$85,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the developmental disabilities council to contract for a family-to-family mentor program to provide information and support to families and guardians of persons who are transitioning out of residential habilitation centers. To the maximum extent allowable under federal law, these funds shall be matched under medicaid through the department of social and health services and federal funds shall be transferred to the department for the purposes stated in this subsection. If Second Substitute Senate Bill No. 5459 (people with developmental disabilities) is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

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

(14) The department shall coordinate the collection of data among identified state agencies and, by November 15, 2011, provide a report to the legislature regarding food procurement costs to inform state food purchasing decisions. The data shall include food procurement costs for fiscal year 2011: For the department of health on behalf of its employees and stakeholders; for the department of corrections and the department of social and health services regarding meals and other food served to both residential and nonresidential clients; and for the department of services for the blind for vending machine services and on-site food and beverage vending services.

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

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

(17) \$4,000,000 of the tobacco prevention and control account--state appropriation is provided solely for tobacco use prevention and treatment. The department's prevention and treatment program shall include efforts that target those most at risk of engaging in tobacco usage, including contracts with community programs to reach underserved and hard to reach populations with smoking rates higher than the state average. If Substitute Senate Bill No. 5542 (cigar lounges/tobacconists) is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 220. FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2012)	\$54,895,000
General Fund--State Appropriation (FY 2013)	\$54,044,000
TOTAL APPROPRIATION	\$108,939,000

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

(a) \$35,000 of the general fund--state appropriation for fiscal year 2012 and \$35,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate

and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(b) By October 1, 2011, the department shall compile and submit to the department of health data regarding food procurement costs for fiscal year 2011 regarding meals and other food for both residential and nonresidential clients, including the percentage of food purchased from Washington sources. The data shall be reported by setting and population, including costs per client, and be accompanied by the department's current food purchasing policies and standards.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2012)	\$612,803,000
General Fund--State Appropriation (FY 2013)	\$577,647,000
General Fund--Federal Appropriation	\$3,398,000
General Fund--Private/Local Appropriation	\$2,336,000
Washington Auto Theft Prevention Authority Account--	
State Appropriation	\$14,079,000
TOTAL APPROPRIATION	\$1,210,263,000

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

(a) The department shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

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

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

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

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

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

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2012)	\$128,403,000
General Fund--State Appropriation (FY 2013)	\$124,709,000
TOTAL APPROPRIATION	\$253,112,000

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

(a) The department shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

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

(4) CORRECTIONAL INDUSTRIES

General Fund--State Appropriation (FY 2012)	\$3,598,000
General Fund--State Appropriation (FY 2013)	\$3,589,000
TOTAL APPROPRIATION	\$7,187,000

The appropriations in this subsection are subject to the following conditions and limitations: \$132,000 of the general fund--state appropriation for fiscal year 2012 and \$132,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and technical assistance associated with advising cities and counties in developing, promoting, and implementing consistent, safe, and efficient offender work programs.

(5) INTERAGENCY PAYMENTS

General Fund--State Appropriation (FY 2012)	\$39,765,000
General Fund--State Appropriation (FY 2013)	\$36,035,000
TOTAL APPROPRIATION	\$75,800,000

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

(a) The state prison institutions may use funds appropriated in this subsection to rent uniforms from correctional industries in accordance with existing legislative mandates.

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

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

NEW SECTION. Sec. 221. FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund--State Appropriation (FY 2012)	\$2,278,000
General Fund--State Appropriation (FY 2013)	\$2,264,000
General Fund--Federal Appropriation	\$19,082,000
General Fund--Private/Local Appropriation	\$30,000
TOTAL APPROPRIATION	\$23,654,000

The appropriations in this subsection are subject to the following conditions and limitations: By October 1, 2011, the department shall compile and submit to the department of health data regarding food procurement costs for fiscal year 2011 regarding vending machine

services and on-site food and beverage vending services. The data shall be reported by location and type and be accompanied by the department's food purchasing policies and standards.

NEW SECTION. Sec. 222. FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund--State Appropriation (FY 2012)	\$43,000
General Fund--State Appropriation (FY 2013)	\$26,000
General Fund--Federal Appropriation	\$267,328,000
General Fund--Private/Local Appropriation	\$33,937,000
Unemployment Compensation Administration Account-- Federal Appropriation	\$359,598,000
Administrative Contingency Account--State Appropriation	\$20,429,000
Employment Service Administrative Account--State Appropriation	\$33,738,000
TOTAL APPROPRIATION	\$715,099,000

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

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

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

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

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

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

(End of part)

PART III
NATURAL RESOURCES

NEW SECTION. Sec. 301. FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2012)	\$364,000
General Fund--Federal Appropriation	\$16,000
General Fund--Private/Local Appropriation	\$386,000
TOTAL APPROPRIATION	\$766,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are for fiscal year 2012. Appropriations for fiscal year 2013 are contained in section 302 of this act.

NEW SECTION. Sec. 302. FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2012)	\$49,002,000
General Fund--State Appropriation (FY 2013)	\$47,789,000
General Fund--Federal Appropriation	\$77,467,000
General Fund--Private/Local Appropriation	\$17,005,000
Special Grass Seed Burning Research Account--State Appropriation	\$3,000
Reclamation Revolving Account--State Appropriation	\$3,642,000
Flood Control Assistance Account--State Appropriation	\$1,940,000
State Emergency Water Projects Revolving Account--State Appropriation	\$270,000
Waste Reduction/Recycling/Litter Control--State Appropriation	\$11,475,000
State Drought Preparedness Account--State Appropriation	\$118,000
State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation	\$423,000
Freshwater Aquatic Algae Control Account--State Appropriation	\$509,000
Water Rights Tracking System Account--State Appropriation	\$46,000
Site Closure Account--State Appropriation	\$354,000
Wood Stove Education and Enforcement Account--State Appropriation	\$612,000
Worker and Community Right-to-Know Account--State Appropriation	\$1,668,000
Water Rights Processing Account--State Appropriation	\$136,000
State Toxics Control Account--State Appropriation	\$112,512,000
State Toxics Control Account--Private/Local Appropriation	\$968,000
Local Toxics Control Account--State Appropriation	\$27,384,000
Water Quality Permit Account--State Appropriation	\$37,730,000
Underground Storage Tank Account--State Appropriation	\$3,251,000
Biosolids Permit Account--State Appropriation	\$1,805,000
Hazardous Waste Assistance Account--State Appropriation	\$5,854,000
Air Pollution Control Account--State Appropriation	\$2,468,000
Oil Spill Prevention Account--State Appropriation	\$5,563,000
Air Operating Permit Account--State Appropriation	\$2,744,000
Freshwater Aquatic Weeds Account--State Appropriation	\$1,700,000
Oil Spill Response Account--State Appropriation	\$7,076,000
Metals Mining Account--State Appropriation	\$14,000
Pollution Liability Insurance Account--State	

Appropriation	\$333,000
Water Pollution Control Revolving Account--State Appropriation	\$611,000
Water Pollution Control Revolving Account--Federal Appropriation	\$2,517,000
TOTAL APPROPRIATION	\$424,989,000

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

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

(2) Pursuant to RCW 43.135.055, the department is authorized to increase the following fees as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Wastewater discharge permit, not more than 4.34 percent in fiscal year 2012 and 4.62 percent in fiscal year 2013; biosolids permit fee, not more than 10 percent during the biennium; and air contaminate source registration fee, not more than 36 percent during the biennium; and dam safety and inspection fees, not more than 35 percent in fiscal year 2012 and 4.62 percent in fiscal year 2013.

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

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

(5) The department may not spend waste reduction, recycling, and litter control account funds to support the following activities: The beyond waste plan, work on national solid waste recycling issues, work on construction and demolition recycling and green building alternatives, education programs including the green schools initiative, and management of the 1-800-recycle hotline and database on school awards. Waste reduction, recycling, and litter account control funds must be prioritized to support litter pickup using correctional crews, regulatory programs, and technical assistance to local governments.

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

(7) The department shall review its water rights application review procedures to simplify the procedures, eliminate unnecessary steps, and decrease the time required to issue decisions. The department shall implement changes to improve water rights processing for which it has current administrative authority. The department shall report on reforms implemented and efficiencies achieved as demonstrated through enhanced permit processing to the appropriate committees of the legislature on December 1, 2011, and October 1, 2012.

(a) The department shall consult with key stakeholders on statutory barriers to efficient water rights processing and effective water management, including identification of obsolete, confusing, or conflicting statutory provisions. The department shall report

stakeholder recommendations to appropriate committees of the legislature by December 1, 2011, and October 1, 2012.

(b) \$500,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for processing water right permit applications only if the department of ecology issues at least five hundred water right decisions in fiscal year 2012, and if the department of ecology does not issue at least five hundred water right decisions in fiscal year 2012 the amount provided in this subsection shall lapse and remain unexpended. The department of ecology shall submit a report to the office of financial management and the state treasurer by June 30, 2012, that documents whether five hundred water right decisions were issued in fiscal year 2012.

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

(8) Appropriations for fiscal year 2013 are included for consolidation of the Columbia river gorge commission and the pollution liability insurance agency into the department of ecology.

(9) Appropriations for fiscal year 2013 are included for consolidation of the department of health's reclaimed water program into the department of ecology.

(10) The appropriations in this section for the low-level radioactive waste site use permit program are for fiscal year 2012. Appropriations for fiscal year 2013 are contained in section 221 of this act.

(11) \$1,075,000 of the general fund--state appropriation for fiscal year 2012 and \$1,075,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for processing the backlog of pending water rights permit applications in the water resources program.

NEW SECTION. Sec. 303. FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund--State Appropriation (FY 2012)	\$8,955,000
General Fund--State Appropriation (FY 2013)	\$8,379,000
General Fund--Federal Appropriation	\$5,905,000
Winter Recreation Program Account--State Appropriation	\$1,761,000
ORV and Nonhighway Vehicle Account--State Appropriation	\$224,000
Snowmobile Account--State Appropriation	\$4,848,000
Aquatic Lands Enhancement Account--State Appropriation	\$363,000
Parks Renewal and Stewardship Account--State Appropriation	\$115,779,000
Parks Renewal and Stewardship Account--Private/Local Appropriation	\$300,000
TOTAL APPROPRIATION	\$146,514,000

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

(1) \$8,876,000 of the general fund--state appropriation for fiscal year 2012 and \$8,300,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to assist state parks in its implementation of a new fee structure. The goal of this structure is to make the parks system self-supporting. By August 1, 2012, state parks must submit a report to the office of financial management detailing its progress toward this goal and outlining any additional statutory changes needed for successful implementation.

(2) \$79,000 of the general fund--state appropriation for fiscal year 2012 and \$79,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a grant for the operation of the Northwest avalanche center.

(3) \$53,928,000 of the parks renewal and stewardship account--state appropriation is provided solely for implementation of Second Substitute Senate Bill No. 5622 (state land recreation access). If the

bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) During the 2011-2013 fiscal biennium, the commission shall not expend state moneys to purchase or acquire lands other than those called for in Senate Bill No. 5467 or House Bill No. 1497.

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

NEW SECTION. Sec. 304. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund--State Appropriation (FY 2012)	\$953,000
General Fund--State Appropriation (FY 2013)	\$972,000
General Fund--Federal Appropriation	\$3,299,000
General Fund--Private/Local Appropriation	\$274,000
Aquatic Lands Enhancement Account--State Appropriation	\$278,000
Vessel Response Account--State Appropriation	\$100,000
Firearms Range Account--State Appropriation	\$37,000
Recreation Resources Account--State Appropriation	\$2,874,000
NOVA Program Account--State Appropriation	\$900,000
TOTAL APPROPRIATION	\$9,687,000

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

NEW SECTION. Sec. 305. FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE

General Fund--State Appropriation (FY 2012)	\$2,419,000
General Fund--State Appropriation (FY 2013)	\$2,422,000
TOTAL APPROPRIATION	\$4,841,000

NEW SECTION. Sec. 306. FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2012)	\$6,790,000
General Fund--State Appropriation (FY 2013)	\$6,793,000
General Fund--Federal Appropriation	\$1,301,000
TOTAL APPROPRIATION	\$14,884,000

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

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

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

NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2012)	\$35,721,000
General Fund--State Appropriation (FY 2013)	\$33,666,000
General Fund--Federal Appropriation	\$105,717,000
General Fund--Private/Local Appropriation	\$50,711,000
ORV and Nonhighway Vehicle Account--State Appropriation	\$391,000
Aquatic Lands Enhancement Account--State Appropriation	\$6,856,000

Recreational Fisheries Enhancement--State Appropriation	
\$3,550,000	
Warm Water Game Fish Account--State Appropriation	
\$3,051,000	
Eastern Washington Pheasant Enhancement Account--State	
Appropriation	\$849,000
Aquatic Invasive Species Enforcement Account--State	
Appropriation	\$204,000
Aquatic Invasive Species Prevention Account--State	
Appropriation	\$719,000
State Wildlife Account--State Appropriation	\$100,169,000
Special Wildlife Account--State Appropriation	\$2,384,000
Special Wildlife Account--Federal Appropriation	\$3,428,000
Special Wildlife Account--Private/Local Appropriation	
\$487,000	
Wildlife Rehabilitation Account--State Appropriation	\$259,000
Regional Fisheries Enhancement Salmonid Recovery	
Account--Federal Appropriation	\$5,001,000
Oil Spill Prevention Account--State Appropriation	\$887,000
Oyster Reserve Land Account--State Appropriation	\$921,000
TOTAL APPROPRIATION	\$354,971,000

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

- (1) \$294,000 of the aquatic lands enhancement account--state appropriation is provided solely for the implementation of hatchery reform recommendations defined by the hatchery scientific review group.
- (2) \$355,000 of the general fund--state appropriation for fiscal year 2012 and \$355,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the department to continue a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline and to conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River water supply program. For the purposes of the pilot project:
 - (a) A fishing permit issued to a nontribal member by the Colville Tribes shall satisfy the license requirement of RCW 77.32.010 on the waters of Lake Rufus Woods and on the north shore of Lake Rufus Woods;
 - (b) The Colville Tribes have agreed to provide to holders of its nontribal member fishing permits a means to demonstrate that fish in their possession were lawfully taken in Lake Rufus Woods;
 - (c) A Colville tribal member identification card shall satisfy the license requirement of RCW 77.32.010 on all waters of Lake Rufus Woods;
 - (d) The department and the Colville Tribes shall jointly designate fishing areas on the north shore of Lake Rufus Woods for the purposes of enhancing access to the recreational fisheries on the lake; and
 - (e) The Colville Tribes have agreed to recognize a fishing license issued under RCW 77.32.470 or RCW 77.32.490 as satisfying the nontribal member fishing permit requirements of Colville tribal law on the reservation portion of the waters of Lake Rufus Woods and at designated fishing areas on the north shore of Lake Rufus Woods;
- (3) Prior to submitting its 2013-2015 biennial operating and capital budget request related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review this request. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most

cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with their agency budget proposal.

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

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

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

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

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

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

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

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

(12) During the 2011-2013 fiscal biennium, the department shall not expend state moneys to purchase or acquire additional lands other than those called for in Senate Bill No. 5467 (capital budget) or House Bill No. 1497 (capital budget).

NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2012)	\$33,856,000
General Fund--State Appropriation (FY 2013)	\$35,057,000
General Fund--Federal Appropriation	\$27,919,000
General Fund--Private/Local Appropriation	\$2,374,000
Forest Development Account--State Appropriation	\$41,507,000
ORV and Nonhighway Vehicle Account--State Appropriation	\$4,387,000
Surveys and Maps Account--State Appropriation	\$2,346,000
Aquatic Lands Enhancement Account--State	
Appropriation	\$7,218,000
Resources Management Cost Account--State	
Appropriation	\$81,800,000
Surface Mining Reclamation Account--State	
Appropriation	\$3,484,000
Disaster Response Account--State Appropriation	\$5,000,000
Forest and Fish Support Account--State Appropriation	\$7,933,000

Aquatic Land Dredged Material Disposal Site	
Account--State Appropriation	\$838,000
Natural Resources Conservation Areas Stewardship	
Account--State Appropriation	\$34,000
State Toxics Control Account--State Appropriation	\$80,000
Air Pollution Control Account--State Appropriation	\$1,319,000
NOVA Program Account--State Appropriation	\$639,000
Derelict Vessel Removal Account--State Appropriation	
\$1,761,000	
Agricultural College Trust Management Account--State	
Appropriation	\$1,854,000
TOTAL APPROPRIATION	\$259,406,000

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

(1) \$977,000 of the general fund--state appropriation for fiscal year 2012 and \$915,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) \$10,037,000 of the general fund--state appropriation for fiscal year 2012, \$10,037,000 of the general fund--state appropriation for fiscal year 2013, and \$5,000,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression. None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

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

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

(5) \$487,000 of the general fund--state appropriation is provided solely to fund interagency agreements with the department of ecology and the department of fish and wildlife as part of the adaptive management process.

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

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

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

(9) By September 1, 2011, the department shall update its interagency agreement dated September 30, 2010, with the department of fish and wildlife concerning land management services on the department of fish and wildlife's wildlife conservation and

recreation lands. The update shall include rates and terms for services.

(10)(a) The department shall convene the marine rents review committee so that the committee can recommend to the legislature alternative methods of calculating rents for marinas occupying state-owned aquatic lands. The committee must explore ways to refine and improve the averaging method for calculating rents for marinas as generally described in Senate Bill No. 5550 (marina annual rent rates); examine current methodologies; address significant fluctuations in assessed value among similarly sized and situated properties; and explore how marina rents in similar regional marina markets can affect market conditions for marinas. The department shall also consider expanding representation and stakeholder outreach on the committee, based on recommendations of existing committee members. The department is authorized to use independent facilitators and outside parties to partner in the committee's efforts. Recommendations provided by the committee must meet these minimum requirements:

(i) Provide more equitable treatment of marina lessees through similar lease rates for similar uses in similar markets or geographic locations;

(ii) Minimize administrative burdens to the department;

(iii) Be designed with strategies to be revenue neutral or positive to the state over a time frame agreeable to the department.

(b) The committee shall strive for unanimous agreement in its recommendations. In the absence of a unanimous agreement, a vote may be taken to assess preferences and majority and minority views, and recommendations must be reported to the legislature by December 1, 2011, consistent with RCW 43.01.036.

(11) Within the funds provided in this section, the department of natural resources must prepare recommendations, delivered to the legislature by October 31, 2011, consistent with RCW 43.01.036, for increases in fees under chapter 76.09 RCW with the goal of making the department's forest practices division completely fee supported. In developing the recommendations, the department must involve the participation of a broad range of affected stakeholders and interested parties.

NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF AGRICULTURE

General Fund--State Appropriation (FY 2012)	\$15,729,000
General Fund--State Appropriation (FY 2013)	\$15,371,000
General Fund--Federal Appropriation	\$22,925,000
General Fund--Private/Local Appropriation	\$190,000
Aquatic Lands Enhancement Account--State	
Appropriation	\$2,074,000
State Toxics Control Account--State Appropriation	\$5,116,000
Water Quality Permit Account--State Appropriation	\$60,000
TOTAL APPROPRIATION	\$61,465,000

The appropriations in this section are subject to the following conditions and limitations: \$5,308,445 of the general fund--state appropriation for fiscal year 2012 and \$5,302,905 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementing the food assistance program as defined in RCW 43.23.290.

NEW SECTION. Sec. 310. FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM

Pollution Liability Insurance Program Trust	
Account--State Appropriation	\$335,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are for fiscal year 2012. Appropriations for fiscal year 2013 are contained in section 302 of this act.

NEW SECTION. Sec. 311. FOR THE PUGET SOUND PARTNERSHIP

General Fund--State Appropriation (FY 2012)	\$2,545,000
General Fund--State Appropriation (FY 2013)	\$2,520,000
General Fund--Federal Appropriation	\$9,581,000
General Fund--Private/Local Appropriation	\$25,000
Aquatic Lands Enhancement Account--State Appropriation	\$493,000
State Toxics Control Account--State Appropriation	\$665,000
TOTAL APPROPRIATION	\$15,829,000

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

(1) \$706,000 of the state toxics control account--state appropriation is provided solely for activities that contribute to Puget Sound protection and recovery, including provision of independent advice and assessment of the state's oil spill prevention, preparedness, and response programs, including review of existing activities and recommendations for any necessary improvements. The partnership may carry out this function through an existing committee, such as the ecosystem coordination board or the leadership council, or may appoint a special advisory council. Because this is a unique statewide program, the partnership may invite participation from outside the Puget Sound region.

(2) Within the amounts appropriated in this section, the Puget Sound partnership shall facilitate an ongoing monitoring consortium to integrate monitoring efforts for storm water, water quality, watershed health, and other indicators to enhance monitoring efforts in Puget Sound.

NEW SECTION. Sec. 312. FOR THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF ECOLOGY, AND THE STATE CONSERVATION COMMISSION

(1) The directors of the department of agriculture, the department of ecology, and the conservation commission shall coordinate a process to examine the issue of achieving the state's water quality objectives relating to livestock operations. The directors shall determine what personnel are assigned to this activity and may provide oversight to the process. In implementing this process, the directors shall involve representatives of involved agencies, stakeholders, and tribes. The topics to be considered include:

- (a) The appropriate background and training for personnel that conduct inspections of and provide technical assistance to livestock operators and whether personnel need to be specifically trained and assigned to serve this function;
- (b) The roles and relationships between technical assistance, inspection, and enforcement, and the concept of customer service;
- (c) The use, availability, and limitations of DNA testing as a water quality diagnosis tool and the recommendation of water quality testing protocols needed for livestock operations investigations;
- (d) The availability and constraints of state and federal programs for planning, installation, maintenance of conservation and pollution control practices, and review of alternative practices;
- (e) The extent of known water quality problems relating to livestock operations;
- (f) Best methods to achieve state water quality objectives in the context of a system that includes both regulatory and incentive-based approaches;
- (g) A review of considerations used to determine water quality standards, including those applicable to the shellfish industry; and
- (h) The availability of state and federal funding and whether it is being appropriately allocated.

(2) The directors identified in subsection (1) of this section shall develop recommendations for the administration and improvement of the program, including recommendations on the use of DNA technology. The directors shall provide a written summary of the activities and recommendations to the legislature and the governor by December 1, 2011.

(3) The activities under this section must be completed to the extent feasible from within existing fiscal resources available to the involved state agencies.

(4) This section expires December 31, 2011.
(End of part)

PART IV

TRANSPORTATION

NEW SECTION. Sec. 401. FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2012)	\$1,265,000
General Fund--State Appropriation (FY 2013)	\$1,508,000
Architects' License Account--State Appropriation	\$1,084,000
Professional Engineers' Account--State Appropriation	\$3,524,000
Real Estate Commission Account--State Appropriation	\$9,843,000
Uniform Commercial Code Account--State Appropriation	\$3,126,000
Real Estate Education Account--State Appropriation	\$276,000
Real Estate Appraiser Commission Account--State Appropriation	\$1,687,000
Business and Professions Account--State Appropriation	\$15,646,000
Real Estate Research Account--State Appropriation	\$622,000
Geologists' Account--State Appropriation	\$51,000
Derelict Vessel Removal Account--State Appropriation	\$31,000
TOTAL APPROPRIATION	\$38,663,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees for collection agencies. This increase is necessary to support the expenditures authorized in this section, consistent with RCW 43.24.086.

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

(3) \$54,000 of the business and professions account--state appropriation is provided solely to implement Substitute House Bill No. 1205 (court reporter licensing). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) Pursuant to Substitute House Bill No. 2017 (master license program), all powers, duties, and functions of the master license service program, including all related resources, are transferred from the department of licensing to the department of revenue effective July 1, 2011. If the transfer is not complete by the effective date, the department of licensing will absorb any associated cost overruns through the department's general fund--state appropriation.

NEW SECTION. Sec. 402. FOR THE STATE PATROL

General Fund--State Appropriation (FY 2012)	\$38,921,000
General Fund--State Appropriation (FY 2013)	\$36,578,000
General Fund--Federal Appropriation	\$16,081,000
General Fund--Private/Local Appropriation	\$3,021,000
Death Investigations Account--State Appropriation	\$5,572,000
County Criminal Justice Assistance Account--State Appropriation	\$3,215,000
Municipal Criminal Justice Assistance Account--State Appropriation	\$1,290,000
Fire Service Trust Account--State Appropriation	\$131,000

Disaster Response Account--State Appropriation	\$8,002,000
Fire Service Training Account--State Appropriation	\$9,010,000
Aquatic Invasive Species Enforcement Account--State Appropriation	\$54,000
State Toxics Control Account--State Appropriation	\$505,000
Fingerprint Identification Account--State Appropriation	\$8,788,000
Vehicle License Fraud Account--State Appropriation	\$339,000
TOTAL APPROPRIATION	\$131,507,000

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

(1) \$200,000 of the fire service training account--state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(2) \$8,000,000 of the disaster response account--state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) \$400,000 of the fire service training account--state appropriation is provided solely for the firefighter apprenticeship training program.

(4) In accordance with RCW 43.43.742 the state patrol is authorized to increase the following fees in fiscal year 2012 as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Notary service fee.

(5) \$59,000 of the fingerprint identification account--state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 1776 (child care center licensing). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

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

(End of part)

**PART V
EDUCATION**

NEW SECTION. Sec. 501. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2012)	\$25,701,000
General Fund--State Appropriation (FY 2013)	\$23,052,000
General Fund--Federal Appropriation	\$81,065,000
General Fund--Private/Local Appropriation	\$4,000,000
TOTAL APPROPRIATION	\$133,818,000

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

(1) A maximum of \$16,450,000 of the general fund--state appropriation for fiscal year 2012 and \$13,889,000 of the general

fund--state appropriation for fiscal year 2013 is for state agency operations.

(a) \$9,365,000 of the general fund--state appropriation for fiscal year 2012 and \$8,451,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

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

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

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

(iv) Within the amounts provided, the office of the superintendent of public instruction shall develop a new electronic certification system for educators, pursuant to Engrossed Substitute House Bill No. 1449 (educator certificate fee). The office of the superintendent of public instruction and the office of financial management shall work to allocate sufficient funding from federal grant funds for the state's P- 20 longitudinal data system, to the extent allowable, for the purpose of developing and implementing a new electronic certification system.

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

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

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

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

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

(ii) \$694,000 of the general fund--state appropriation for fiscal year 2012 and \$312,000 of the general fund--state appropriation for fiscal year 2013 are for conditional scholarship loans and mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board,

including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(d)(ii) is also provided for the recruiting Washington teachers program. Funding reductions in this subsection (1)(d)(ii) in the 2011-2013 fiscal biennium are intended to be one-time.

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

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

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

(h) \$159,000 of the general fund--state appropriation for fiscal year 2012 and \$93,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 185, Laws of 2011 (bullying prevention), which requires the office of the superintendent of public instruction to convene an ongoing workgroup on school bullying and harassment prevention. Within the amounts provided, \$140,000 is for youth suicide prevention activities.

(i) \$91,000 of the general fund--state appropriation for fiscal year 2012 and \$5,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of House Bill No. 2111 (implementing selected recommendations from the 2011 report of the quality education council). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

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

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

(2) \$9,267,000 of the general fund--state appropriation for fiscal year 2012 and \$9,167,000 of the general fund--state appropriation for fiscal year 2013 are for statewide programs.

(3) \$166,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the implementation of chapter 192, Laws of 2011 (school district insolvency). Funding is provided to develop a clear legal framework and process for dissolution of a school district.

(a) HEALTH AND SAFETY

(i) \$2,541,000 of the general fund--state appropriation for fiscal year 2012 and \$2,541,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(ii) \$50,000 of the general fund--state appropriation for fiscal year 2012 and \$50,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

\$1,221,000 of the general fund--state appropriation for fiscal year 2012 and \$1,221,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(c) GRANTS AND ALLOCATIONS

(i) \$675,000 of the general fund--state appropriation for fiscal year 2012 and \$675,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

(ii) \$1,000,000 of the general fund--state appropriation for fiscal year 2012 and \$1,000,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(iii) \$2,808,000 of the general fund--state appropriation for fiscal year 2012 and \$2,808,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the dissemination of the navigation 101 curriculum to all districts. The funding shall support electronic student planning tools and software for analyzing the impact of navigation 101 on student performance, as well as grants to a maximum of one hundred school districts each year, based on progress and need for the implementation of the navigation 101 program. The implementation grants shall be awarded to a cross-section of school districts reflecting a balance of geographic and demographic characteristics. Within the amounts provided, the office of the superintendent of public instruction will create a navigation 101 accountability model to analyze the impact of the program.

(iv) \$337,000 of the general fund--state appropriation for fiscal year 2012 and \$337,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for implementation of the building bridges statewide program for comprehensive dropout prevention, intervention, and reengagement strategies.

(v) \$135,000 of the general fund--state appropriation for fiscal year 2012 and \$135,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for dropout prevention programs at the office of the superintendent of public instruction, including the jobs for America's graduates (JAG) program.

(vi) \$500,000 of the general fund--state appropriation for fiscal year 2012 and \$400,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 340, Laws of 2011 (assessment of students in state-funded full-day kindergarten classrooms), including the development and implementation of the Washington kindergarten inventory of developing skills (WaKIDS).

NEW SECTION. Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT

General Fund--State Appropriation (FY 2012)	\$5,242,704,000
General Fund--State Appropriation (FY 2013)	\$5,217,070,000
TOTAL APPROPRIATION	\$10,459,774,000

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

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

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

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

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2011-12 and 2012-13 school years are determined using formula-generated staff units calculated pursuant to this subsection.

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

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

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

General education class size:	
Grade	RCW 28A.150.260
Grades K-3	25.23
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

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

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

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

Grades 9-12

28.74

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

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

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

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

Career and Technical Education students	2.02 per 1000 student FTE's
Skill Center students	2.36 per 1000 student FTE's

(3) ADMINISTRATIVE STAFF ALLOCATIONS

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

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that exceed the general education rate in (a) of this subsection by the following percentages:

Career and Technical Education students	2.5 percent
Skill Center students	19.75 percent

(4) CLASSIFIED STAFF ALLOCATIONS

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

(5) CENTRAL OFFICE ALLOCATIONS

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

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

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

(c) Staff units generated as enhancements outside the program of basic education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students,

are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 3.69 percent for career and technical education students, and 21.92 percent for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 16.49 percent in the 2011-12 school year and 16.50 percent in the 2012-13 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 18.86 percent in the 2011-12 school year and 18.88 percent in the 2012-13 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

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

- (a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and
- (b) The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

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

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

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

MSOC RATES/STUDENT FTE

MSOC Component	2011-12 SCHOOL YEAR	2012-13 SCHOOL YEAR
Technology	\$57.02	\$57.99
Utilities and Insurance	\$154.93	\$157.56
Curriculum and Textbooks	\$61.22	\$62.26
Other Supplies and Library Materials	\$129.97	\$132.18
Instructional Professional Development for Certificated and Classified Staff	\$9.47	\$9.63
Facilities Maintenance	\$76.75	\$78.06

Security and Central Office	\$53.17	\$54.08
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$542.53	\$551.76

(b) Students in approved skill center programs generate per student FTE MSOC allocations which equal the rate for general education students calculated in (a) of this subsection, multiplied by a factor of 2.187.

(c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation that is equal to the rate for general education students calculated in (a) of this subsection, multiplied by a factor of 2.459.

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

(9) SUBSTITUTE TEACHER ALLOCATIONS

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

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

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

(b) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

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

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

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

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

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

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

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

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

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

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

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

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

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

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

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

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

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under subsection (12) of this section shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided

section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

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

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

(a) \$589,000 of the general fund--state appropriation for fiscal year 2012 and \$599,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

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

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

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

(16) Amounts in this section include adjustments made by the superintendent of public instruction for the repayment of financial contingency funds allocated in fiscal year 2011, as specified in section 501 of the 2011 supplemental budget. For any amount allocated to a district in state fiscal year 2011, the superintendent of public instruction shall deduct in state fiscal year 2012 from the district's general apportionment the amount of the emergency contingency allocation and any earnings by the school district on the investment of a temporary cash surplus due to the emergency contingency allocation. Repayments or advances will be accomplished by a reduction in the school district's apportionment payments on or before June 30th of the school year following the distribution of the emergency contingency allocation. All disbursements, repayments, and outstanding allocations to be repaid of the emergency contingency pool shall be reported to the office of financial management and the appropriate fiscal committees of the legislature on July 1st and January 1st of each year.

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

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

higher education enrollment. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the higher education coordinating board, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

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

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

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

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

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

NEW SECTION. Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION

(1) The following calculations determine the salaries used in the state allocations for certificated instructional, certificated administrative, and classified staff units as provided in RCW 28A.150.280 and under section 503 of this act:

(a) Salary allocations for certificated instructional staff units are determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 2 by the district's average staff mix factor for certificated instructional staff in that school year, computed using LEAP document 1; and

(b) Salary allocations for certificated administrative staff units and classified staff units for each district are determined based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 2.

(2) For the purposes of this section:

(a) "LEAP Document 1" means the staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on May 23, 2011, at 16:10 hours; and

(b) "LEAP Document 2" means the school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on May 23, 2011, at 16:10 hours.

(3) Incremental fringe benefit factors are applied to salary adjustments at a rate of 15.85 percent for school year 2011-12 and 15.86 percent for school year 2012-13 for certificated instructional and certificated administrative staff and 15.36 percent for school year

2011-12 and 15.38 percent for the 2012-13 school year for classified staff.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2011-12
Education Experience

Years of Service	BA	BA +1	BA +3	BA +4	BA +9	BA +13	M A	MA +45	Ph. D.
0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912
3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
7	36,860	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
11				45,883	49,169	51,558	49,295	52,581	54,969
12				47,332	50,777	53,238	50,850	54,188	56,650
13					52,425	54,959	52,460	55,836	58,370
14					54,081	56,745	54,117	57,600	60,157
15					55,488	58,221	55,523	59,098	61,721

16 or mo re	56, 597	59,3 85	56, 63 4	60, 279	62, 955
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16 or mo re	56, 597	59,3 85	56, 63 4	60, 279	62, 955	3
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Table Of Total Base Salaries For Certificated Instructional Staff For
School Year 2012-13
Education Experience

Ye ars of	BA	BA +1	BA +3	BA +4	BA +9	BA +13	M A	MA +45	Ph. D.
0	33, 40	34, 303	35, 238	36, 175	39, 180	41,1 16	40, 04	43, 051	44, 989
1	33, 85	34, 765	35, 712	36, 690	39, 727	41,6 52	40, 49	43, 527	45, 452
2	34, 27	35, 202	36, 159	37, 212	40, 241	42,1 86	40, 93	43, 966	45, 912
3	34, 72	35, 653	36, 620	37, 706	40, 729	42,7 22	41, 36	44, 384	46, 377
4	35, 15	36, 127	37, 099	38, 224	41, 264	43,2 71	41, 80	44, 849	46, 857
5	35, 60	36, 578	37, 561	38, 748	41, 777	43,8 24	42, 26	45, 291	47, 339
6	36, 06	37, 017	38, 032	39, 279	42, 293	44,3 52	42, 72	45, 740	47, 797
7	36, 86	37, 839	38, 868	40, 182	43, 241	45,3 56	43, 59	46, 652	48, 768
8	38, 05	39, 074	40, 127	41, 550	44, 651	46,8 44	44, 96	48, 063	50, 254
9		40, 353	41, 459	42, 933	46, 106	48,3 73	46, 34	49, 518	51, 785
10			42, 806	44, 387	47, 602	49,9 45	47, 79	51, 014	53, 356
11				45, 883	49, 169	51,5 58	49, 29	52, 581	54, 969
12				47, 332	50, 777	53,2 38	50, 85	54, 188	56, 650
13					52, 425	54,9 59	52, 46	55, 836	58, 370
14					54, 081	56,7 45	54, 11	57, 600	60, 157
15					55, 488	58,2 21	55, 52	59, 098	61, 721

(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

(c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be counted after the masters degree. Thus, as used in this subsection, the column headings "MA+(N)" refer to the total of:

(i) Credits earned since receiving the masters degree; and
(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this part V, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2).

NEW SECTION. Sec. 504. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS

General Fund--Federal Appropriation \$2,000

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

(1)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act. Allocations for these salary adjustments shall be provided to all districts that are not grandfathered to receive salary allocations above the statewide salary allocation schedule, and to certain grandfathered districts to the extent necessary to ensure that salary allocations for districts that are currently grandfathered do not fall below the statewide salary allocation schedule.

(b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act.

(c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 504(2)(b) of this act.

(d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at 15.85 percent for the 2011-12 school year and 15.86 percent for the 2012-13 school year for certificated instructional and certificated administrative staff and

15.36 percent for the 2011-12 school year and 15.38 percent for the 2012-13 school year for classified staff.

(e) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 503 and 504 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 503 and 504 of this act.

(f) The appropriations in this section include no salary adjustments for substitute teachers.

(2) The maintenance rate for insurance benefit allocations is \$768.00 per month for the 2011-12 and 2012-13 school years. The appropriations in this section reflect the incremental change in cost of allocating rates of \$768.00 per month for the 2011-12 school year and \$768.00 per month for the 2012-13 school year.

(3) The rates specified in this section are subject to revision each year by the legislature.

NEW SECTION. Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION

General Fund--State Appropriation (FY 2012)	\$323,759,000
General Fund--State Appropriation (FY 2013)	\$326,054,000
TOTAL APPROPRIATION	\$649,813,000

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

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

(2)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for the transportation of students as provided in RCW 28A.160.192.

(b) From July 1, 2011 to August 31, 2011, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 564, Laws of 2009, as amended through section 1404 of this act.

(3) Any amounts appropriated for maintenance level funding for pupil transportation that exceed actual maintenance level expenditures as calculated under the funding formula that takes effect September 1, 2011, shall be distributed to districts according to RCW 28A.160.192(2)(b).

(4) A maximum of \$892,000 of this fiscal year 2012 appropriation and a maximum of \$892,000 of the fiscal year 2013 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(5) The office of the superintendent of public instruction shall provide reimbursement funding to a school district for school bus purchases only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

(6) The superintendent of public instruction shall base depreciation payments for school district buses on the pre-sales tax five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment

shall be based on the lowest bid in the appropriate bus category for that school year.

(7) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

NEW SECTION. Sec. 506. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund--State Appropriation (FY 2012)	\$7,111,000
General Fund--State Appropriation (FY 2013)	\$7,111,000
General Fund--Federal Appropriation	\$437,988,000
TOTAL APPROPRIATION	\$452,210,000

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

(1) \$7,111,000 of the general fund--state appropriation for fiscal year 2012 and \$7,111,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays for eligible public school students and lunch copays for eligible public school students in grades kindergarten through third grade who are eligible for reduced price lunch;

(b) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas;

(c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005; and

(d) Assistance to school districts in initiating and expanding school breakfast programs.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in (a), (b), and (c) of this subsection.

NEW SECTION. Sec. 507. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2012)	\$659,950,000
General Fund--State Appropriation (FY 2013)	\$689,480,000
General Fund--Federal Appropriation	\$691,796,000
Education Legacy Trust Account--State Appropriation	\$756,000
TOTAL APPROPRIATION	\$2,041,982,000

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

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(2)(a) The superintendent of public instruction shall ensure that:

- Special education students are basic education students first;
- As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed

by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(c) Beginning with the 2010-11 school year award cycle, the office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(3) Each fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(4)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390.

(b) From July 1, 2011 to August 31, 2011, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 564, Laws of 2009, as amended through section 1406 of this act.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). Each district's general fund--state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(6) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with RCW 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(7) \$16,404,000 of the general fund--state appropriation for fiscal year 2012, \$30,807,000 of the general fund--state appropriation for fiscal year 2013, and \$29,574,000 of the general fund--federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2011-12 and 2012-13 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) From July 1, 2011 to August 31, 2011, the superintendent shall operate the safety net oversight committee and shall award safety net funds as provided in section 507, chapter 564, Laws of 2009, as amended through section 1406 of this act.

(8) A maximum of \$678,000 may be expended from the general fund-- state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(9) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(10) A school district may carry over from one year to the next year up to 10 percent of the general fund--state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(11) \$251,000 of the general fund--state appropriation for fiscal year 2012 and \$251,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(12) \$50,000 of the general fund--state appropriation for fiscal year 2012, \$50,000 of the general fund--state appropriation for fiscal year 2013, and \$100,000 of the general fund--federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

NEW SECTION. Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund--State Appropriation (FY 2012)	\$7,898,000
General Fund--State Appropriation (FY 2013)	\$7,917,000
TOTAL APPROPRIATION	\$15,815,000

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) Funding within this section is provided for regional professional development related to mathematics and science curriculum and instructional strategies. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.310.340, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

NEW SECTION. Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE

General Fund--State Appropriation (FY 2012)	\$303,337,000
General Fund--State Appropriation (FY 2013)	\$308,445,000
TOTAL APPROPRIATION	\$611,782,000

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 3 percent from the 2010-11 school year to the 2011-12 school year and 5 percent from the 2011-12 school year to the 2012-13 school year.

NEW SECTION. Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2012)	\$16,420,000
General Fund--State Appropriation (FY 2013)	\$16,190,000
TOTAL APPROPRIATION	\$32,610,000

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

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

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) \$509,000 of the general fund--state appropriation for fiscal year 2012 and \$509,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

NEW SECTION. Sec. 511. FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2012)	\$8,741,000
General Fund--State Appropriation (FY 2013)	\$8,794,000
TOTAL APPROPRIATION	\$17,535,000

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

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

(2)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c). In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 564, Laws of 2009, as amended through section 1409 of this act.

(3) \$85,000 of the general fund--state appropriation for fiscal year 2012 and \$85,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the centrum program at Fort Worden state park.

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS--NO CHILD LEFT BEHIND ACT

General Fund--Federal Appropriation	\$7,352,000
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NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS

General Fund--State Appropriation (FY 2012)	\$58,078,000
General Fund--State Appropriation (FY 2013)	\$98,491,000
General Fund--Federal Appropriation	\$103,161,000
General Fund--Private/Local Appropriation	\$4,000,000

Education Legacy Trust Account--State Appropriation	\$1,598,000
TOTAL APPROPRIATION	\$265,328,000

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

(1) \$40,822,000 of the general fund--state appropriation for fiscal year 2012, \$41,613,000 of the general fund--state appropriation for fiscal year 2013, \$1,350,000 of the education legacy trust account--state appropriation, and \$15,868,000 of the general fund-- federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (a) Development and implementation of retake assessments for high school students who are not successful in one or more content areas and (b) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year. State funding shall be limited to one collection of evidence payment per student, per content-area assessment.

(2) \$356,000 of the general fund--state appropriation for fiscal year 2012 and \$356,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) \$980,000 of the general fund--state appropriation for fiscal year 2012 and \$980,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW.

(4) \$3,852,000 of the general fund--state appropriation for fiscal year 2012 and \$2,624,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for continued implementation of chapter 235, Laws of 2010 (education reform) including development of new performance-based evaluation systems for certificated educators.

(5)(a) \$40,863,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of \$5,090 per teacher in the 2011-12 and 2012-13 school years, adjusted for inflation in each school year in which Initiative 732 cost of living adjustments are provided;

(ii) An additional \$5,000 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced price lunch;

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a pro-rated manner. Beginning in the 2011-12 school year, all bonuses in (a)(i) and (ii) of this subsection will be paid in July of each school year. Bonuses in (a)(i) and (ii) of this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(iv) During the 2011-12 and 2012-13 school years, and within available funds, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional loan of two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The conditional loan is provided in addition to compensation received under a district's salary schedule and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the conditional loan. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees. To the extent necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(6) \$477,000 of the general fund--state appropriation for fiscal year 2012 and \$477,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(7) \$950,000 of the general fund--state appropriation for fiscal year 2012 and \$950,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs.

(8) \$810,000 of the general fund--state appropriation for fiscal year 2012 and \$810,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to design, field test, and implement a state-of-the-art education leadership academy that will be accessible throughout the state. Initial development of the content of the academy activities shall be supported by private funds. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(9) \$3,234,000 of the general fund--state appropriation for fiscal year 2012 and \$3,234,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible.

(10) \$1,500,000 of the general fund--state appropriation for fiscal year 2012 and \$1,500,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the implementation of chapter 288, Laws of 2011 (actual student success program), including allocations to the opportunity internship program, the jobs for America's graduates program, the building bridges program, services provided by a college scholarship organization. Funding shall not be used in the 2011-2013 fiscal biennium to provide awards for schools and school districts.

(11) \$843,000 of the general fund--state appropriation for fiscal year 2012, \$848,000 of the general fund--state appropriation for fiscal year 2013, and \$247,000 of the education legacy trust account--state appropriation are for administrative support of education reform programs.

(12) \$2,000,000 of the general fund--state appropriation for fiscal year 2012 and \$2,000,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(13) \$977,000 of the general fund--state appropriation for fiscal year 2012 and \$977,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, \$300,000 of the 2012 appropriation and \$300,000 of the 2013 appropriation shall be used to support FIRST robotics programs.

(14) \$125,000 of the general fund--state appropriation for fiscal year 2012 and \$125,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of \$2,500 to provide twenty middle and high school teachers each year with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(15) \$135,000 of the general fund--state appropriation for fiscal year 2012 and \$135,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(16) \$1,000,000 of the general fund--state appropriation for fiscal year 2012 and \$1,000,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together; and teacher observation time with accomplished peers. \$250,000 may be used to provide statewide professional development opportunities for mentors and beginning educators.

NEW SECTION. Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2012)	\$83,959,000
General Fund--State Appropriation (FY 2013)	\$88,580,000
General Fund--Federal Appropriation	\$71,001,000
TOTAL APPROPRIATION	\$243,540,000

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

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

(2)(a) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs as provided in RCW 28A.150.260(10)(b). In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student; (ii) fifteen transitional bilingual program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 564, Laws of 2009, as amended through section 1411 of this act.

(c) The allocations in this section reflect the implementation of a new funding formula for the transitional bilingual instructional program, effective September 1, 2011, as specified in RCW 28A.150.260(10)(b).

(3) The superintendent may withhold up to 3.0 percent of the school year allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2).

(4) The general fund--federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(5)(a) The office of the superintendent of public instruction shall implement a funding model for the transitional bilingual program, beginning in school year 2012-13, that is scaled to provide more support to students requiring most intensive intervention, (students with beginning levels of English language proficiency) and less support to students requiring less intervention. The funding model shall also provide up to two years of bonus funding upon successful exit from the bilingual program to facilitate successful transition to a standard program of education.

(b) It is expected that per-pupil funding for level 2 proficiency will be set at the same level as would have been provided statewide prior to establishing differential per-pupil amounts; level 1 will be 125 percent of level 2; level 3 through the level prior to exit will be 75 percent of level 2; and two bonus years upon successful demonstration of proficiency will be 100 percent of level 2. Prior to implementing in school year 2012-13, the office of the superintendent of public instruction shall provide to the senate and house of representatives ways and means committees recommended rates based on the results of proficiency test procurement, expressed as both per-pupil rates and hours of instruction as provided in RCW 28A.150.260(10)(b).

(c) Each bilingual student shall be tested for proficiency level and, therefore, eligibility for the transitional bilingual program each year. The bonus payments for up to two school years following successful exit from the transitional bilingual program shall be allocated to the exiting school district. If the student graduates or transfers to another district prior to the district receiving both years' bonuses, the district shall receive the bonus for only the length of time the student remains enrolled in the exiting district.

(d) The quality education council shall examine the revised funding model developed under this subsection and provide a report to the education and fiscal committees of the legislature by December 1, 2011, that includes recommendations for:

(i) Changing the prototypical school funding formula for the transitional bilingual program to align with the revised model in an accurate and transparent manner;

(ii) Reconciling the revised model with statutory requirements for categorical funding of the transitional bilingual instructional program that is restricted to students eligible for and enrolled in that program;

(iii) Clarifying the elements of the transitional bilingual instructional program that fall under the definition of basic education and the impact of the revised model on them; and

(iv) The extent that the disparate financial impact of the revised model on different school districts should be addressed and options for addressing it.

(e) The office of the superintendent of public instruction shall report to the senate and house of representatives ways and means committees and education committees annually by December 31st of each year, through 2018, regarding any measurable changes in proficiency, time-in-program, and transition experience.

(6) \$35,000 of the general fund--state appropriation for fiscal year 2012 and \$35,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to track current and former transitional bilingual program students.

NEW SECTION. Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2012)	\$102,104,000
General Fund--State Appropriation (FY 2013)	\$102,137,000
General Fund--Federal Appropriation	\$581,207,000
Education Legacy Trust Account--State Appropriation	\$47,980,000
TOTAL APPROPRIATION	\$833,428,000

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

(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

(a) The appropriations include such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b)(i) For the 2011-12 and 2012-13 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a). In calculating the allocations, the superintendent shall assume the following averages: (A) Additional instruction of 1.51560 hours per week per funded learning assistance program student; (B) fifteen learning assistance program students per teacher; (C) 36 instructional weeks per year; (D) 900 instructional hours per teacher; and (E) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2011, to August 31, 2011, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 564, Laws of 2009, as amended through section 1412 of this act.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund--federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund--state or education legacy trust funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

(5) The office of the superintendent of public instruction shall research and recommend options for an adjustment factor for middle school and high school free and reduced price lunch eligibility reporting rates pursuant to RCW 28A.150.260(12)(a), and submit a report to the fiscal committees of the legislature by June 1, 2012. For the 2011-12 and 2012-13 school years, the adjustment factor is 1.0.

NEW SECTION. Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts required by Title 28A RCW provided in statute, are not within the program of basic education.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act.

NEW SECTION. Sec. 517. Pursuant to House Bill No. 1131 (regarding student achievement fund allocations), per-student allocation distributions for school years 2011-12 and 2012-13 are suspended.

(End of part)

**PART VI
HIGHER EDUCATION**

NEW SECTION. Sec. 601. The appropriations in sections 605 through 611 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 605 through 611 of this act.

(2) The legislature, the office of financial management, and other state agencies need consistent and accurate personnel data from institutions of higher education for policy planning purposes. Institutions of higher education shall report personnel data to the department of personnel for inclusion in the department's data warehouse. Uniform reporting procedures shall be established by the department of personnel for use by the reporting institutions, including provisions for common job classifications and common definitions of full-time equivalent staff. Annual contract amounts, number of contract months, and funding sources shall be consistently reported for employees under contract.

(3) In addition to waivers granted under the authority of RCW 28B.15.910, the governing boards and the state board may waive all or a portion of operating fees for any student. State general fund appropriations shall not be provided to replace tuition and fee revenue foregone as a result of waivers granted under this subsection.

(4) The institutions of higher education receiving state appropriations under sections 605 through 611 of this act shall allot anticipated state and tuition expenditures by budget program and fiscal year.

(5) To the extent permitted by the applicable personnel system rules, and to the extent collectively bargained with represented employees, institutions of higher education are encouraged to achieve the reductions in full-time-equivalent employment and payroll levels necessary to operate within this budget through strategies that will minimize impacts on employees, their families, their communities, and short- and longer-term accomplishment of institutional mission. Institutions are encouraged to utilize strategies such as reduced work-hours per day or week, voluntary leave without pay, and temporary furloughs that enable employees to maintain permanent employment status. Institutions are further encouraged to implement such strategies in ways that will enable employees to maintain full insurance benefits, full retirement service credit, and a living wage.

(6)(a) For institutions receiving appropriations in section 605 of this act the only allowable salary increases provided are those with normally occurring promotions and increases related to faculty and staff retention. In fiscal year 2012 and fiscal year 2013, the state board for community and technical colleges may use salary and benefit savings from faculty turnover to provide salary increments and associated benefits for faculty who qualify through professional development and training.

(b) For employees under the jurisdiction of chapter 41.56 RCW, salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated.

(c) For each institution of higher education receiving appropriations under sections 606 through 611 of this act:

(i) The only allowable salary increases are those associated with normally occurring promotions and increases related to faculty and staff retention; and

(ii) Institutions may provide salary increases from other sources to instructional and research faculty at the universities and The Evergreen State College, exempt professional staff, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015. Any salary increase granted under the authority of this subsection (6)(c)(ii) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that state general fund support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (6)(c)(ii).

NEW SECTION. Sec. 602. (1) Within the funds appropriated in this act, each institution of higher education is expected to enroll and educate at least the following numbers of full-time equivalent state-supported students per academic year:

	2011-12 Annual Average	2012-13 Annual Average
University of Washington	37,162	37,162
Washington State University	22,228	22,228
Central Washington University	8,808	8,808
Eastern Washington University	8,734	8,734
The Evergreen State College	4,213	4,213
Western Washington University	11,762	11,762
State Board for Community & Technical Colleges		

Adult	139,237	139,237
Students		
Running	11,558	11,558
Start Students		

(2) In achieving or exceeding these enrollment targets, each institution shall seek to:

- (a) Maintain and to the extent possible increase enrollment opportunities at branch campuses;
- (b) Maintain and to the extent possible increase enrollment opportunities at university centers and other partnership programs that enable students to earn baccalaureate degrees on community college campuses; and
- (c) Eliminate and consolidate programs of study for which there is limited student or employer demand, or that are not areas of core academic strength for the institution, particularly when such programs duplicate offerings by other in-state institutions.

(3) For purposes of monitoring and reporting statewide enrollment, the University of Washington and Washington State University shall notify the office of financial management of the number of full-time student equivalent enrollments budgeted for each of their campuses.

NEW SECTION. Sec. 603. PUBLIC BACCALAUREATE INSTITUTIONS

(1) For the purposes of chapter 28B.15 RCW, the omnibus appropriations act assumes increases of tuition levels for resident undergraduate students over the amounts charged to resident undergraduate students for the prior year, as follows:

University of Washington	16%
Washington State University	16%
Central Washington University	14%
Eastern Washington University	11%
The Evergreen State College	14%
Western Washington University	16%

(2) The governing boards of the state research universities, the state regional universities, and The Evergreen State College may exceed the tuition levels assumed in subsection (1) of this section. However, to the extent that tuition levels exceed the tuition levels assumed in subsection (1) of this section, the institution shall be subject to the conditions and limitations provided in chapter 28B.15 RCW as amended by Engrossed Second Substitute House Bill No. 1795 (higher education opportunity act). In order to facilitate the full implementation of Engrossed Second Substitute House Bill No. 1795 for the 2011-12 academic year and thereafter, the institutions of higher education are authorized to adopt tuition levels that are less than, equal to, or greater than the tuition levels assumed in subsection (1) of this section.

(3) Each governing board is authorized to increase tuition charges to graduate and professional students, and to nonresident undergraduate students, by amounts judged reasonable and necessary by the governing board.

(4) Each governing board is authorized to increase summer quarter or semester tuition fees for resident and nonresident undergraduate, graduate, and professional students pursuant to RCW 28B.15.067.

(5) Each governing board is authorized to adopt or increase charges for fee-based, self-sustaining degree programs, credit courses, noncredit workshops and courses, and special contract courses by amounts judged reasonable and necessary by the governing board.

(6) Each governing board is authorized to adopt or increase services and activities fees for all categories of students as provided in RCW 28B.15.069.

(7) Each governing board is authorized to adopt or increase technology fees as provided in RCW 28B.15.069.

(8) Each governing board is authorized to adopt or increase special course and lab fees, and health and counseling fees, to the extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(9) Each governing board is authorized to adopt or increase administrative fees such as, but not limited to, those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the governing board.

(10) The state universities, the regional universities, and The Evergreen State College must accept the transfer of college-level courses taken by running start students if a student seeking a transfer of the college-level courses has been admitted to the state university, the regional university, or The Evergreen State College, and if the college-level courses are recognized as transferrable by the admitting institution of higher education.

NEW SECTION. Sec. 604. STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

In order to operate within the state funds appropriated in this act, the state board for community and technical colleges and the trustees of the state's community and technical colleges are authorized to adopt and adjust tuition and fees for the 2011-12 and 2012-13 academic years as provided in this section:

(1) The state board may increase the tuition fees charged to resident undergraduate students by no more than twelve percent over the amounts charged to resident undergraduates during the prior academic year. The board may increase tuition fees under this subsection differentially based on student credit hour load, provided that the overall increase in average tuition revenue per student does not exceed ten percent each year.

(2) The state board may increase the tuition fees charged to resident undergraduates enrolled in upper division applied baccalaureate programs by no more than twelve percent over the amounts charged during the prior academic year.

(3) The state board may increase the tuition fees charged to nonresident students by amounts judged reasonable and necessary by the board.

(4) The trustees of the technical colleges are authorized to either (a) increase operating fees by no more than the percentage increases authorized for community colleges by the state board; or (b) fully adopt the tuition fee charge schedule adopted by the state board for community colleges.

(5) For academic years 2011-2012 and 2012-2013, the trustees of the technical colleges are authorized to increase building fees by an amount judged reasonable in order to progress toward parity with the building fees charged students attending the community colleges.

(6) The state board is authorized to increase the maximum allowable services and activities fee as provided in RCW 28B.15.069. The trustees of the community and technical colleges are authorized to increase services and activities fees up to the maximum level authorized by the state board.

(7) The trustees of the community and technical colleges are authorized to adopt or increase charges for fee-based, self-sustaining programs such as summer session, international student contracts, and special contract courses by amounts judged reasonable and necessary by the trustees.

(8) The trustees of the community and technical colleges are authorized to adopt or increase special course and lab fees to the

extent necessary to cover the reasonable and necessary exceptional cost of the course or service.

(9) The trustees of the community and technical colleges are authorized to adopt or increase administrative fees such as but not limited to those charged for application, matriculation, special testing, and transcripts by amounts judged reasonable and necessary by the trustees.

NEW SECTION. Sec. 605. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2012)	\$566,834,000
General Fund--State Appropriation (FY 2013)	\$492,519,000
Community/Technical College Capital Projects	
Account--State Appropriation	\$8,037,000
Education Legacy Trust Account--State Appropriation	\$95,370,000
TOTAL APPROPRIATION	\$1,162,760,000

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

(1) \$28,761,000 of the general fund--state appropriation for fiscal year 2012 and \$28,761,000 of the general fund--state appropriation for fiscal year 2013 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 6,200 full-time equivalent students in fiscal year 2012 and at least 6,200 full-time equivalent students in fiscal year 2013.

(2) \$2,725,000 of the general fund--state appropriation for fiscal year 2012 and \$2,725,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) The state board for community and technical colleges shall achieve \$2,000,000 in general fund savings in fiscal year 2012 and \$5,500,000 in general fund savings in fiscal year 2013 from various efficiencies implemented in the community and technical college system including consolidation of college districts; consolidation of administrative and governance functions including, but not limited to, human resources, budget and accounting services, and president's offices; consolidation of student service functions including, but not limited to, financial aid services, student advising, and libraries; and other administrative efficiencies including, but not limited to, greater use of telephone and videoconferencing and reduced travel costs. A report explaining the methods used to achieve the savings required is due to the fiscal committees of the legislature by December 31, 2013.

(4) \$4,500,000 of the general fund--state appropriation for fiscal year 2012 and \$4,500,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for worker retraining.

(5) Of the amounts appropriated in this section, \$5,000,000 is provided solely for the student achievement initiative.

(6) When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges shall minimize impact on academic programs, maximize reductions in administration, and shall at least maintain, and endeavor to increase, enrollment opportunities and degree and certificate production in high employer-demand fields of study at their academic year 2008-09 levels.

(7) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct

individuals to online information and other ways of acquiring print catalogs.

(8) Bellevue college is authorized to offer applied baccalaureate degrees in information technology, health care services and management, biotechnology, and preprofessional preparation for medical fields. These degrees shall be directed at high school graduates and transfer- oriented degree and professional and technical degree holders. In fiscal year 2012, Bellevue college will develop a two-year plan for offering these new degrees. The plan will assume funding for these new degrees shall come through redistribution of its current per full-time enrollment funding. The plan shall be delivered to the legislature by June 30, 2012.

(9) The Seattle community college district is authorized to offer applied baccalaureate degree programs in business/international business and technology management, interactive and artistic digital media, sustainability, building science technology, and allied and global health. These degrees shall be directed at high school graduates and professional and technical degree holders. In fiscal year 2012, Seattle community colleges shall develop a two-year plan for offering these new degrees. The plan will assume that funding for these new degrees comes through redistribution of its current per full-time enrollment funding. The plan shall be delivered to the legislature by June 30, 2012.

NEW SECTION. Sec. 606. FOR THE UNIVERSITY OF WASHINGTON

General Fund--State Appropriation (FY 2012)	\$201,471,000
General Fund--State Appropriation (FY 2013)	\$206,523,000
Education Legacy Trust Account--State Appropriation	\$18,579,000
University of Washington Building Account--State Appropriation	\$239,000
Biotoxin Account--State Appropriation	\$450,000
Accident Account--State Appropriation	\$6,699,000
Medical Aid Account--State Appropriation	\$6,502,000
TOTAL APPROPRIATION	\$440,463,000

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other noninstructional activities.

(2) \$150,000 of the general fund--state appropriation for fiscal year 2012 and \$150,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the development of integrated medical curriculum for the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical education program in Spokane and eastern Washington. Funding is contingent on appropriations being provided to Washington State University for WWAMI program expansion in Spokane and eastern Washington.

(3) \$52,000 of the general fund--state appropriation for fiscal year 2012 and \$52,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the center for international trade in forest products in the college of forest resources.

(4) \$88,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5485 (state's natural resources). If the bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(5) \$143,000 of the general fund--state appropriation for fiscal year 2012 and \$144,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the ongoing management of the Washington park arboretum.

NEW SECTION. Sec. 607. FOR WASHINGTON STATE UNIVERSITY

General Fund--State Appropriation (FY 2012)	\$134,912,000
General Fund--State Appropriation (FY 2013)	\$135,389,000
Washington State University Building Account--State Appropriation	\$5,364,000
Education Legacy Trust Account--State Appropriation	\$33,065,000
TOTAL APPROPRIATION	\$308,730,000

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

(1) In implementing the appropriations in this section, the president and regents shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other noninstructional activities.

(2) Within available funds, Washington State University shall serve an additional cohort of fifteen full-time equivalent students in the mechanical engineering program located at Olympic College.

(3) \$300,000 of the general fund--state appropriation for fiscal year 2012 and \$300,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the expansion of health sciences capacity through the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical education program in Spokane and eastern Washington. Funding is contingent on appropriations being provided to the University of Washington for integrated medical curriculum development for WWAMI.

NEW SECTION. Sec. 608. FOR EASTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2012)	\$26,281,000
General Fund--State Appropriation (FY 2013)	\$26,589,000
Education Legacy Trust Account--State Appropriation	\$16,087,000
TOTAL APPROPRIATION	\$68,957,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other noninstructional activities.

(2) At least \$200,000 of the general fund--state appropriation for fiscal year 2012 and at least \$200,000 of the general fund--state appropriation for fiscal year 2013 shall be expended on the northwest autism center.

NEW SECTION. Sec. 609. FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2012)	\$22,492,000
General Fund--State Appropriation (FY 2013)	\$22,573,000
Education Legacy Trust Account--State Appropriation	\$19,076,000
TOTAL APPROPRIATION	\$64,141,000

The appropriations in this section are subject to the following conditions and limitations: In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other noninstructional activities.

NEW SECTION. Sec. 610. FOR THE EVERGREEN STATE COLLEGE

General Fund--State Appropriation (FY 2012)	\$15,698,000
General Fund--State Appropriation (FY 2013)	\$15,366,000
Education Legacy Trust Account--State Appropriation	\$5,450,000
TOTAL APPROPRIATION	\$36,514,000

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

(1) In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other noninstructional activities.

(2) \$50,000 of the general fund--state appropriation for fiscal year 2012 and \$25,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington state institute for public policy to conduct a detailed study of the commitment of sexually violent predators to the special commitment center pursuant to chapter 71.09 RCW and the subsequent release of those persons to less-restrictive alternatives.

(a) Specifically, the institute's study shall examine:

(i) The projected future demand for the special commitment center, including profiles and characteristics of persons referred and committed to the special commitment center since its inception, whether the profiles of those persons have changed over time, and, given current trends, the likelihood of the continuing rate of referral;

(ii) Residents' participation in treatment over time and the impact of treatment on eventual release to a less-restrictive alternative;

(iii) The annual review process and the process for a committed person to petition for conditional or unconditional release, specifically:

(A) The time frames for conducting mandatory reviews;

(B) The role of the special commitment center clinical team;

(C) Options and standards utilized by other jurisdictions or similar processes to conduct periodic reviews, including specialized courts, parole boards, independent review boards, and other commitment proceedings;

(iv) The capacity and future demand for appropriate less restrictive alternatives for moving residents out of the special commitment center, including:

(A) The capacity and demand for secure community transition facilities;

(B) Options for specialized populations such as the elderly or those with developmental disabilities and whether more cost-efficient options might be used to house those populations while keeping the public safe;

(C) Prospects for moving residents to noninstitutionalized settings beyond a secure community transition facility.

(b) The department of social and health services shall cooperate with the institute in conducting its examination and must provide the institute with requested data and records in a timely manner.

(c) The institute shall provide a status report to the governor and the legislature no later than November 1, 2011, with a final report due no later than November 1, 2012.

(3) \$91,000 of the general fund--state appropriation for fiscal year 2012 and \$54,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the Washington state institute for public policy to design and implement a research study to measure the impact on student achievement of remediation strategies funded by the learning assistance program pursuant to Engrossed Second Substitute House Bill No. 1443 (education reforms). If the bill is not enacted by June 30, 2011, the amounts provided in this subsection shall lapse.

(4) \$50,000 of the general fund--state appropriation for fiscal year 2012 and \$50,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for the institute for public policy to provide research support to the council on quality education.

(5) To the extent federal or private funding is available for this purpose, the Washington state institute for public policy and the center for reinventing public education at the University of Washington shall examine the relationship between participation in pension systems and teacher quality and mobility patterns in the state. The department of retirement systems shall facilitate researchers'

access to necessary individual-level data necessary to effectively conduct the study. The researchers shall ensure that no individually identifiable information will be disclosed at any time. An interim report on project findings shall be completed by November 15, 2010, and a final report shall be submitted to the governor and to the relevant committees of the legislature by October 15, 2011.

(6) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(7) If, and to the extent that private funding is available for this purpose, the Washington state institute for public policy shall study and report on the child welfare and educational characteristics and outcomes for foster youth who are served by educational advocates. The department of social and health services and the office of the superintendent of public instruction shall facilitate researchers' access to data necessary to effectively complete the study. The institute shall submit an interim report with baseline characteristics of youth served by educational advocates by December 2011 and a final report by October 31, 2012, to the governor and to the appropriate committees of the legislature.

(8) \$75,000 of the general fund--state appropriation for fiscal year 2012 is provided to the Washington state institute for public policy (WSIPP) to conduct a review of state investments in the family caregiver and support program. Funding for this program is provided by assumed savings from diverting seniors from entering into long-term care medicaid placements by supporting informal caregivers. WSIPP shall work with the department of social and health services to establish and review outcome data for this investment. A preliminary report on the outcomes of the investment into this program is due to the appropriate legislative committees by December 15, 2011, and a final report is due to the appropriate legislative committees by August 30, 2012.

(9) \$25,000 of the general fund--state appropriation is provided solely for the Washington state institute for public policy to investigate the fiscal and other costs and benefits to state and local governments, and to the people of Washington, arising from the implementation of current state controlled substance policies in Washington, excluding alcohol, tobacco, and pharmaceuticals. A report is due to the legislature by December 1, 2012. The institute may receive funds from outside sources for the purpose of conducting this study. If these funds are not obtained, then the study shall not be undertaken.

NEW SECTION. Sec. 611. FOR WESTERN WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2012)	\$33,709,000
General Fund--State Appropriation (FY 2013)	\$33,654,000
Education Legacy Trust Account--State Appropriation	\$13,266,000
TOTAL APPROPRIATION	\$80,629,000

The appropriations in this section are subject to the following conditions and limitations: In implementing the appropriations in this section, the president and governing board shall seek to minimize impacts on student services and instructional programs by maximizing reductions in administration and other noninstructional activities.

NEW SECTION. Sec. 612. FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION

General Fund--State Appropriation (FY 2012)	\$1,041,000
General Fund--Federal Appropriation	\$1,976,000
TOTAL APPROPRIATION	\$3,017,000

The appropriations in this section are subject to the following conditions and limitations: The higher education coordinating board is authorized to increase or establish fees for initial degree

authorization, degree authorization renewal, degree authorization reapplication, new program applications, and new site applications pursuant to RCW 28B.85.060.

NEW SECTION. Sec. 613. FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT PROGRAMS

General Fund--State Appropriation (FY 2012)	\$215,439,000
General Fund--Federal Appropriation	\$6,570,000
Opportunity Pathways Account--State Appropriation	\$73,500,000
TOTAL APPROPRIATION	\$295,509,000

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

(1) \$196,214,000 of the general fund--state appropriation for fiscal year 2012, \$73,500,000 of the opportunity pathways account--state appropriation, and \$740,000 of the general fund--federal appropriation are provided solely for student financial aid payments under the state need grant and the state work study program including up to a four percent administrative allowance for the state work study program.

(2)(a) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. The higher education coordinating board shall report to the legislature by December 1, 2013, regarding the number of students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits, and their academic progress including degree completion. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(b) Grant awards for students at private four-year colleges shall be set at the same level as the student would receive if attending one of the public regional universities.

(3) For fiscal year 2012, the board shall defer loan or conditional scholarship repayments to the future teachers conditional scholarship and loan repayment program for up to one year for each participant if the participant has shown evidence of efforts to find a teaching job but has been unable to secure a teaching job per the requirements of the program.

(4) \$1,500,000 of the education legacy trust account--state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.

(5) \$500,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the leadership 1000 program.

(6) \$2,436,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the passport to college program. The maximum scholarship award shall be \$5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract provide a minimum of \$500,000 in fiscal year 2012.

(7) \$250,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for implementation of the aerospace training scholarship and student loan program as specified in Engrossed Substitute House Bill No. 1846 (aerospace student loans).

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

NEW SECTION. Sec. 614. FOR THE COUNCIL FOR HIGHER EDUCATION

General Fund--State Appropriation (FY 2013)	\$997,000
General Fund--Federal Appropriation	\$2,377,000
TOTAL APPROPRIATION	\$3,374,000

The appropriations in this section are subject to the following conditions and limitations: The council for higher education is authorized to increase or establish fees for initial degree authorization, degree authorization renewal, degree authorization reapplication, new program applications, and new site applications pursuant to RCW 28B.85.060.

NEW SECTION. Sec. 615. FOR THE OFFICE OF STUDENT FINANCIAL ASSISTANCE

General Fund--State Appropriation (FY 2013)	\$250,432,000
General Fund--Federal Appropriation	\$6,557,000
Washington Opportunity Pathways Account--State Appropriation	\$73,500,000
TOTAL APPROPRIATION	\$330,489,000

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

(1) \$230,889,000 of the general fund--state appropriation for fiscal year 2013, \$73,500,000 of the opportunity pathways account--state appropriation, and \$740,000 of the general fund--federal appropriation are provided solely for student financial aid payments under the state need grant and the state work study program including up to a four percent administrative allowance for the state work study program.

(2) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. The office of student financial assistance shall report to the legislature by December 1, 2013, regarding the number of students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits, and their academic progress including degree completion. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(3) \$250,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for implementation of the aerospace training scholarship and student loan program as specified in Engrossed Substitute House Bill No. 1846 (aerospace student loans). If this bill is not enacted by June 30, 2011, the amount provided in this subsection shall lapse.

(4) For fiscal year 2013, the board shall defer loan or conditional scholarship repayments to the future teachers conditional scholarship and loan repayment program for up to one year for each participant if the participant has shown evidence of efforts to find a teaching job but has been unable to secure a teaching job per the requirements of the program.

(5) \$1,000,000 of the education legacy trust account--state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.

(6) \$500,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the leadership 1000 program.

(7) \$2,436,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the passport to college program. The maximum scholarship award shall be \$5,000. The board shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract provide a minimum of \$500,000 in fiscal year 2013 for this purpose.

NEW SECTION. Sec. 616. FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2012)	\$1,382,000
General Fund--State Appropriation (FY 2013)	\$1,388,000
General Fund--Federal Appropriation	\$62,758,000
TOTAL APPROPRIATION	\$65,528,000

The appropriations in this section are subject to the following conditions and limitations: For the 2011-2013 fiscal biennium the board shall not designate recipients of the Washington award for vocational excellence or recognize them at award ceremonies as provided in RCW 28C.04.535.

NEW SECTION. Sec. 617. FOR THE DEPARTMENT OF EARLY LEARNING

General Fund--State Appropriation (FY 2012)	\$27,570,000
General Fund--State Appropriation (FY 2013)	\$27,557,000
General Fund--Federal Appropriation	\$253,530,000
Opportunity Pathways Account--State Appropriation	\$80,000,000
TOTAL APPROPRIATION	\$388,657,000

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

(1) \$16,028,000 of the general fund--state appropriation for fiscal year 2012, \$16,028,000 of the general fund--state appropriation of fiscal year 2013, \$80,000,000 of the opportunity pathways account appropriation, and \$2,256,000 of the general fund--federal appropriation are provided solely for the early childhood education assistance program services. Of these amounts, \$10,284,000 is a portion of the biennial amount of state maintenance of effort dollars required to receive federal child care and development fund grant dollars.

(2) In accordance to RCW 43.215.255(2) and 43.135.055, the department is authorized to increase child care center and child care family home licensure fees in fiscal years 2012 and 2013 for costs to the department for the licensure activity, including costs of necessary inspection. These increases are necessary to support expenditures authorized in this section.

(3) \$638,000 of the general fund--state appropriation for fiscal year 2012 and \$638,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for child care resource and referral network services.

(4) \$200,000 of the general fund--state appropriation for fiscal year 2012 and \$200,000 of the general fund--state appropriation for fiscal year 2013 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(5) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(6) The appropriations in this section reflect reductions in the appropriations for the department's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the

greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

(7) The department may not adopt, enforce, or implement any rules or policies restricting the eligibility of consumers for the child care subsidy benefits to a countable income below one hundred seventy-five percent of the federal poverty guidelines.

(8) \$934,000 of the general fund--state appropriation for fiscal year 2012, \$934,000 of the general fund--state appropriation for fiscal year 2013, and \$2,400,000 of the general fund--federal appropriation are provided solely for expenditure into the home visiting services account. This funding is intended to meet federal maintenance of effort requirements and to secure private matching funds.

(9) In addition to groups that were given prioritized access to the working connections child care program effective March 1, 2011, the department shall also give prioritized access into the program to families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center.

(10) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report quarterly enrollments and active caseload for the working connections child care program to the legislative fiscal committees. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care.

(11) The department is encouraged to work with the legislative-executive task force established in Engrossed Substitute Senate Bill No. 5921 (social services programs) to implement a working child care copayment structure that gradually increases copayments based on income, household size, and other factors. The copayment structure should not lead to an excessive administrative burden for providers, parents or the state, and is revenue neutral to the state.

(12) \$2,522,000 of the general fund--state appropriation for fiscal year 2012, \$2,522,000 of the general fund--state appropriation for fiscal year 2013, and \$4,304,000 of the general fund--federal appropriation are provided solely for the medicaid treatment child care (MTCC) program. The department shall contract for MTCC services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration. In addition to referrals made by children's administration, the department shall authorize services for children referred to the MTCC program, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC program. Of the amounts appropriated in this subsection, \$60,000 per fiscal year may be used by the department for administering the MTCC program, if needed.

NEW SECTION. Sec. 618. FOR THE STATE SCHOOL FOR THE BLIND

General Fund--State Appropriation (FY 2012)	\$5,780,000
General Fund--State Appropriation (FY 2013)	\$5,746,000
General Fund--Private/Local Appropriation	\$1,961,000
TOTAL APPROPRIATION	\$13,487,000

The appropriations in this section are subject to the following conditions and limitations: \$271,000 of the general fund--private/local appropriation is provided solely for the school for the blind to offer short course programs, allowing students the opportunity to leave their home schools for short periods and receive intensive training. The school for the blind shall provide this service to the extent that it is funded by contracts with school districts and educational services districts.

NEW SECTION. Sec. 619. FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

General Fund--State Appropriation (FY 2012)	\$8,451,000
General Fund--State Appropriation (FY 2013)	\$8,449,000
General Fund--Private/Local Appropriation	\$526,000
TOTAL APPROPRIATION	\$17,426,000

NEW SECTION. Sec. 620. FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund--Federal Appropriation	\$1,961,000
General Fund--Private/Local Appropriation	\$1,056,000
Washington State Heritage Center Account--State Appropriation	\$2,213,000
TOTAL APPROPRIATION	\$5,230,000

NEW SECTION. Sec. 621. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Washington State Heritage Center Account--State Appropriation	\$4,249,000
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NEW SECTION. Sec. 622. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

Washington State Heritage Center Account--State Appropriation	\$2,965,000
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(End of part)

PART VII

SPECIAL APPROPRIATIONS

NEW SECTION. Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2012)	\$924,047,000
General Fund--State Appropriation (FY 2013)	\$981,486,000

State Building Construction Account--State Appropriation	\$1,589,000
Columbia River Basin Water Supply Development Account--State Appropriation	\$73,000
Hood Canal Aquatic Rehabilitation Bond Account--State Appropriation	\$6,000
State Taxable Building Construction Account--State Appropriation	\$345,000
Gardner-Evans Higher Education Construction Account--State Appropriation	\$1,000
Debt-Limit Reimbursable Bond Retire Account--State Appropriation	\$2,300,000
TOTAL APPROPRIATION	\$1,909,847,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2012 shall be expended into the debt-limit general fund bond retirement account by June 30, 2012.

NEW SECTION. Sec. 702. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

Accident Account--State Appropriation	\$4,110,000
Medical Aid Account--State Appropriation	\$4,110,000
TOTAL APPROPRIATION	\$8,220,000

NEW SECTION. Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER

CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund--State Appropriation (FY 2012)	\$27,516,000
General Fund--State Appropriation (FY 2013)	\$30,758,000
Nondebt-Limit Reimbursable Bond Retirement	
Account--State Appropriation	\$140,417,000
TOTAL APPROPRIATION	\$198,691,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2012 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2012.

NEW SECTION. Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund--State Appropriation (FY 2012)	\$1,357,000
General Fund--State Appropriation (FY 2013)	\$1,357,000
State Building Construction Account--State Appropriation	\$1,273,000
Columbia River Basin Water Supply Development	
Account--State Appropriation	\$12,000
Hood Canal Aquatic Rehabilitation Bond Account--State Appropriation	\$1,000
State Taxable Building Construction Account--State Appropriation	\$55,000
Gardner-Evans Higher Education Construction	
Account--State Appropriation	\$1,000
TOTAL APPROPRIATION	\$4,056,000

NEW SECTION. Sec. 705. FOR THE OFFICE OF FINANCIAL MANAGEMENT-- FIRE CONTINGENCY

General Fund--State Appropriation (FY 2012)	\$4,000,000
General Fund--State Appropriation (FY 2013)	\$4,000,000
TOTAL APPROPRIATION	\$8,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the disaster response account to be used for any Washington state fire service resource mobilization costs incurred by the Washington state patrol in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964.

NEW SECTION. Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT-- DISASTER RESPONSE ACCOUNT

General Fund--State Appropriation (FY 2012)	\$14,575,000
General Fund--State Appropriation (FY 2013)	\$75,000
TOTAL APPROPRIATION	\$14,650,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the disaster response account. \$5,000,000 of the appropriation is provided for emergency fire suppression by the department of natural resources.

NEW SECTION. Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT-- EMERGENCY FUND

General Fund--State Appropriation (FY 2012)	\$850,000
General Fund--State Appropriation (FY 2013)	\$850,000
TOTAL APPROPRIATION	\$1,700,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are for the governor's emergency fund for the critically necessary work of any agency.

NEW SECTION. Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT-- TECHNOLOGY REVOLVING ACCOUNT

General Fund--State Appropriation (FY 2012)	\$8,000,000
General Fund--State Appropriation (FY 2013)	\$8,000,000
TOTAL APPROPRIATION	\$16,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the education technology revolving account for the purpose of covering ongoing operational and equipment replacement costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

NEW SECTION. Sec. 709. INCENTIVE SAVINGS--FY 2012

The sum of one hundred twenty-five million dollars or so much thereof as may be available on June 30, 2012, from the total amount of unspent fiscal year 2012 state general fund appropriations, exclusive of amounts expressly placed into unallotted status by this act, is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) The remainder of the total amount, not to exceed one hundred million dollars, is appropriated to the education savings account.

NEW SECTION. Sec. 710. INCENTIVE SAVINGS--FY 2013

The sum of one hundred twenty-five million dollars or so much thereof as may be available on June 30, 2013, from the total amount of unspent fiscal year 2013 state general fund appropriations, exclusive of amounts expressly placed into unallotted status by this act, is appropriated for the purposes of RCW 43.79.460 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) The remainder of the total amount, not to exceed one hundred million dollars, is appropriated to the education savings account.

NEW SECTION. Sec. 711. FOR THE OFFICE OF FINANCIAL MANAGEMENT-- O'BRIEN BUILDING IMPROVEMENT

General Fund--State Appropriation (FY 2012)	\$2,846,000
General Fund--State Appropriation (FY 2013)	\$2,950,000
TOTAL APPROPRIATION	\$5,796,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the general administration services account for payment of principal, interest, and financing expenses associated with the certificate of participation for the O'Brien building improvement, project number 20081007.

NEW SECTION. Sec. 712. FOR THE DEPARTMENT OF HEALTH--COUNTY PUBLIC HEALTH ASSISTANCE

General Fund--State Appropriation (FY 2012)	\$24,000,000
General Fund--State Appropriation (FY 2013)	\$24,000,000
TOTAL APPROPRIATION	\$48,000,000

The appropriations in this section are subject to the following conditions and limitations: The director of the department of health shall distribute the appropriations to the following counties and health

districts in the amounts designated to support public health services, including public health nursing:

	FY 2012	FY 2013	FY 2011-13 Biennium				
				Snohomish Health District	\$2,258,207	\$2,258,207	\$4,516,414
				Spokane County Health District	\$2,101,429	\$2,101,429	\$4,202,858
Health District				Northeast Tri-County Health District	\$110,454	\$110,454	\$220,908
Adams County Health District	\$30,951	\$30,951	\$61,902	Thurston County Health Department	\$600,419	\$600,419	\$1,200,838
Asotin County Health District	\$67,714	\$67,714	\$135,428	Wahkiakum County Health Department	\$13,773	\$13,772	\$27,545
Benton-Franklin Health District	\$1,165,612	\$1,165,612	\$2,331,224	Walla Walla County-City Health Department	\$172,062	\$172,062	\$344,124
Chelan-Douglas Health District	\$184,761	\$184,761	\$369,522	Whatcom County Health Department	\$855,863	\$855,863	\$1,711,726
Clallam County Health and Human Services Department	\$141,752	\$141,752	\$283,504	Whitman County Health Department	\$78,733	\$78,733	\$157,466
Clark County Health District	\$1,057,792	\$1,057,792	\$2,115,594	Yakima Health District	\$623,797	\$623,797	\$1,247,594
Skamania County Health Department	\$26,681	\$26,681	\$53,362	TOTAL	\$24,000,000	\$24,000,000	\$48,000,000
Columbia County Health District	\$40,529	\$40,529	\$81,058	APPROPRIATIONS			
Cowlitz County Health Department	\$278,560	\$278,560	\$557,120	NEW SECTION. Sec. 713. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO RETIREMENT SYSTEMS			
Garfield County Health District	\$15,028	\$15,028	\$30,056	The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis beginning July 1, 2011, consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.			
Grant County Health District	\$118,595	\$118,596	\$237,191	(1) There is appropriated for state contributions to the law enforcement officers' and firefighters' retirement system:			
Grays Harbor Health Department	\$183,870	\$183,870	\$367,740	General Fund--State Appropriation (FY 2012)		\$54,547,000	
Island County Health Department	\$91,892	\$91,892	\$183,784	General Fund--State Appropriation (FY 2013)		\$56,729,000	
Jefferson County Health and Human Services	\$85,782	\$85,782	\$171,564	TOTAL APPROPRIATION		\$111,276,000	
Seattle-King County Department of Public Health	\$9,531,747	\$9,531,747	\$19,063,494	(2) There is appropriated for contributions to the judicial retirement system:			
Bremerton-Kitsap County Health District	\$554,669	\$554,669	\$1,109,338	General Fund--State Appropriation (FY 2012)		\$9,100,000	
Kittitas County Health Department	\$92,499	\$92,499	\$184,998	General Fund--State Appropriation (FY 2013)		\$13,100,000	
Klickitat County Health Department	\$62,402	\$62,402	\$124,804	TOTAL APPROPRIATION		\$22,200,000	
Lewis County Health Department	\$105,801	\$105,801	\$211,602	NEW SECTION. Sec. 714. BELATED CLAIMS			
Lincoln County Health Department	\$29,705	\$29,705	\$59,410	The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.			
Mason County Department of Health Services	\$95,988	\$95,988	\$191,976	NEW SECTION. Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT-- EXTRAORDINARY CRIMINAL JUSTICE COSTS			
Okanogan County Health District	\$63,458	\$63,458	\$126,916	General Fund--State Appropriation (FY 2012)		\$591,000	
Pacific County Health Department	\$77,427	\$77,427	\$154,854	The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute \$338,000 to Franklin county, \$128,000 to Jefferson county, and \$125,000 to Okanogan county for extraordinary criminal justice costs.			
Tacoma-Pierce County Health Department	\$2,820,590	\$2,820,590	\$5,641,180	NEW SECTION. Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT-- AGENCY REALLOCATION AND REALIGNMENT COMMISSION			
San Juan County Health and Community Services	\$37,531	\$37,531	\$75,062	General Fund--State Appropriation (FY 2012)		\$100,000	
Skagit County Health Department	\$223,927	\$223,927	\$447,854	The appropriation in this section is subject to the following conditions and limitations:			

(1) The agency reallocation and realignment of Washington (ARROW) commission on restructuring state government is established, with members as provided in this section.

(a) The governor, the president of the senate, and the speaker of the house of representatives shall each appoint two members to the commission, each of whom shall have broad statewide policy and fiscal experience. Each appointing authority shall appoint a member to replace any member who resigns.

(b) The commission shall choose its chair from among its membership or may select a representative of the administering higher education institution as chair. The president of the senate and the speaker of the house, or their mutually selected designee, shall convene the initial meeting of the commission and shall preside until a chair is chosen.

(2) The commission shall:

(a) Review budget, revenue, and caseload forecasts and estimates over the ensuing six-year period;

(b) Examine current operations and organization of state government, assuming no expansion of current funding sources; and

(c) Evaluate operational and organizational restructuring possibilities to find cost savings and efficiencies in order to maintain or enhance governmental functions with fewer resources.

(3) The commission may make proposals to:

(a) Adopt methods and procedures for reducing expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(b) Eliminate duplication and overlapping of services, activities, and functions, and time-consuming or wasteful practices;

(c) Consolidate services, activities, and functions of a similar nature;

(d) Abolish services, activities, and functions to improve the efficient operation of government;

(e) Eliminate state departments and agencies, create new state departments and agencies, reorganize existing state departments and agencies, and transfer functions and responsibilities among state departments and agencies;

(f) Define or redefine the duties and responsibilities of state officers; and

(g) Revise present provisions for continuing appropriations of state funds of whatever kind for whatever purpose, eliminate any such existing provisions, or adopt new provisions.

(4) Staffing and administrative support to the commission shall be provided by a university or college that volunteers to do so.

(5) Commissioners are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060 from funds appropriated to the commission.

(6) The expenses of the commission shall be paid out of funds appropriated to the commission, funds made available by the university or college administering the commission, and gifts, grants, and donations.

(7) The commission shall report its findings and recommendations, including proposed legislation, to the appropriate committees of the legislature. Recommendations may be in bill form as proposed legislation, as appropriations or revenue proposals, revisions to administrative rules, or other appropriate formats.

(8) The office of the code reviser shall assist the commission with bill drafting as needed.

(9) This section expires June 30, 2012.

NEW SECTION. Sec. 717. FOR THE OFFICE OF FINANCIAL MANAGEMENT-- STATE EFFICIENCY AND RESTRUCTURING REPAYMENT

General Fund--State Appropriation (FY 2012)	\$5,487,000
General Fund--State Appropriation (FY 2013)	\$5,487,000
TOTAL APPROPRIATION	\$10,974,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the cleanup settlement account on July 1, 2011, and July 1, 2012, as repayment of moneys that were transferred to the state efficiency and restructuring account.

NEW SECTION. Sec. 718. A new section is added to 2011 c 367 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--

TRANSPORTATION EMPLOYEES-- RETIREMENT SYSTEM CONTRIBUTIONS

Dedicated Funds and Accounts Appropriation \$148,000

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

(1) The appropriation in this section is provided solely to increase agency and institution appropriations in accordance with the schedules in LEAP Transportation Document C-AFS dated May 22, 2011, which is hereby incorporated by reference. The office of financial management shall allocate the moneys appropriated in this section in the amounts specified and adjust appropriation schedules accordingly.

(2) The appropriation in this section reflects additional retirement system contributions resulting from House Bill No. 2070 (average final compensation). If the bill is not enacted by June 30, 2011, the amounts provided in this section shall lapse.

NEW SECTION. Sec. 719. A new section is added to 2011 c 367 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--

TRANSPORTATION EMPLOYEES-- RETIREMENT SYSTEM CONTRIBUTIONS

Dedicated Funds and Accounts Appropriation (\$64,000)

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

(1) The appropriation in this section is provided solely to reduce agency and institution appropriations in accordance with the schedules in LEAP Transportation Document C-RTA dated May 22, 2011, which is hereby incorporated by reference. The office of financial management shall allocate the moneys appropriated in this section in the amounts specified and adjust appropriation schedules accordingly.

(2) The appropriation in this section reflects reduced retirement system contributions resulting from Substitute Bill No. 1981 (higher education retirement plans and postretirement employment). If the bill is not enacted by June 30, 2011, this section shall not take effect.

NEW SECTION. Sec. 720. A new section is added to 2011 c 367 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--

TRANSPORTATION EMPLOYEE SALARY REDUCTIONS

Dedicated Funds and Accounts Appropriation (\$17,856,000)

The appropriation in this section is solely for the purposes designated in this section and is subject to the following conditions and limitations:

(1) The appropriation in this section is provided solely to reduce agency appropriations in the transportation appropriations act to reflect savings associated with a 3.0 percent salary reduction for state employees as provided in Substitute Senate Bill No. 5860 (state government employee compensation).

(2) The appropriation from dedicated funds and accounts shall be made in the amounts specified and from the dedicated funds and accounts specified in LEAP Transportation Document C-GLK dated May 22, 2011, which is hereby incorporated by reference. The office of financial management shall allocate the moneys appropriated in this section in the amounts specified and to the state agencies specified in LEAP Transportation Document C-GLK and adjust

appropriation schedules accordingly. The office of financial management shall make any further allotment adjustments necessary to reflect agency mergers or consolidations assumed in this act.

NEW SECTION. Sec. 721. A new section is added to 2011 c 367 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT--
TRANSPORTATION EMPLOYEES RETIREMENT SYSTEM
CONTRIBUTIONS**

Dedicated Funds and Accounts Appropriation (\$13,576,000)

The appropriation in this section is solely for the purposes designated in this section and is subject to the following conditions and limitations:

(1) The appropriation in this section is provided solely to reduce agency appropriations in the transportation appropriations act to reflect retirement system employer contribution rate changes. The appropriation from dedicated funds and accounts shall be made in the amounts specified and from the dedicated funds and accounts specified in LEAP Transportation Document C-GLU dated May 22, 2011, which is hereby incorporated by reference. The office of financial management shall allocate the moneys appropriated in this section in the amounts specified and to the state agencies specified in LEAP Transportation Document C-GLU and adjust appropriation schedules accordingly.

(2) The appropriation in this section reflect reduced retirement system contributions resulting from Senate Bill No. 5920 (limiting annual increase amounts). If the bill is not enacted by June 30, 2011, this section shall not take effect.

**NEW SECTION. Sec. 722. FOR THE OFFICE OF
FINANCIAL MANAGEMENT-- CENTRAL SERVICES
EFFICIENCIES**

The office of financial management shall work with the appropriate state agencies to generate savings of \$1,875,000 from the state general fund resulting from Senate Bill No. 5931 (state government). From appropriations in this act, the office of financial management shall reduce general fund--state allotments by \$1,875,000 for fiscal year 2013 to reflect savings resulting from Senate Bill No. 5931 (state government). The allotment reductions shall be placed in unallotted status and remain unexpended.

**NEW SECTION. Sec. 723. FOR THE OFFICE OF
FINANCIAL MANAGEMENT-- TRANSITIONAL HOUSING
OPERATING AND RENT ACCOUNT**

Home Security Fund--State Appropriation \$7,500,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the transitional housing operating and rent account.

**NEW SECTION. Sec. 724. COMPENSATION--RETIRED
SCHOOL EMPLOYEES-- INSURANCE BENEFITS**

General Fund--State Appropriation (FY 2012) \$1,332,000
General Fund--State Appropriation (FY 2013) \$1,332,000
TOTAL APPROPRIATION \$2,664,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for deposit into the public employees' and retirees' insurance account to offset the cost of providing monthly subsidies for retired teachers pursuant to Substitute Senate Bill No. 5846 (health benefit subsidies). If the bill is not enacted by June 30, 2011, the appropriations shall lapse.

**NEW SECTION. Sec. 725. FOR THE OFFICE OF
FINANCIAL MANAGEMENT-- INDUSTRIAL INSURANCE
SAVINGS**

From the appropriations in this act, the office of financial management shall reduce general fund--state allotments for fiscal year 2012 by \$3,014,000 and for fiscal year 2013 by \$3,015,000 to reflect

savings in the industrial insurance costs of state agencies resulting from the implementation of House Bill No. 2123 (workers' compensation system). The allotment reductions shall be placed in reserve status and remain unexpended. If the bill is not enacted by June 30, 2011, this section shall not take effect.

**NEW SECTION. Sec. 726. FOR THE OFFICE OF
FINANCIAL MANAGEMENT-- VEHICLE LICENSE FRAUD
ACCOUNT**

General Fund--State Appropriation (FY 2012) \$100,000
General Fund--State Appropriation (FY 2013) \$100,000
TOTAL APPROPRIATION \$200,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the vehicle license fraud account.
(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

**NEW SECTION. Sec. 801. FOR THE STATE
TREASURER--STATE REVENUES FOR DISTRIBUTION**

General Fund Appropriation for fire insurance premium distributions \$8,368,000
General Fund Appropriation for public utility district excise tax distributions \$49,418,000
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
County Criminal Justice Assistance Appropriation \$69,801,000
Municipal Criminal Justice Assistance Appropriation \$26,950,000
City-County Assistance Account Appropriation for local government financial assistance distribution \$16,589,000
Liquor Excise Tax Account Appropriation for liquor excise tax distribution \$52,152,000
Streamlined Sales and Use Tax Mitigation Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes \$49,635,000
Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation \$7,441,000
Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians \$4,748,000
Liquor Revolving Account Appropriation for liquor profits distribution \$69,318,000
TOTAL APPROPRIATION \$411,301,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 802. FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation \$2,501,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2011-2013 fiscal biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 803. FOR THE STATE TREASURER--MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation \$1,666,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2011-2013 biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 804. FOR THE STATE TREASURER--FEDERAL REVENUES FOR DISTRIBUTION

General Fund Appropriation for federal flood control funds distribution \$74,000
 General Fund Appropriation for federal grazing fees distribution \$2,430,000
 Forest Reserve Fund Appropriation for federal forest reserve fund distribution \$29,175,000
TOTAL APPROPRIATION \$31,679,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 805. FOR THE STATE TREASURER--TRANSFERS

State Treasurer's Service Account: For transfer to the state general fund, \$10,000,000 for fiscal year 2012 and \$15,000,000 for fiscal year 2013 \$25,000,000
 Waste Reduction, Recycling, and Litter Control Account: For transfer to the state general fund, \$3,500,000 for fiscal year 2012 and

\$3,500,000 for fiscal year 2013 \$7,000,000
 Aquatics Lands Enhancement Account: For transfer to the state general fund, \$3,500,000 for fiscal year 2012 and \$3,500,000 for fiscal year 2013 \$7,000,000
 Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account \$38,000,000
 Economic Development Strategic Reserve Account: For transfer to the state general fund, \$2,100,000 for fiscal year 2012 and \$2,100,000 for fiscal year 2013 \$4,200,000
 General Fund: For transfer to the streamlined sales and use tax account, \$24,846,000 for fiscal year 2012 and \$24,789,000 for fiscal year 2013 \$49,635,000
 Public Works Assistance Account: For transfer to the water pollution control revolving account, \$7,750,000 for fiscal year 2012 and \$7,750,000 for fiscal year 2013 \$15,500,000
 The Charitable, Educational, Penal, and Reformatory Institutions Account: For transfer to the state general fund, \$4,500,000 for fiscal year 2012 and \$4,500,000 for fiscal year 2013 \$9,000,000
 Thurston County Capital Facilities Account: For transfer to the state general fund, \$4,000,000 for fiscal year 2012 and \$4,000,000 for fiscal year 2013 \$8,000,000
 Public Works Assistance Account: For transfer to the drinking water assistance account, \$10,000,000 for fiscal year 2012 and \$5,000,000 for fiscal year 2013 \$15,000,000
 Liquor Control Board Construction and Maintenance Account: For transfer to the state general fund, \$500,000 for fiscal year 2012 and \$500,000 for fiscal year 2013 \$1,000,000
 Education Savings Account: For transfer to the state general fund, \$22,500,000 for fiscal year 2012 and \$22,500,000 for fiscal year 2013 \$45,000,000
 Department of Retirement Systems Expense Account: For transfer to the state general fund, \$250,000 for fiscal year 2012 and \$250,000 for fiscal year 2013 \$500,000
 Education Construction Account: For transfer to the state general fund, \$102,000,000 for fiscal year 2012 and \$102,000,000 for fiscal year 2013 \$204,000,000
 Public Works Assistance Account: For transfer to the state general fund, \$25,000,000 for fiscal year 2012 and \$25,000,000 for fiscal year 2013 \$50,000,000
 Foster Care Endowed Scholarship Trust Fund: For transfer to the state general fund, \$200,000 for fiscal year 2012 and \$200,000 for fiscal year 2013 \$400,000
 Affordable Housing For All Account: For transfer to the home security fund, \$1,000,000 for fiscal year 2012 and \$1,000,000 for fiscal year 2013 \$2,000,000
 Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed the actual amount of the annual base payment to the tobacco settlement account \$158,205,000
 Tobacco Settlement Account: For transfer to the basic health plan stabilization account from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2012 \$22,000,000
 Tobacco Settlement Account: For transfer to the basic health plan stabilization account from the amounts deposited in the account that are attributable to the annual strategic contribution payment received in fiscal year 2013 \$22,000,000

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2012 \$6,000,000

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed the actual remaining amount of the annual strategic contribution payment to the tobacco settlement account for fiscal year 2013 \$6,000,000

The transfer to the life sciences discovery fund is subject to the following conditions:

(1) All new grants awarded during the 2011-2013 fiscal biennium shall support and accelerate the commercialization of an identifiable product;

(2) Prior to the awarding of new grants, the life sciences discovery fund authority must seek the input of the executive director of the Washington economic development commission;

(3) Upon the recommendation of the Washington economic development commission, funds may be used for the recruitment of life sciences researchers who have a history of commercialization of new technologies, to public research institutions in the state;

(4) Funds may be used to collaborate and contract with innovate Washington in commercializing life sciences technology and promoting biomedical manufacturing;

(5) Funds may be granted to public and private entities for the purpose of leveraging private funds to the highest degree possible. Proposals involving a startup company or corporate participant must be given a higher priority;

(6) The life sciences discovery fund authority must develop a payment system that allows both regular payments and payments based on deliverables for the purpose of assisting with initial project costs; and

(7) By December 1, 2013, the life sciences discovery fund must report to the fiscal and economic development committees of the legislature on the impact of grant awards on commercialization.

(End of part)

PART IX

MISCELLANEOUS

NEW SECTION. Sec. 901. EXPENDITURE AUTHORIZATIONS

The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2009-2011 fiscal biennium.

NEW SECTION. Sec. 902. EMERGENCY FUND ALLOCATIONS

Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. An appropriation is not necessary to effect such repayment.

NEW SECTION. Sec. 903. STATUTORY APPROPRIATIONS

In addition to the amounts appropriated in this act for revenues for distribution, state contributions to the law enforcement officers' and fire fighters' retirement system plan 2, and bond retirement and interest including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapters 39.94 and 39.96 RCW or any proper bond covenant made under law.

NEW SECTION. Sec. 904. BOND EXPENSES

In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

NEW SECTION. Sec. 905. VOLUNTARY RETIREMENT, SEPARATION, AND DOWNSHIFTING INCENTIVES

As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may implement a voluntary retirement, separation, and/or downshifting incentive program that is cost neutral or results in cost savings over a two-year period following the commencement of the program, provided that such a program is approved by the director of financial management. Agencies participating in this authorization may offer voluntary retirement, separation, and/or downshifting incentives and options according to procedures and guidelines established by the office of financial management, in consultation with the department of personnel and the department of retirement systems. The options may include, but are not limited to, financial incentives for: Voluntary separation or retirement, voluntary leave without pay, voluntary work week or work hour reduction, voluntary downward movement, or temporary separation for development purposes. An employee does not have a contractual right to a financial incentive offered pursuant to this section. Offers shall be reviewed and monitored jointly by the department of personnel and the department of retirement systems. Agencies are required to submit a report by June 30, 2013, to the legislature and the office of financial management on the outcome of their approved incentive program. The report should include information on the details of the program including the cost of the incentive per participant, the total cost to the state, and the projected or actual net dollar savings over the 2011-2013 biennium.

NEW SECTION. Sec. 906. COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED

Nothing in this act prohibits the expenditure of any funds by an agency or institution of the state for benefits guaranteed by any collective bargaining agreement in effect on the effective date of this section.

NEW SECTION. Sec. 907. COLLECTIVE BARGAINING AGREEMENTS

The following sections represent the results of the 2011-2013 collective bargaining process required under the provisions of chapters 41.80 and 41.56 RCW. Provisions of the collective bargaining agreements contained in this act are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements. The collective bargaining agreements or the continuation of terms and conditions of the 2009-2011 agreements contained in Part IX of this act may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

NEW SECTION. Sec. 908. COLLECTIVE BARGAINING AGREEMENTS--WFSE, TEAMSTERS, UFCW, WAFWP, IFPTE 17, COALITION OF UNIONS

Agreements have been reached between the governor and the following unions: Washington federation of state employees, teamsters local union 117, united food and commercial workers, Washington association of fish and wildlife professionals, international federation of professional and technical engineers local 17, and the coalition of unions, under the provisions of chapter 41.80 RCW for the 2011-2013 biennium subject to union internal processes/procedures. Funding is reduced to reflect a 3.0 percent temporary salary reduction for all employees whose monthly full-time equivalent salary is \$2,500 or more per month covered under the agreements for fiscal years 2012 and 2013 through June 29, 2013. Effective June 30, 2013, the salary schedules effective July 1, 2009, through June 30, 2011 will be reinstated. For employees entitled to leave, temporary salary reduction leave is granted for the term of the 2011-2013 agreement.

NEW SECTION. Sec. 909. COLLECTIVE BARGAINING AGREEMENT--SEIU HEALTHCARE 1199NW

An agreement has been reached between the governor and the service employees international union healthcare 1199nw under the provisions of chapter 41.80 RCW for the 2011-2013 biennium subject to union internal processes/procedures. Funding is reduced to reflect 8 days of leave without pay per year for fiscal years 2012 and 2013.

NEW SECTION. Sec. 910. COLLECTIVE BARGAINING AGREEMENT--TERMS AND CONDITIONS

No agreements have been reached between the governor and the following unions: Washington public employees association, Washington public employees association higher education community college coalition, Washington federation of state employees higher education community college coalition, Washington federation of state employees Central Washington University, Washington federation of state employees Western Washington University, Washington federation of state employees The Evergreen State College, and public school employees Western Washington University, under the provisions of chapter 41.80 RCW for the 2011-2013 biennium. Appropriations in this act provide funding to continue the terms and conditions of the 2009-2011 general government and higher education agreements negotiated by the office of financial management's labor relations office under the provisions of chapter 41.80 RCW. For fiscal year 2012, appropriations have been reduced in an amount equal to a 3 percent salary reduction for all represented employees whose monthly full-time equivalent salary is \$2,500 or more per month. This reduction will be implemented according to the terms and conditions of the 2009-2011 agreements. For fiscal year 2013, funding is reduced to reflect a 3.0 percent temporary salary reduction for all employees whose monthly full-time equivalent salary is \$2,500 or more per month through June 29, 2013. Effective June 30, 2013, the salary schedules effective July 1, 2009, through June 30, 2011, will be reinstated. For employees entitled to leave, temporary salary reduction leave is granted for fiscal year 2013. These changes will be implemented according to law.

NEW SECTION. Sec. 911. COLLECTIVE BARGAINING AGREEMENT--WSP TROOPERS ASSOCIATION

No agreement has been reached between the governor and the Washington state patrol trooper's association under the provisions of chapter 41.56 RCW for the 2011-2013 biennium. Appropriations in this act for the Washington state patrol provide funding to continue the provisions of the 2009-2011 agreement.

NEW SECTION. Sec. 912. COLLECTIVE BARGAINING AGREEMENT--WSP LIEUTENANTS ASSOCIATION

No agreement has been reached between the governor and the Washington state patrol lieutenant's association under the provisions of chapter 41.56 RCW for the 2011-2013 biennium. Appropriations in this act for the Washington state patrol provide funding to continue the provisions of the 2009-2011 agreement.

NEW SECTION. Sec. 913. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--SEIU HEALTHCARE 775NW HOMECARE WORKERS

An agreement has been reached between the governor and the service employees international union healthcare 775nw under chapter 74.39A RCW for the 2011-2013 fiscal biennium, subject to union internal processes and procedures. Appropriations pursuant to sections 205 and 206 of this act reflect the tentative agreement reached on January 6, 2011, and include an increase in the state's health care contributions for individual providers of home care services. Due to policy reductions elsewhere in this act that reduce personal care hours, delay increases to required training, and modify agency parity requirements, no additional appropriation is included for the health care increase. Appropriations in sections 205 and 206 of this act are reduced to reflect a reduced contribution to the training partnership due to the delay in the implementation of increased required training.

NEW SECTION. Sec. 914. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--SEIU LOCAL 925 CHILDCARE WORKERS

An agreement has been reached between the governor and the service employees international union local 925 under the provisions of chapter 41.56 RCW for the 2011-2013 biennium, subject to union internal processes/procedures. Funding for an increase in the state's health care contribution for childcare workers is included in the budget.

NEW SECTION. Sec. 915. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES--WSRCC ADULT FAMILY HOMES

Appropriations in this act reflect the collective bargaining agreement reached between the governor and the Washington state residential care council under the provisions of chapter 41.56 RCW for the 2011-2013 biennium. For those covered under this agreement, economic provisions are the same as the terms and conditions in the 2009-2011 agreement.

NEW SECTION. Sec. 916. COLLECTIVE BARGAINING AGREEMENT--CENTRAL WASHINGTON UNIVERSITY PUBLIC SCHOOL EMPLOYEES OF WASHINGTON

An agreement has been reached between Central Washington University and the public school employees of Washington under the provisions of chapter 41.80 RCW for the 2011-2013 biennium subject to union internal processes/procedures. Funding is reduced to reflect a 3.0 percent temporary salary reduction for all employees whose monthly full-time equivalent salary is \$2,500 or more per month for fiscal years 2012 and 2013 through June 29, 2013. Effective June 30, 2013, the salary schedules effective July 1, 2009 through June 30, 2011 will be reinstated. For employees entitled to leave temporary salary reduction leave is granted for the term of the 2011-2013 agreement.

NEW SECTION. Sec. 917. COLLECTIVE BARGAINING AGREEMENT-- WASHINGTON STATE UNIVERSITY POLICE GUILD

An agreement has been reached between Washington State University and the Washington State University police guild. The financial provisions of the 2009-2011 remain in place for the 2011-2013 biennium.

NEW SECTION. Sec. 918. COLLECTIVE BARGAINING AGREEMENT FOR WFSE POLICE MANAGEMENT ASSOCIATION

An agreement has been reached between the University of Washington and the Washington federation of state employees police management association under chapter 41.80 RCW for the 2011-2013 fiscal biennium, subject to union internal processes and procedures. If appropriations in this act require reduced salaries and wages, the agreement can be reopened to negotiate compliance with the requirement.

NEW SECTION. Sec. 919. COLLECTIVE BARGAINING AGREEMENTS-- UNIVERSITY OF WASHINGTON AND WASHINGTON STATE UNIVERSITY

Appropriations in this act reflect the collective bargaining agreements reached between the University of Washington and the service employees' international union 925 and the Washington federation of state employees and between Washington State University and the Washington federation of state employees. The financial provisions of the 2009-2011 contracts remain in place for the 2011-2013 fiscal biennium. For the contract period 2011-2013, appropriations have been reduced in an amount equal to a temporary three percent salary reduction for all represented employees making \$2,500 or more per month. Reductions will be implemented according to the terms and conditions of the 2011 agreements.

NEW SECTION. Sec. 920. COMPENSATION--NONREPRESENTED EMPLOYEES-- INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed \$850 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of- service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be \$150.00 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, \$66.01 per month beginning September 1, 2011, and \$67.91 beginning September 1, 2012;

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, \$66.01 each month beginning September 1, 2011, and \$67.91 beginning September 1, 2012, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

NEW SECTION. Sec. 921. COMPENSATION--REPRESENTED EMPLOYEES OUTSIDE SUPER COALITION--INSURANCE BENEFITS

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed \$850 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of- service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be \$150.00 per month.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, \$66.01 per month beginning September 1, 2011, and \$67.91 beginning September 1, 2012;

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, \$66.01 each month beginning September 1, 2011, and \$67.91 beginning September 1, 2012, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

NEW SECTION. Sec. 922. COMPENSATION--REPRESENTED EMPLOYEES-- SUPER COALITION--INSURANCE BENEFITS

The collective bargaining agreement negotiated with the super coalition under chapter 41.80 RCW includes employer premiums at 85 percent of the total weighted average of the projected health care premiums across all plans and tiers. Appropriations in this act for state agencies, including institutions of higher education are sufficient to fund state employees health benefits for employees represented by the super coalition on health benefits, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$850 per eligible employee for fiscal year 2012. For fiscal year 2013 the monthly employer funding rate shall not exceed \$850 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of- service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065.

(c) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on

prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts shall not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar years 2012 and 2013, the subsidy shall be \$150.00 per month.

NEW SECTION. Sec. 923. COLLECTIVE BARGAINING AGREEMENTS-- LANGUAGE ACCESS PROVIDERS

If the governor and the Washington federation of state employees reach an agreement under chapter 41.56 RCW for the 2011-2013 fiscal biennium that does not exceed the funding provided in section 213 of this act for spoken language interpreter services, after reserving the requisite amount of that funding for contracts with delivery organizations including foreign language agencies, funding for the agreement shall be considered approved pursuant to RCW 41.56.510(8) and the parties shall execute the agreement.

NEW SECTION. Sec. 924. COLLECTIVE BARGAINING AGREEMENTS

For the collective bargaining agreements negotiated with the state for the 2011-2013 fiscal biennium under chapters 41.56, 41.80, or 74.39A RCW, the governor may request funds necessary to implement the terms and conditions of an agreement submitted to the office of financial management after October 1st if that agreement is determined to be feasible financially to the state by the director of financial management.

NEW SECTION. Sec. 925. (1) All state agencies must track employees trained in performance management, including, but not limited to lean, lean-six-sigma, and the baldrige system. The agencies shall report the number of employees trained in each performance management technique to the government management and accountability performance (GMAP) program.

(2) All state agencies shall provide electronic copies of their Washington state quality award or baldrige assessments, feedback reports, and corrective action plans to the government management and accountability performance (GMAP) program, the office of the state auditor, and the joint legislative audit and review committee. These results must be posted on the GMAP web site for use in developing best practices.

(3) All state agencies must integrate performance management assessments, including the Washington state quality award assessment into their agency's strategic plan.

Sec. 926. RCW 15.76.115 and 2011 c 103 s 10 are each amended to read as follows:

The fair fund is created in the custody of the state treasury. All moneys received by the department of agriculture for the purposes of this fund and from RCW 67.16.105(7) shall be deposited into the fund. At the beginning of fiscal year 2002 and each fiscal year thereafter, the state treasurer shall transfer into the fair fund from the general fund the sum of two million dollars, except for fiscal year 2011 the state treasurer shall transfer into the fair fund from the general fund the sum of one million one hundred three thousand dollars, and except during fiscal year 2012 and fiscal year 2013 the state treasurer shall transfer into the fair fund from the general fund the sum of one million seven hundred fifty thousand dollars each fiscal year. Expenditures from the fund may be used only for assisting fairs in the manner provided in this chapter. Only the director of agriculture or the director's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

Sec. 927. RCW 19.30.030 and 1985 c 280 s 3 are each amended to read as follows:

(1) The director shall not issue to any person a license to act as a farm labor contractor until:

((4)) (a) Such person has executed a written application on a form prescribed by the director, subscribed and sworn to by the applicant, and containing ((4)) (i) a statement by the applicant of all facts required by the director concerning the applicant's character, competency, responsibility, and the manner and method by which he or she proposes to conduct operations as a farm labor contractor if such license is issued, and ((4)) (ii) the names and addresses of all persons financially interested, either as partners, stockholders, associates, profit sharers, or providers of board or lodging to agricultural employees in the proposed operation as a labor contractor, together with the amount of their respective interests;

((2)) (b) The director, after investigation, is satisfied as to the character, competency, and responsibility of the applicant;

((3)) (c) The applicant has paid to the director a license fee of: ((4)) (i) Thirty-five dollars in the case of a farm labor contractor not engaged in forestation or reforestation, or ((2)) (ii) one hundred dollars in the case of a farm labor contractor engaged in forestation or reforestation or such other sum as the director finds necessary, and adopts by rule, for the administrative costs of evaluating applications;

((4)) (d) The applicant has filed proof satisfactory to the director of the existence of a policy of insurance with any insurance carrier authorized to do business in the state of Washington in an amount satisfactory to the director, which insures the contractor against liability for damage to persons or property arising out of the contractor's operation of, or ownership of, any vehicle or vehicles for the transportation of individuals in connection with the contractor's business, activities, or operations as a farm labor contractor;

((5)) (e) The applicant has filed a surety bond or other security which meets the requirements set forth in RCW 19.30.040;

((6)) (f) The applicant executes a written statement which shall be subscribed and sworn to and shall contain the following declaration:

"With regards to any action filed against me concerning my activities as a farm labor contractor, I appoint the director of the Washington department of labor and industries as my lawful agent to accept service of summons when I am not present in the jurisdiction in which the action is commenced or have in any other way become unavailable to accept service"; and

((7)) (g) The applicant has stated on his or her application whether or not his or her contractor's license or the license of any of his or her agents, partners, associates, stockholders, or profit sharers has ever been suspended, revoked, or denied by any state or federal agency, and whether or not there are any outstanding judgments against him or her or any of his or her agents, partners, associates, stockholders, or profit sharers in any state or federal court arising out of activities as a farm labor contractor.

(2) The farm labor contractor account is created in the state treasury. All receipts from farm labor contractor licenses, security deposits, penalties, and donations must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for administering the farm labor contractor licensing program, subject to authorization from the director or the director's designee.

Sec. 928. RCW 28B.15.068 and 2009 c 540 s 1 are each amended to read as follows:

(1) Beginning with the 2007-08 academic year and ending with the 2016-17 academic year, tuition fees charged to full-time resident undergraduate students, except in academic years 2009-10 and 2010-11, may increase no greater than seven percent over the previous academic year in any institution of higher education. Annual reductions or increases in full-time tuition fees for resident undergraduate students shall be as provided in the omnibus

appropriations act, within the seven percent increase limit established in this section. For academic years 2009-10 and 2010-11 the omnibus appropriations act may provide tuition increases greater than seven percent. To the extent that state appropriations combined with tuition and fee revenues are insufficient to achieve the total per-student funding goals established in subsection (2) of this section, the legislature may revisit state appropriations, authorized enrollment levels, and changes in tuition fees for any given fiscal year. In order to facilitate the full implementation of chapter . . . (Engrossed Second Substitute House Bill No. 1795), Laws of 2011 1st sp. sess. for the 2011-12 academic year and thereafter, the institutions of higher education are authorized to adopt tuition levels that are less than, equal to, or greater than the tuition levels assumed in the omnibus appropriations act, subject to the conditions and limitations in this chapter and the omnibus appropriations act.

(2) The state shall adopt as its goal total per-student funding levels, from state appropriations plus tuition and fees, of at least the sixtieth percentile of total per-student funding at similar public institutions of higher education in the global challenge states. In defining comparable per-student funding levels, the office of financial management shall adjust for regional cost-of-living differences; for differences in program offerings and in the relative mix of lower division, upper division, and graduate students; and for accounting and reporting differences among the comparison institutions. The office of financial management shall develop a funding trajectory for each four-year institution of higher education and for the community and technical college system as a whole that when combined with tuition and fees revenue allows the state to achieve its funding goal for each four-year institution and the community and technical college system as a whole no later than fiscal year 2017. The state shall not reduce enrollment levels below fiscal year 2007 budgeted levels in order to improve or alter the per-student funding amount at any four-year institution of higher education or the community and technical college system as a whole. The state recognizes that each four-year institution of higher education and the community and technical college system as a whole have different funding requirements to achieve desired performance levels, and that increases to the total per-student funding amount may need to exceed the minimum funding goal.

(3) By September 1st of each year beginning in 2008, the office of financial management shall report to the governor, the higher education coordinating board, and appropriate committees of the legislature with updated estimates of the total per-student funding level that represents the sixtieth percentile of funding for comparable institutions of higher education in the global challenge states, and the progress toward that goal that was made for each of the public institutions of higher education.

(4) As used in this section, "global challenge states" are the top performing states on the new economy index published by the progressive policy institute as of July 22, 2007. The new economy index ranks states on indicators of their potential to compete in the new economy. At least once every five years, the office of financial management shall determine if changes to the list of global challenge states are appropriate. The office of financial management shall report its findings to the governor and the legislature.

(5) During the 2009-10 and the 2010-11 academic years, institutions of higher education shall include information on their billing statements notifying students of tax credits available through the American opportunity tax credit provided in the American recovery and reinvestment act of 2009.

Sec. 929. RCW 28B.116.050 and 2005 c 215 s 6 are each amended to read as follows:

(1) The foster care endowed scholarship trust fund is created in the custody of the state treasurer.

(2) Funds appropriated by the legislature for the foster care endowed scholarship trust fund shall be deposited in the foster care

endowed scholarship trust fund. When conditions in RCW 28B.116.070 are met, the higher education coordinating board shall deposit state matching moneys from the trust fund into the foster care scholarship endowment fund.

(3) No appropriation is required for expenditures from the trust fund.

(4) During the 2011-2013 fiscal biennium, the legislature may transfer from the foster care endowed scholarship trust fund to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 930. RCW 28C.04.535 and 1995 1st sp.s. c 7 s 4 are each amended to read as follows:

Except for the 2011-12 and 2012-13 school years, the Washington award for vocational excellence shall be granted annually. The workforce training and education coordinating board shall notify the students receiving the award, their vocational instructors, local chambers of commerce, the legislators of their respective districts, and the governor, after final selections have been made. The workforce training and education coordinating board, in conjunction with the governor's office, shall prepare appropriate certificates to be presented to the selected students. Awards shall be presented in public ceremonies at times and places determined by the workforce training and education coordinating board in cooperation with the office of the governor.

Sec. 931. RCW 36.22.175 and 2008 c 328 s 6006 are each amended to read as follows:

(1)(a) In addition to any other charge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for each document recorded. Revenue generated through this surcharge shall be transmitted monthly to the state treasurer for deposit in the local government archives account under RCW 40.14.024. These funds shall be used solely for providing records scheduling, security microfilm inspection and storage, archival preservation, cataloging, and indexing for local government records and digital data and access to those records and data through the regional branch archives of the division of archives and records management.

(b) The division of archives and records management within the office of the secretary of state shall provide records management training for local governments and shall establish a competitive grant program to solicit and prioritize project proposals from local governments for potential funding to be paid for by funds from the auditor surcharge and tax warrant surcharge revenues. Application for specific projects may be made by local government agencies only. The state archivist in consultation with the advisory committee established under RCW 40.14.027 shall adopt rules governing project eligibility, evaluation, awarding of grants, and other criteria including requirements for records management training for grant recipients.

(2) The advisory committee established under RCW 40.14.027 shall review grant proposals and establish a prioritized list of projects to be considered for funding by January 1st of each even-numbered year, beginning in 2002. The evaluation of proposals and development of the prioritized list must be developed through open public meetings. Funding for projects shall be granted according to the ranking of each application on the prioritized list and projects will be funded only to the extent that funds are available. A grant award may have an effective date other than the date the project is placed on the prioritized list.

(3)(a) In addition to any other surcharge authorized by law, the county auditor shall charge a surcharge of one dollar per instrument for every document recorded after January 1, 2002. Revenue generated through this surcharge shall be transmitted to the state treasurer monthly for deposit in the local government archives account under RCW 40.14.024 to be used exclusively for: (i) The construction and improvement of a specialized regional facility located in eastern Washington designed to serve the archives, records

management, and digital data management needs of local government; and (ii) payment of the certificate of participation issued for the Washington state heritage center to the extent there is an excess fund balance in the account and fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments on the certificate of participation.

(b) To the extent the facilities are used for the storage and retrieval of state agency records and digital data, that portion of the construction of such facilities used for state government records and data shall be supported by other charges and fees paid by state agencies and shall not be supported by the surcharge authorized in this subsection, except that to the extent there is an excess fund balance in the account and fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments for the Washington state heritage center, the local government archives account under RCW 40.14.024 may be used for the Washington state heritage center.

(c) At such time that all debt service from construction of the specialized regional archive facility located in eastern Washington has been paid, fifty percent of the surcharge authorized by this subsection shall be reverted to the centennial document preservation and modernization account as prescribed in RCW 36.22.170 and fifty percent of the surcharge authorized by this section shall be reverted to the state treasurer for deposit in the (~~archives and records management~~) public records efficiency, preservation, and access account to serve the archives, records management, and digital data management needs of local government, except that the state treasurer shall not revert funds to the centennial document preservation and modernization account and to the (~~archives and records management~~) public records efficiency, preservation, and access account if fees generated under RCW 36.18.010 and 43.07.128 are insufficient to meet debt service payments on the Washington state heritage center.

Sec. 932. RCW 40.14.025 and 2003 c 163 s 1 are each amended to read as follows:

(1) The secretary of state and the director of financial management shall jointly establish a procedure and formula for allocating the costs of services provided by the division of archives and records management to state agencies. The total amount allotted for services to state agencies shall not exceed the appropriation to the archives and records management account during any allotment period.

(2) There is created the (~~archives and records management~~) public records efficiency, preservation, and access account in the state treasury which shall consist of all fees and charges collected under this section. The account shall be appropriated exclusively for the payment of costs and expenses incurred in the operation of the division of archives and records management as specified by law.

Sec. 933. RCW 40.14.027 and 2003 c 163 s 4 are each amended to read as follows:

State agencies shall collect a surcharge of twenty dollars from the judgment debtor upon the satisfaction of a warrant filed in superior court for unpaid taxes or liabilities. The surcharge is imposed on the judgment debtor in the form of a penalty in addition to the filing fee provided in RCW 36.18.012(10). The surcharge revenue shall be transmitted to the state treasurer for deposit in the (~~archives and records management~~) public records efficiency, preservation, and access account.

Surcharge revenue deposited in the local government archives account under RCW 40.14.024 shall be expended by the secretary of state exclusively for disaster recovery, essential records protection services, and records management training for local government agencies by the division of archives and records management. The secretary of state shall, with local government representatives, establish a committee to advise the state archivist on the local government archives and records management program.

Sec. 934. RCW 41.06.022 and 2002 c 354 s 207 are each amended to read as follows:

For purposes of this chapter, "manager" means any employee who:

- (1) Formulates statewide policy or directs the work of an agency or agency subdivision;
- (2) Is responsible to administer one or more statewide policies or programs of an agency or agency subdivision;
- (3) Manages, administers, and controls a local branch office of an agency or agency subdivision, including the physical, financial, or personnel resources;
- (4) Has substantial responsibility in personnel administration, legislative relations, public information, or the preparation and administration of budgets; or
- (5) Functionally is above the first level of supervision and exercises authority that is not merely routine or clerical in nature and requires the consistent use of independent judgment.

No employee who is a member of the Washington management service may be included in a collective bargaining unit established under RCW 41.80.001 and 41.80.010 through 41.80.130. During the 2011-2013 fiscal biennium, except as required by a collective bargaining agreement in place on the effective date of this section, a manager whose position is eliminated as a result of the management reductions included in the state agency appropriations in this act and who is hired or transferred to a different position shall be compensated at a level no higher than that which is commensurate with the employee's new position.

During the 2011-2013 biennium, unless required by a collective bargaining agreement in place on the effective date of this section, no manager shall have the right of reversion to a classified position in the event that the employee's position is eliminated as a result of the management reductions included in the state agency appropriations in this act unless the employee was employed in the classified position in question, or a substantially equivalent classified position, within the three year period prior to the effective date of this act.

Sec. 935. RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and 2010 c 1 s 1 are each reenacted and amended to read as follows:

- (1) The provisions of this chapter do not apply to:
- (a) The members of the legislature or to any employee of, or position in, the legislative branch of the state government including members, officers, and employees of the legislative council, joint legislative audit and review committee, statute law committee, and any interim committee of the legislature;
 - (b) The justices of the supreme court, judges of the court of appeals, judges of the superior courts or of the inferior courts, or to any employee of, or position in the judicial branch of state government;
 - (c) Officers, academic personnel, and employees of technical colleges;
 - (d) The officers of the Washington state patrol;
 - (e) Elective officers of the state;
 - (f) The chief executive officer of each agency;
 - (g) In the departments of employment security and social and health services, the director and the director's confidential secretary; in all other departments, the executive head of which is an individual appointed by the governor, the director, his or her confidential secretary, and his or her statutory assistant directors;
 - (h) In the case of a multimember board, commission, or committee, whether the members thereof are elected, appointed by the governor or other authority, serve ex officio, or are otherwise chosen:
 - (i) All members of such boards, commissions, or committees;
 - (ii) If the members of the board, commission, or committee serve on a part-time basis and there is a statutory executive officer: The secretary of the board, commission, or committee; the chief executive officer of the board, commission, or committee; and the confidential

secretary of the chief executive officer of the board, commission, or committee;

(iii) If the members of the board, commission, or committee serve on a full-time basis: The chief executive officer or administrative officer as designated by the board, commission, or committee; and a confidential secretary to the chair of the board, commission, or committee;

(iv) If all members of the board, commission, or committee serve ex officio: The chief executive officer; and the confidential secretary of such chief executive officer;

(i) The confidential secretaries and administrative assistants in the immediate offices of the elective officers of the state;

(j) Assistant attorneys general;

(k) Commissioned and enlisted personnel in the military service of the state;

(l) Inmate, student, part-time, or temporary employees, and part-time professional consultants, as defined by the Washington personnel resources board;

(m) The public printer or to any employees of or positions in the state printing plant;

(n) Officers and employees of the Washington state fruit commission;

(o) Officers and employees of the Washington apple commission;

(p) Officers and employees of the Washington state dairy products commission;

(q) Officers and employees of the Washington tree fruit research commission;

(r) Officers and employees of the Washington state beef commission;

(s) Officers and employees of the Washington grain commission;

(t) Officers and employees of any commission formed under chapter 15.66 RCW;

(u) Officers and employees of agricultural commissions formed under chapter 15.65 RCW;

(v) Officers and employees of the nonprofit corporation formed under chapter 67.40 RCW;

(w) Executive assistants for personnel administration and labor relations in all state agencies employing such executive assistants including but not limited to all departments, offices, commissions, committees, boards, or other bodies subject to the provisions of this chapter and this subsection shall prevail over any provision of law inconsistent herewith unless specific exception is made in such law;

(x) In each agency with fifty or more employees: Deputy agency heads, assistant directors or division directors, and not more than three principal policy assistants who report directly to the agency head or deputy agency heads;

(y) All employees of the marine employees' commission;

(z) Staff employed by the department of commerce to administer energy policy functions;

(aa) The manager of the energy facility site evaluation council;

(bb) A maximum of ten staff employed by the department of commerce to administer innovation and policy functions, including the three principal policy assistants exempted under (x) of this subsection;

(cc) Staff employed by Washington State University to administer energy education, applied research, and technology transfer programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5).

(2) The following classifications, positions, and employees of institutions of higher education and related boards are hereby exempted from coverage of this chapter:

(a) Members of the governing board of each institution of higher education and related boards, all presidents, vice presidents, and their confidential secretaries, administrative, and personal assistants; deans, directors, and chairs; academic personnel; and executive heads of major administrative or academic divisions employed by institutions

of higher education; principal assistants to executive heads of major administrative or academic divisions; other managerial or professional employees in an institution or related board having substantial responsibility for directing or controlling program operations and accountable for allocation of resources and program results, or for the formulation of institutional policy, or for carrying out personnel administration or labor relations functions, legislative relations, public information, development, senior computer systems and network programming, or internal audits and investigations; and any employee of a community college district whose place of work is one which is physically located outside the state of Washington and who is employed pursuant to RCW 28B.50.092 and assigned to an educational program operating outside of the state of Washington;

(b) The governing board of each institution, and related boards, may also exempt from this chapter classifications involving research activities, counseling of students, extension or continuing education activities, graphic arts or publications activities requiring prescribed academic preparation or special training as determined by the board: PROVIDED, That no nonacademic employee engaged in office, clerical, maintenance, or food and trade services may be exempted by the board under this provision;

(c) Printing craft employees in the department of printing at the University of Washington.

(3) In addition to the exemptions specifically provided by this chapter, the director of personnel may provide for further exemptions pursuant to the following procedures. The governor or other appropriate elected official may submit requests for exemption to the director of personnel stating the reasons for requesting such exemptions. The director of personnel shall hold a public hearing, after proper notice, on requests submitted pursuant to this subsection. If the director determines that the position for which exemption is requested is one involving substantial responsibility for the formulation of basic agency or executive policy or one involving directing and controlling program operations of an agency or a major administrative division thereof, the director of personnel shall grant the request and such determination shall be final as to any decision made before July 1, 1993. The total number of additional exemptions permitted under this subsection shall not exceed one percent of the number of employees in the classified service not including employees of institutions of higher education and related boards for those agencies not directly under the authority of any elected public official other than the governor, and shall not exceed a total of twenty-five for all agencies under the authority of elected public officials other than the governor.

The salary and fringe benefits of all positions presently or hereafter exempted except for the chief executive officer of each agency, full-time members of boards and commissions, administrative assistants and confidential secretaries in the immediate office of an elected state official, and the personnel listed in subsections (1)(j) through (v) and (y) and (2) of this section, shall be determined by the director of personnel. Changes to the classification plan affecting exempt salaries must meet the same provisions for classified salary increases resulting from adjustments to the classification plan as outlined in RCW 41.06.152.

During the 2011-2013 fiscal biennium, except as required by a collective bargaining agreement in place on the effective date of this section, an employee whose position exempt under this chapter is eliminated as a result of the management reductions included in the state agency appropriations in and who is hired or transferred to a different position exempt under the provisions of this chapter shall be compensated at a level no higher than that which is commensurate with the employee's new position.

From February 18, 2009, through June 30, 2011, a salary or wage increase shall not be granted to any position exempt from classification under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining

agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or negotiated by the nonprofit corporation formed under chapter 67.40 RCW, and except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

- (a) The salary increase can be paid within existing resources; and
- (b) The salary increase will not adversely impact the provision of client services.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any person holding a classified position subject to the provisions of this chapter shall, when and if such position is subsequently exempted from the application of this chapter, be afforded the following rights: If such person previously held permanent status in another classified position, such person shall have a right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

Any classified employee having civil service status in a classified position who accepts an appointment in an exempt position shall have the right of reversion to the highest class of position previously held, or to a position of similar nature and salary, except that during the 2011-2013 biennium, unless required by a collective bargaining agreement in place on the effective date of this section, no employee shall have the right of reversion to a classified position in the event that the employee's position is eliminated as a result of the management reductions included in the state agency appropriations in this act unless the employee was employed in the classified position in question, or a substantially equivalent classified position, within the three year period prior to the effective date of this act.

A person occupying an exempt position who is terminated from the position for gross misconduct or malfeasance does not have the right of reversion to a classified position as provided for in this section.

From February 15, 2010, until June 30, 2011, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.

Sec. 936. RCW 41.50.110 and 2009 c 564 s 924 are each amended to read as follows:

(1) Except as provided by RCW 41.50.255 and subsection (6) of this section, all expenses of the administration of the department, the expenses of administration of the retirement systems, and the expenses of the administration of the office of the state actuary created in chapters 2.10, 2.12, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43, and 44.44 RCW shall be paid from the department of retirement systems expense fund.

(2) In order to reimburse the department of retirement systems expense fund on an equitable basis the department shall ascertain and report to each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.

(3) The department shall compute and bill each employer, as defined in RCW 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the end of each month for the amount due for that

month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon calendar year quarters in which event the said billing shall be at the end of each such quarter.

(4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.

(5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.

(a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.

(b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.

(c) The department shall adopt rules implementing this section.

(6) Expenses other than those under RCW 41.34.060(3) shall be paid pursuant to subsection (1) of this section.

(7) During the ~~((2007-2009 and))~~ 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the department of retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 937. RCW 41.60.050 and 1991 sp.s. c 16 s 918 are each amended to read as follows:

The legislature shall appropriate from the department of personnel service fund for the payment of administrative costs of the productivity board. However, during the ~~((1991-93))~~ 2011-2013 fiscal biennium, the ~~((administrative costs))~~ operations of the productivity board shall be ~~((appropriated from the savings recovery account))~~ suspended.

Sec. 938. RCW 41.80.010 and 2010 c 104 s 1 are each amended to read as follows:

(1) For the purpose of negotiating collective bargaining agreements under this chapter, the employer shall be represented by the governor or governor's designee, except as provided for institutions of higher education in subsection (4) of this section.

(2)(a) If an exclusive bargaining representative represents more than one bargaining unit, the exclusive bargaining representative shall negotiate with each employer representative as designated in subsection (1) of this section one master collective bargaining agreement on behalf of all the employees in bargaining units that the exclusive bargaining representative represents. For those exclusive bargaining representatives who represent fewer than a total of five hundred employees each, negotiation shall be by a coalition of all those exclusive bargaining representatives. The coalition shall bargain for a master collective bargaining agreement covering all of the employees represented by the coalition. The governor's designee and the exclusive bargaining representative or representatives are authorized to enter into supplemental bargaining of agency-specific issues for inclusion in or as an addendum to the master collective bargaining agreement, subject to the parties' agreement regarding the issues and procedures for supplemental bargaining. This section does not prohibit cooperation and coordination of bargaining between two or more exclusive bargaining representatives.

(b) This subsection (2) does not apply to exclusive bargaining representatives who represent employees of institutions of higher education, except when the institution of higher education has elected to exercise its option under subsection (4) of this section to have its negotiations conducted by the governor or governor's designee under

the procedures provided for general government agencies in subsections (1) through (3) of this section.

(c) If five hundred or more employees of an independent state elected official listed in RCW 43.01.010 are organized in a bargaining unit or bargaining units under RCW 41.80.070, the official shall be consulted by the governor or the governor's designee before any agreement is reached under (a) of this subsection concerning supplemental bargaining of agency specific issues affecting the employees in such bargaining unit.

(3) The governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(a) Have been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the requests are to be considered; and

(b) Have been certified by the director of the office of financial management as being feasible financially for the state.

The legislature shall approve or reject the submission of the request for funds as a whole. The legislature shall not consider a request for funds to implement a collective bargaining agreement unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 41.80.090.

(4)(a)(i) For the purpose of negotiating agreements for institutions of higher education, the employer shall be the respective governing board of each of the universities, colleges, or community colleges or a designee chosen by the board to negotiate on its behalf.

(ii) A governing board of a university or college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section, except that:

(A) The governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of a university or college that the representative represents; or

(B) If the parties mutually agree, the governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of more than one university or college that the representative represents.

(iii) A governing board of a community college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(b) Prior to entering into negotiations under this chapter, the institutions of higher education or their designees shall consult with the director of the office of financial management regarding financial and budgetary issues that are likely to arise in the impending negotiations.

(c)(i) If appropriations are necessary to implement the compensation and fringe benefit provisions of the bargaining agreements reached between institutions of higher education and exclusive bargaining representatives agreed to under the provisions of this chapter, the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in (c)(ii) of this subsection.

(ii) In the case of a bargaining unit of employees of institutions of higher education in which the exclusive bargaining representative is certified during or after the conclusion of a legislative session, the legislature may act upon the compensation and fringe benefit

provisions of the unit's initial collective bargaining agreement if those provisions are agreed upon and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(5) There is hereby created a joint committee on employment relations, which consists of two members with leadership positions in the house of representatives, representing each of the two largest caucuses; the chair and ranking minority member of the house appropriations committee, or its successor, representing each of the two largest caucuses; two members with leadership positions in the senate, representing each of the two largest caucuses; and the chair and ranking minority member of the senate ways and means committee, or its successor, representing each of the two largest caucuses. The governor shall periodically consult with the committee regarding appropriations necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreements, and upon completion of negotiations, advise the committee on the elements of the agreements and on any legislation necessary to implement the agreements.

(6) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(7) After the expiration date of a collective bargaining agreement negotiated under this chapter, all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

(8) For the 2011-2013 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee shall be a separate agreement for which the governor may request funds necessary to implement the agreement. If such an agreement is negotiated and funded by the legislature, this agreement will supersede any terms and conditions of an expired 2009-2011 biennial master collective bargaining agreement under this chapter regarding health care benefits.

Sec. 939. RCW 41.80.020 and 2010 c 283 s 16 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, the matters subject to bargaining include wages, hours, and other terms and conditions of employment, and the negotiation of any question arising under a collective bargaining agreement.

(2) The employer is not required to bargain over matters pertaining to:

(a) Health care benefits or other employee insurance benefits, except as required in subsection (3) of this section;

(b) Any retirement system or retirement benefit; or

(c) Rules of the director of personnel or the Washington personnel resources board adopted under section 203, chapter 354, Laws of 2002.

(3) Matters subject to bargaining include the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits. However, except as provided otherwise in this subsection for institutions of higher education, negotiations regarding the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits shall be conducted between the employer and one coalition of all the exclusive bargaining representatives subject to this chapter. The exclusive bargaining representatives for employees that are

subject to chapter 47.64 RCW shall bargain the dollar amount expended on behalf of each employee for health care benefits with the employer as part of the coalition under this subsection. Any such provision agreed to by the employer and the coalition shall be included in all master collective bargaining agreements negotiated by the parties. For institutions of higher education, promotional preferences and the number of names to be certified for vacancies shall be bargained under the provisions of RCW 41.80.010(4). For agreements covering the 2011-2013 fiscal biennium, any agreement between the employer and the coalition regarding the dollar amount expended on behalf of each employee for health care benefits is a separate agreement and shall not be included in the master collective bargaining agreements negotiated by the parties.

(4) The employer and the exclusive bargaining representative shall not agree to any proposal that would prevent the implementation of approved affirmative action plans or that would be inconsistent with the comparable worth agreement that provided the basis for the salary changes implemented beginning with the 1983-1985 biennium to achieve comparable worth.

(5) The employer and the exclusive bargaining representative shall not bargain over matters pertaining to management rights established in RCW 41.80.040.

(6) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.

(7) This section does not prohibit bargaining that affects contracts authorized by RCW 41.06.142.

Sec. 940. RCW 43.07.129 and 2007 c 523 s 4 are each amended to read as follows:

The Washington state heritage center account is created in the custody of the state treasurer. All moneys received under RCW 36.18.010(11) and 43.07.128 must be deposited in the account. Expenditures from the account may be made only for the following purposes:

- (1) Payment of the certificate of participation issued for the Washington state heritage center;
- (2) Capital maintenance of the Washington state heritage center; and
- (3) Program operations that serve the public, relate to the collections and exhibits housed in the Washington state heritage center, or fulfill the missions of the state archives, state library, and capital museum.

Only the secretary of state or the secretary of state's designee may authorize expenditures from the account. An appropriation is not required for expenditures, but the account is subject to allotment procedures under chapter 43.88 RCW. During the 2011-2013 fiscal biennium, the legislature may appropriate from the Washington state heritage center account for the purposes of state arts, historical, and library programs.

Sec. 941. RCW 43.08.190 and 2010 c 222 s 3 are each amended to read as follows:

There is hereby created a fund within the state treasury to be known as the "state treasurer's service fund." Such fund shall be used solely for the payment of costs and expenses incurred in the operation and administration of the state treasurer's office.

Moneys shall be allocated monthly and placed in the state treasurer's service fund equivalent to a maximum of one percent of the trust and treasury average daily cash balances from the earnings generated under the authority of RCW 43.79A.040 and 43.84.080 other than earnings generated from investment of balances in funds and accounts specified in RCW 43.79A.040(4)(c). The allocation shall precede the distribution of the remaining earnings as prescribed

under RCW 43.79A.040 and 43.84.092. The state treasurer shall establish a uniform allocation rate for all funds and accounts; except that the state treasurer may negotiate a different allocation rate with any state agency that has independent authority over funds not statutorily required to be held in the state treasury or in the custody of the state treasurer. In no event shall the rate be less than the actual costs incurred by the state treasurer's office. If no rate is separately negotiated, the default rate for any funds held shall be the rate set for funds held pursuant to statute.

During the 2009-2011 fiscal biennium and the 2011-2013 fiscal biennium, the legislature may transfer from the state treasurer's service fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 942. RCW 43.09.475 and 2009 c 564 s 929 are each amended to read as follows:

The performance audits of government account is hereby created in the custody of the state treasurer. Revenue identified in RCW 82.08.020(5) and 82.12.0201 shall be deposited in the account. Money in the account shall be used to fund the performance audits and follow-up performance audits under RCW 43.09.470 and shall be expended by the state auditor in accordance with chapter 1, Laws of 2006. Only the state auditor or the state auditor's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. During the 2009-2011 fiscal biennium, the legislature may transfer from the performance audits of government account to the state general fund such amounts as deemed to be appropriate or necessary. During 2011-2013 fiscal biennium, the performance audits of government account may be appropriated for fraud investigations in the state auditor's office and the department of social and health services, audit and collection functions in the department of revenue, and audits of school districts. In addition, during the 2011-2013 fiscal biennium the account may be used to fund the office of financial management's contract for the compliance audit of the state auditor.

Sec. 943. RCW 43.19.501 and 2009 c 564 s 932 are each amended to read as follows:

The Thurston county capital facilities account is created in the state treasury. The account is subject to the appropriation and allotment procedures under chapter 43.88 RCW. Moneys in the account may be expended for capital projects in facilities owned and managed by the department of general administration in Thurston county. For the 2007-2009 biennium, moneys in the account may be used for predesign identified in section 1037, chapter 328, Laws of 2008.

During the 2009-2011 and 2011-2013 fiscal ((biennium)) biennia, the legislature may transfer from the Thurston county capital facilities account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 944. RCW 43.20A.725 and 2010 1st sp.s. c 37 s 921 are each amended to read as follows:

(1) The department, through the sole authority of the office or its successor organization, shall maintain a program whereby an individual of school age or older who possesses a hearing or speech impairment is provided with telecommunications equipment, software, and/or peripheral devices, digital or otherwise, that is determined by the office to be necessary for such a person to access and use telecommunications transmission services effectively.

(2) The department, through the sole authority of the office or its successor organization, shall maintain a program where telecommunications relay services of a human or electronic nature will be provided to connect hearing impaired, deaf-blind, or speech impaired persons with persons who do not have a hearing or speech impairment. Such telecommunications relay services shall provide the ability for an individual who has a hearing or speech impairment to engage in voice, tactile, or visual communication by wire or radio

with a hearing individual in a manner that is functionally equivalent to the ability of an individual who does not have a hearing or speech impairment to communicate using voice or visual communication services by wire or radio subject to subsection (4)(b) of this section.

(3) The telecommunications relay service and equipment distribution program may operate in such a manner as to provide communications transmission opportunities that are capable of incorporating new technologies that have demonstrated benefits consistent with the intent of this chapter and are in the best interests of the citizens of this state.

(4) The office shall administer and control the award of money to all parties incurring costs in implementing and maintaining telecommunications services, programs, equipment, and technical support services according to this section. The relay service contract shall be awarded to an individual company registered as a telecommunications company by the utilities and transportation commission, to a group of registered telecommunications companies, or to any other company or organization determined by the office as qualified to provide relay services, contingent upon that company or organization being approved as a registered telecommunications company prior to final contract approval. The relay system providers and telecommunications equipment vendors shall be selected on the basis of cost-effectiveness and utility to the greatest extent possible under the program and technical specifications established by the office.

(a) To the extent funds are available under the then-current rate and not otherwise held in reserve or required for other purposes authorized by this chapter, the office may award contracts for communications and related services and equipment for hearing impaired or speech impaired individuals accessing or receiving services provided by, or contracted for, the department to meet access obligations under Title 2 of the federal Americans with disabilities act or related federal regulations.

(b) The office shall perform its duties under this section with the goal of achieving functional equivalency of access to and use of telecommunications services similar to the enjoyment of access to and use of such services experienced by an individual who does not have a hearing or speech impairment only to the extent that funds are available under the then-current rate and not otherwise held in reserve or required for other purposes authorized by this chapter.

(5) The program shall be funded by a telecommunications relay service (TRS) excise tax applied to each switched access line provided by the local exchange companies. The office shall determine, in consultation with the office's program advisory committee, the budget needed to fund the program on an annual basis, including both operational costs and a reasonable amount for capital improvements such as equipment upgrade and replacement. The budget proposed by the office, together with documentation and supporting materials, shall be submitted to the office of financial management for review and approval. The approved budget shall be given by the department in an annual budget to the department of revenue no later than March 1st prior to the beginning of the fiscal year. The department of revenue shall then determine the amount of telecommunications relay service excise tax to be placed on each switched access line and shall inform local exchange companies and the utilities and transportation commission of this amount no later than May 1st. The department of revenue shall determine the amount of telecommunications relay service excise tax to be collected in the following fiscal year by dividing the total of the program budget, as submitted by the office, by the total number of switched access lines in the prior calendar year, as reported to the department of revenue under chapter 82.14B RCW, and shall not exercise any further oversight of the program under this subsection other than administering the collection of the telecommunications relay service excise tax as provided in RCW 82.72.010 through 82.72.090. The telecommunications relay service excise tax shall not exceed nineteen

cents per month per access line. The telecommunications relay service excise tax shall be separately identified on each ratepayer's bill with the following statement: "Funds federal ADA requirement." All proceeds from the telecommunications relay service excise tax shall be put into a fund to be administered by the office through the department. During the 2009-2011 and 2011-2013 fiscal ~~((biennium))~~ biennia, the funds may also be used to provide individualized employment services and employment-related counseling to people with disabilities, and technical assistance to employers about the employment of people with disabilities. "Switched access line" has the meaning provided in RCW 82.14B.020.

(6) The telecommunications relay service program and equipment vendors shall provide services and equipment consistent with the requirements of federal law for the operation of both interstate and intrastate telecommunications services for the hearing impaired or speech impaired. The department and the utilities and transportation commission shall be responsible for ensuring compliance with federal requirements and shall provide timely notice to the legislature of any legislation that may be required to accomplish compliance.

(7) The department shall adopt rules establishing eligibility criteria, ownership obligations, financial contributions, and a program for distribution to individuals requesting and receiving such telecommunications devices distributed by the office, and other rules necessary to administer programs and services consistent with this chapter.

Sec. 945. RCW 43.79.201 and 2009 c 564 s 935 are each amended to read as follows:

(1) The charitable, educational, penal and reformatory institutions account is hereby created, in the state treasury, into which account there shall be deposited all moneys arising from the sale, lease or transfer of the land granted by the United States government to the state for charitable, educational, penal and reformatory institutions by section 17 of the enabling act, or otherwise set apart for such institutions, except all moneys arising from the sale, lease, or transfer of that certain one hundred thousand acres of such land assigned for the support of the University of Washington by chapter 91, Laws of 1903 and section 9, chapter 122, Laws of 1893.

(2) If feasible, not less than one-half of all income to the charitable, educational, penal, and reformatory institutions account shall be appropriated for the purpose of providing housing, including repair and renovation of state institutions, for persons with mental illness or developmental disabilities, or youth who are blind, deaf, or otherwise disabled. If moneys are appropriated for community-based housing, the moneys shall be appropriated to the department of ~~((community, trade, and economic development))~~ commerce for the housing assistance program under chapter 43.185 RCW. During the 2009-2011 and 2011-2013 fiscal ~~((biennium))~~ biennia, the legislature may transfer from the charitable, educational, penal and reformatory institutions account to the state general fund such amounts as reflect excess fund balance of the ~~((fund account))~~ account.

Sec. 946. RCW 43.79.465 and 2010 1st sp.s. c 37 s 929 are each amended to read as follows:

The education savings account is created in the state treasury. The account shall consist of all moneys appropriated to the account by the legislature.

(1) Ten percent of legislative appropriations to the education savings account shall be distributed as follows: (a) Fifty percent to the distinguished professorship trust fund under RCW 28B.76.565; (b) seventeen percent to the graduate fellowship trust fund under RCW 28B.76.610; and (c) thirty-three percent to the college faculty awards trust fund under RCW 28B.50.837.

(2) The remaining moneys in the education savings account may be appropriated solely for (a) common school construction projects that are eligible for funding from the common school construction account, (b) technology improvements in the common schools, (c)

during the 2001-03 fiscal biennium, technology improvements in public higher education institutions, (d) during the 2007-2009 fiscal biennium, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the excess fund balance of the account attributable to unspent state general fund appropriations for fiscal year 2008, ~~((and))~~ (e) for fiscal year 2010, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent general fund appropriations for fiscal year 2009; and (f) for fiscal years 2012 and 2013, the legislature may transfer from the education savings account to the state general fund such amounts as reflect the fund balance of the account attributable to unspent general fund appropriations for fiscal years 2011 and 2012.

Sec. 947. RCW 43.79.480 and 2009 c 564 s 937 and 2009 c 479 s 30 are each reenacted and amended to read as follows:

(1) Moneys received by the state of Washington in accordance with the settlement of the state's legal action against tobacco product manufacturers, exclusive of costs and attorneys' fees, shall be deposited in the tobacco settlement account created in this section except as these moneys are sold or assigned under chapter 43.340 RCW.

(2) The tobacco settlement account is created in the state treasury. Moneys in the tobacco settlement account may only be transferred to the state general fund, and to the tobacco prevention and control account for purposes set forth in this section. The legislature shall transfer amounts received as strategic contribution payments as defined in RCW 43.350.010 to the life sciences discovery fund created in RCW 43.350.070. During the 2009-2011 and 2011-2013 fiscal ~~((biennium))~~ biennia, the legislature may transfer less than the entire strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the basic health plan stabilization account.

(3) The tobacco prevention and control account is created in the state treasury. The source of revenue for this account is moneys transferred to the account from the tobacco settlement account, investment earnings, donations to the account, and other revenues as directed by law. Expenditures from the account are subject to appropriation. During the 2009-2011 fiscal biennium, the legislature may transfer from the tobacco prevention and control account to the state general fund such amounts as represent the excess fund balance of the account.

Sec. 948. RCW 43.88.150 and 1995 c 6 s 1 are each amended to read as follows:

(1) For those agencies that make expenditures from both appropriated and nonappropriated funds for the same purpose, the governor shall direct such agencies to charge their expenditures in such ratio, as between appropriated and nonappropriated funds, as will conserve appropriated funds. This subsection does not apply to institutions of higher education, as defined in RCW 28B.10.016, except during the 2011-2013 fiscal biennium.

(2) Unless otherwise provided by law, if state moneys are appropriated for a capital project and matching funds or other contributions are required as a condition of the receipt of the state moneys, the state moneys shall be disbursed in proportion to and only to the extent that the matching funds or other contributions have been received and are available for expenditure.

(3) The office of financial management shall adopt guidelines for the implementation of this section. The guidelines may account for federal matching requirements or other requirements to spend other moneys in a particular manner.

Sec. 949. RCW 43.101.200 and 1997 c 351 s 13 are each amended to read as follows:

(1) All law enforcement personnel, except volunteers, and reserve officers whether paid or unpaid, initially employed on or after January 1, 1978, shall engage in basic law enforcement training which complies with standards adopted by the commission pursuant to

RCW 43.101.080. For personnel initially employed before January 1, 1990, such training shall be successfully completed during the first fifteen months of employment of such personnel unless otherwise extended or waived by the commission and shall be requisite to the continuation of such employment. Personnel initially employed on or after January 1, 1990, shall commence basic training during the first six months of employment unless the basic training requirement is otherwise waived or extended by the commission. Successful completion of basic training is requisite to the continuation of employment of such personnel initially employed on or after January 1, 1990.

(2) Except as otherwise provided in this chapter, the commission shall provide the aforementioned training together with necessary facilities, supplies, materials, and the board and room of noncommuting attendees for seven days per week, except during the 2011-2013 fiscal biennium when the employing, county, city or state law enforcement agency shall reimburse the commission for twenty-five percent of the cost of training its personnel. Additionally, to the extent funds are provided for this purpose, the commission shall reimburse to participating law enforcement agencies with ten or less full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training: PROVIDED, That such reimbursement shall include only the actual cost of temporary replacement not to exceed the total amount of salary and benefits received by the replaced officer during his or her training period.

Sec. 950. RCW 43.135.045 and 2010 1st sp.s. c 27 s 5 are each amended to read as follows:

The education construction fund is hereby created in the state treasury.

(1) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction. During the 2007-2009 fiscal biennium, funds may also be used for higher education facilities preservation and maintenance. During the 2009-2011 ~~((fiscal biennium))~~ and 2011-2013 fiscal biennia, the legislature may transfer from the education construction fund to the state general fund such amounts as reflect the excess fund balance of the fund.

(2) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(3) Funds for the student achievement program in RCW 28A.505.210 and 28A.505.220 shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

(4) After July 1, 2010, the state treasurer shall transfer one hundred two million dollars from the general fund to the education construction fund by June 30th of each year.

Sec. 951. RCW 43.155.050 and 2010 1st sp.s. c 37 s 932 and 2010 1st sp.s. c 36 s 6007 are each reenacted and amended to read as follows:

The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water

assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. For the 2007-2009 biennium, moneys in the account may be used for grants for projects identified in section 138, chapter 488, Laws of 2005 and section 1033, chapter 520, Laws of 2007. During the 2009-2011 fiscal biennium, sums in the public works assistance account may be used for the water pollution control revolving fund program match in section 3013, chapter 36, Laws of 2010 1st sp. sess. During the 2009-2011 fiscal biennium, the legislature may transfer from the job development fund to the general fund such amounts as reflect the excess fund balance of the fund. During the 2011-2013 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund, the water pollution control revolving account, and the drinking water assistance account such amounts as reflect the excess fund balance of the account.

NEW SECTION. Sec. 952. Section 951 (RCW 43.155.050) of this act takes effect June 30, 2011.

Sec. 953. RCW 43.185.050 and 2006 c 371 s 236 are each amended to read as follows:

(1) The department shall use moneys from the housing trust fund and other legislative appropriations to finance in whole or in part any loans or grant projects that will provide housing for persons and families with special housing needs and with incomes at or below fifty percent of the median family income for the county or standard metropolitan statistical area where the project is located. At least thirty percent of these moneys used in any given funding cycle shall be for the benefit of projects located in rural areas of the state as defined by the department. If the department determines that it has not received an adequate number of suitable applications for rural projects during any given funding cycle, the department may allocate unused moneys for projects in nonrural areas of the state.

(2) Activities eligible for assistance from the housing trust fund and other legislative appropriations include, but are not limited to:

- (a) New construction, rehabilitation, or acquisition of low and very low-income housing units;
- (b) Rent subsidies;
- (c) Matching funds for social services directly related to providing housing for special-need tenants in assisted projects;
- (d) Technical assistance, design and finance services and consultation, and administrative costs for eligible nonprofit community or neighborhood-based organizations;
- (e) Administrative costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's access to housing funds other than those available under this chapter;
- (f) Shelters and related services for the homeless, including emergency shelters and overnight youth shelters;
- (g) Mortgage subsidies, including temporary rental and mortgage payment subsidies to prevent homelessness;
- (h) Mortgage insurance guarantee or payments for eligible projects;
- (i) Down payment or closing cost assistance for eligible first-time home buyers;
- (j) Acquisition of housing units for the purpose of preservation as low-income or very low-income housing;
- (k) Projects making housing more accessible to families with members who have disabilities; and
- (l) During the 2005-2007 fiscal biennium, a manufactured/mobile home landlord-tenant ombudsman conflict resolution and park registration program.

(3) During the 2005-2007 fiscal biennium, revenues generated under RCW 36.22.178 may be used for the development of affordable housing projects and other activities funded in section 108, chapter 371, Laws of 2006.

(4) Legislative appropriations from capital bond proceeds may be used only for the costs of projects authorized under subsection (2)(a), (i), and (j) of this section, and not for the administrative costs of the department.

(5) Moneys from repayment of loans from appropriations from capital bond proceeds may be used for all activities necessary for the proper functioning of the housing assistance program except for activities authorized under subsection (2)(b) and (c) of this section.

(6) Administrative costs of the department shall not exceed five percent of the annual funds available for the housing assistance program, except during the 2011-2013 fiscal biennium when administrative costs associated with housing trust fund application, distribution, and project development activities may not exceed three percent of the annual funds available for the housing assistance program; administrative costs associated with compliance and monitoring activities of the department may not exceed one quarter of one percent annually of the contracted amount of state investment in the housing assistance program; and reappropriations may not be included in the calculation of the annual funds available for determining the administrative costs.

Sec. 954. RCW 43.185A.030 and 2005 c 518 s 1803 and 2005 c 219 s 3 are each reenacted and amended to read as follows:

(1) Using moneys specifically appropriated for such purpose, the department shall finance in whole or in part projects that will provide housing for low-income households.

(2) Activities eligible for assistance include, but are not limited to:

- (a) New construction, rehabilitation, or acquisition of housing for low-income households;

- (b) Rent subsidies in new construction or rehabilitated multifamily units;

- (c) Down payment or closing costs assistance for first-time home buyers;

- (d) Mortgage subsidies for new construction or rehabilitation of eligible multifamily units; and

- (e) Mortgage insurance guarantee or payments for eligible projects.

(3) Legislative appropriations from capital bond proceeds may be used only for the costs of projects authorized under subsection (2) (a), (c), (d), and (e) of this section, and not for the administrative costs of the department.

(4) Moneys from repayment of loans from appropriations from capital bond proceeds may be used for all activities necessary for the proper functioning of the affordable housing program except for activities authorized under subsection (2)(b) of this section.

(5) Administrative costs of the department shall not exceed four percent of the annual funds available for the affordable housing program, except during the 2011-2013 fiscal biennium when administrative costs associated with housing trust fund application, distribution, and project development activities may not exceed three percent of the annual funds available for the housing assistance program; administrative costs associated with compliance and monitoring activities of the department may not exceed one quarter of one percent annually of the contracted amount of state investment in the housing assistance program; and reappropriations may not be included in the calculation of the annual funds available for determining the administrative costs.

Sec. 955. RCW 43.185C.190 and 2007 c 427 s 2 are each amended to read as follows:

The affordable housing for all account is created in the state treasury, subject to appropriation. The state's portion of the surcharges established in RCW 36.22.178 shall be deposited in the account. Expenditures from the account may only be used for

affordable housing programs. During the 2011-2013 fiscal biennium, moneys in the account may be transferred to the home security fund.

Sec. 956. RCW 43.330.250 and 2009 c 565 s 13 and 2009 c 564 s 943 are each reenacted and amended to read as follows:

- (1) The economic development strategic reserve account is created in the state treasury to be used only for the purposes of this section.
- (2) Only the governor, with the recommendation of the director of the department of commerce and the economic development commission, may authorize expenditures from the account.
- (3) Expenditures from the account shall be made in an amount sufficient to fund a minimum of one staff position for the economic development commission and to cover any other operational costs of the commission.
- (4) During the 2009-2011 (~~fiscal biennium~~) and 2011-2013 fiscal biennia, moneys in the account may also be transferred into the state general fund.
- (5) Expenditures from the account may be made to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, or to recruit a business or facility to the state. Expenditures may be authorized for:
 - (a) Workforce development;
 - (b) Public infrastructure needed to support or sustain the operations of the business or facility; and
 - (c) Other lawfully provided assistance, including, but not limited to, technical assistance, environmental analysis, relocation assistance, and planning assistance. Funding may be provided for such assistance only when it is in the public interest and may only be provided under a contractual arrangement ensuring that the state will receive appropriate consideration, such as an assurance of job creation or retention.
- (6) The funds shall not be expended from the account unless:
 - (a) The circumstances are such that time does not permit the director of the department of commerce or the business or facility to secure funding from other state sources;
 - (b) The business or facility produces or will produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state;
 - (c) The business or facility does not require continuing state support;
 - (d) The expenditure will result in new jobs, job retention, or higher incomes for citizens of the state;
 - (e) The expenditure will not supplant private investment; and
 - (f) The expenditure is accompanied by private investment.
- (7) No more than three million dollars per year may be expended from the account for the purpose of assisting an individual business or facility pursuant to the authority specified in this section.
- (8) If the account balance in the strategic reserve account exceeds fifteen million dollars at any time, the amount in excess of fifteen million dollars shall be transferred to the education construction account.

Sec. 957. RCW 43.336.020 and 2009 c 549 s 5178 are each amended to read as follows:

- (1) The Washington tourism commission is created.
- (2) The commission shall be cochaired by the director of the department or the director's designee, and by an industry-member representative who is elected by the commission members.
- (3) The commission shall have nineteen members. In appointing members, the governor shall endeavor to balance the geographic and demographic composition of the commission to include members with special expertise from tourism organizations, local jurisdictions, and small businesses directly engaged in tourism-related activities. Before making appointments to the Washington tourism commission, the governor shall consider nominations from recognized organizations that represent the entities or interests identified in this

section. Commission members shall be appointed by the governor as follows:

- (a) Three members to represent the lodging industry, at least two of which shall be chosen from a list of three nominees per position submitted by the state's largest lodging industry trade association. Members should represent all property categories and different regions of the state;
 - (b) Three representatives from nonprofit destination marketing organizations or visitor and convention bureaus;
 - (c) Three industry representatives from the arts, entertainment, attractions, or recreation industry;
 - (d) Four private industry representatives, two from each of the business categories in this subsection:
 - (i) The food, beverage, and wine industries; and
 - (ii) The travel and transportation industries;
 - (e) Four legislative members, one from each major caucus of the senate, designated by the president of the senate, and one from each major caucus of the house of representatives, designated by the speaker of the house of representatives;
 - (f) The chair of the Washington convention and trade center; and
 - (g) The director or the director's designee.
- (4)(a) Terms of nonlegislative members shall be three years, except that initial terms shall be staggered such that terms of one-third of the initial members shall expire each year.
- (b) Terms of legislative members shall be two years.
- (c) Vacancies shall be appointed in the same manner as the original appointment.
- (d) A member appointed by the governor may not be absent from more than fifty percent of the regularly scheduled meetings in any one calendar year. Any member who exceeds this absence limitation is deemed to have withdrawn from the office and may be replaced by the governor.
- (5) Members shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.
- (6) The commission shall meet at least four times per year, but may meet more frequently as necessary.
- (7) A majority of members currently appointed constitutes a quorum.
- (8) Staff support shall be provided by the department, and staff shall report to the executive director.
- (9) The director, in consultation with the commission, shall appoint an executive director.
- (10) The commission may adopt rules under chapter 34.05 RCW as necessary to carry out the purposes of this chapter.
- (11) During the 2011-2013 fiscal biennium, the commission and its activities and responsibilities are suspended.

Sec. 958. RCW 46.66.080 and 2011 c 5 s 915 are each amended to read as follows:

- (1) The Washington auto theft prevention authority account is created in the state treasury, subject to appropriation. All revenues from the traffic infraction surcharge in RCW 46.63.110(7)(b) and all receipts from gifts, grants, bequests, devises, or other funds from public and private sources to support the activities of the auto theft prevention authority must be deposited into the account. Expenditures from the account may be used only for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement. During the 2009-2011 and 2011-2013 fiscal (~~biennium~~) biennia, the legislature may appropriate moneys from the Washington auto theft prevention authority account for criminal justice purposes and community building and may transfer funds to the state general fund such amounts as reflect the excess fund balance of the account.
- (2) The authority shall allocate moneys appropriated from the account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent motor vehicle theft, including:

(a) Financial support to prosecution agencies to increase the effectiveness of motor vehicle theft prosecution;

(b) Financial support to a unit of local government or a team consisting of units of local governments to increase the effectiveness of motor vehicle theft enforcement;

(c) Financial support for the procurement of equipment and technologies for use by law enforcement agencies for the purpose of enforcing motor vehicle theft laws; and

(d) Financial support for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

(3) The costs of administration shall not exceed ten percent of the moneys in the account in any one year so that the greatest possible portion of the moneys available to the authority is expended on combating motor vehicle theft.

(4) Prior to awarding any moneys from the Washington auto theft prevention authority account for motor vehicle theft enforcement, the auto theft prevention authority must verify that the financial award includes sufficient funding to cover proposed activities, which include, but are not limited to: (a) State, municipal, and county offender and juvenile confinement costs; (b) administration costs; (c) law enforcement costs; (d) prosecutor costs; and (e) court costs, with a priority being given to ensuring that sufficient funding is available to cover state, municipal, and county offender and juvenile confinement costs.

(5) Moneys expended from the Washington auto theft prevention authority account under subsection (2) of this section shall be used to supplement, not supplant, other moneys that are available for motor vehicle theft prevention.

(6) Grants provided under subsection (2) of this section constitute reimbursement for purposes of RCW 43.135.060(1).

Sec. 959. RCW 66.08.170 and 2009 c 564 s 947 are each amended to read as follows:

There shall be a fund, known as the "liquor revolving fund", which shall consist of all license fees, permit fees, penalties, forfeitures, and all other moneys, income, or revenue received by the board. The state treasurer shall be custodian of the fund. All moneys received by the board or any employee thereof, except for change funds and an amount of petty cash as fixed by the board within the authority of law shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the liquor revolving fund. During the 2009-2011 fiscal biennium, the legislature may transfer funds from the liquor revolving account [fund] to the state general fund and may direct an additional amount of liquor profits to be distributed to local governments. Neither the transfer of funds nor the additional distribution of liquor profits to local governments during the 2009-2011 fiscal biennium may reduce the excess fund distributions that otherwise would occur under RCW 66.08.190. During the 2011-2013 fiscal biennium, the state treasurer shall transfer from the liquor revolving fund to the state general fund forty-two million five hundred thousand dollars for fiscal year 2012 and forty-two million five hundred thousand dollars for fiscal year 2013. The transfer during the 2011-2013 fiscal biennium may not reduce the excess fund distributions that otherwise would occur under RCW 66.08.190. Sales to licensees are exempt from any liquor price increases that may result from the transfer of funds from the liquor revolving fund to the state general fund during the 2011-2013 fiscal biennium. Disbursements from the revolving fund shall be on authorization of the board or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the liquor revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund.

Sec. 960. RCW 66.08.190 and 2003 1st sp.s. c 25 s 927 are each amended to read as follows:

(1) Except for revenues generated by the 2003 surcharge of \$0.42/liter on retail sales of spirits that ~~((shall))~~ **must** be distributed to

the state general fund during the 2003-2005 biennium, when excess funds are distributed, all moneys subject to distribution ~~((shall))~~ **must** be disbursed as follows:

(a) Three-tenths of one percent to border areas under RCW 66.08.195; and

(b) Except as provided in subsection (4) of this section, from the amount remaining after distribution under (a) of this subsection, (i) fifty percent to the general fund of the state, (ii) ten percent to the counties of the state, and (iii) forty percent to the incorporated cities and towns of the state.

(2) During the months of June, September, December, and March of each year, prior to disbursing the distribution to incorporated cities and towns under subsection (1)(b) of this section, the treasurer ~~((shall))~~ **must** deduct from that distribution an amount that will fund that quarter's allotments under RCW 43.88.110 from any legislative appropriation from the city and town research services account. The treasurer ~~((shall))~~ **must** deposit the amount deducted into the city and town research services account.

(3) The governor may notify and direct the state treasurer to withhold the revenues to which the counties and cities are entitled under this section if the counties or cities are found to be in noncompliance pursuant to RCW 36.70A.340.

(4) During the 2011-2013 fiscal biennium, from the amount remaining after distribution under subsection (1)(a) of this section, (a) 51.7 percent to the general fund of the state, (b) 9.7 percent to the counties of the state, and (c) 38.6 percent to the incorporated cities and towns of the state.

Sec. 961. RCW 66.08.235 and 2005 c 151 s 4 are each amended to read as follows:

The liquor control board construction and maintenance account is created within the state treasury. The liquor control board shall deposit into this account a portion of the board's markup, as authorized by chapter 66.16 RCW, placed upon liquor as determined by the board. Moneys in the account may be spent only after appropriation. The liquor control board shall use deposits to this account to fund construction and maintenance of a centralized distribution center for liquor products intended for sale through the board's liquor store and contract liquor store system. During the ~~((2001-2003))~~ 2011-2013 fiscal biennium, the legislature may transfer from the liquor control board construction and maintenance account to the state general fund such amounts as reflect the ~~((appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings))~~ excess fund balance of the account.

Sec. 962. RCW 67.70.260 and 2002 c 371 s 919 are each amended to read as follows:

There is hereby created the lottery administrative account in the state treasury. The account shall be managed, controlled, and maintained by the director. The legislature may appropriate from the account for the payment of costs incurred in the operation and administration of the lottery. During the 2001-2003 fiscal biennium, the legislature may transfer from the lottery administrative account to the state general fund such amounts as reflect the appropriations reductions made by the 2002 supplemental appropriations act for administrative efficiencies and savings. During the 2011-2013 fiscal biennium, the lottery administrative account may also be used to fund an independent forecast of the lottery revenues conducted by the economic and revenue forecast council.

Sec. 963. RCW 70.93.180 and 2010 1st sp.s. c 37 s 945 are each amended to read as follows:

(1) There is hereby created an account within the state treasury to be known as the "waste reduction, recycling, and litter control account". Moneys in the account may be spent only after appropriation. Expenditures from the waste reduction, recycling, and litter control account shall be used as follows:

(a) Fifty percent to the department of ecology, for use by the departments of ecology, natural resources, revenue, transportation, and corrections, and the parks and recreation commission, for use in litter collection programs, to be distributed under RCW 70.93.220. The amount to the department of ecology shall also be used for a central coordination function for litter control efforts statewide, for the biennial litter survey under RCW 70.93.200(8), and for statewide public awareness programs under RCW 70.93.200(7). The amount to the department shall also be used to defray the costs of administering the funding, coordination, and oversight of local government programs for waste reduction, litter control, and recycling, so that local governments can apply one hundred percent of their funding to achieving program goals. The amount to the department of revenue shall be used to enforce compliance with the litter tax imposed in chapter 82.19 RCW;

(b) Twenty percent to the department for local government funding programs for waste reduction, litter control, and recycling activities by cities and counties under RCW 70.93.250, to be administered by the department of ecology; and

(c) Thirty percent to the department of ecology for waste reduction and recycling efforts.

(2) All taxes imposed in RCW 82.19.010 and fines and bail forfeitures collected or received pursuant to this chapter shall be deposited in the waste reduction, recycling, and litter control account and used for the programs under subsection (1) of this section.

(3) Not less than five percent and no more than ten percent of the amount appropriated into the waste reduction, recycling, and litter control account every biennium shall be reserved for capital needs, including the purchase of vehicles for transporting crews and for collecting litter and solid waste. Capital funds shall be distributed among state agencies and local governments according to the same criteria provided in RCW 70.93.220 for the remainder of the funds, so that the most effective waste reduction, litter control, and recycling programs receive the most funding. The intent of this subsection is to provide funds for the purchase of equipment that will enable the department to account for the greatest return on investment in terms of reaching a zero litter goal.

(4) During the 2009-2011 fiscal biennium, the legislature may transfer from the waste reduction, recycling, and litter control account to the state general fund such amounts as reflect the excess fund balance of the account. Additionally, during the 2009-2011 fiscal biennium, subsection (1)(a), (b), and (c) of this section is suspended.

(5) During the 2011-2013 fiscal biennium, the legislature may transfer from the waste reduction, recycling, and litter control account to the state general fund such amounts as reflect the excess fund balance of the account. Additionally, during the 2011-2013 fiscal biennium, subsection (1)(a), (b), and (c) of this section is suspended.

Sec. 964. RCW 70.105D.070 and 2010 1st sp.s. c 37 s 942 are each amended to read as follows:

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

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

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

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

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

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

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

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

(vii) Hazardous materials emergency response training;

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

(ix) Programs authorized under chapter 70.146 RCW;

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

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

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

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

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

(xv) During the 2011-2013 fiscal biennium, actions for reducing public exposure to toxic air pollution.

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

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

(i) Remedial actions;

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

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

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

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

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

governments to retrofit public sector diesel equipment and for storm water planning and implementation activities.

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

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

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

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

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

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

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

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

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

(5) Except during the 2009-2011 fiscal biennium, one percent of the moneys deposited into the state and local toxics control accounts shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall revert to the state toxics control account.

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

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

(8) During the 2007-2009 and 2009-2011 fiscal biennia, the legislature may transfer from the local toxics control account to either the state general fund or the oil spill prevention account, or both such amounts as reflect excess fund balance in the account.

(9) During the 2009-2011 fiscal biennium, the local toxics control account may also be used for a standby rescue tug at Neah Bay, local government shoreline update grants, private and public sector diesel equipment retrofit, and oil spill prevention, preparedness, and response activities.

(10) During the 2009-2011 fiscal biennium, the legislature may transfer from the state toxics control account to the state general fund such amounts as reflect the excess fund balance in the account.

(11) During the 2011-2013 fiscal biennium, the local toxics control account may also be used for local government shoreline update grants and actions for reducing public exposure to toxic air pollution.

Sec. 965. RCW 74.13.621 and 2009 c 564 s 954 are each amended to read as follows:

(1) Within existing resources, the department shall establish an oversight committee to monitor, guide, and report on kinship care recommendations and implementation activities. The committee shall:

(a) Draft a kinship care definition that is restricted to persons related by blood, marriage, or adoption, including marriages that have been dissolved, or for a minor defined as an "Indian child" under the federal Indian child welfare act (25 U.S.C. Sec. 1901 et seq.), the definition of "extended family member" under the federal Indian child welfare act, and a set of principles. If the committee concludes that one or more programs or services would be more efficiently and effectively delivered under a different definition of kin, it shall state what definition is needed, and identify the program or service in the report. It shall also provide evidence of how the program or service will be more efficiently and effectively delivered under the different definition. The department shall not adopt rules or policies changing the definition of kin without authorizing legislation;

(b) Monitor and provide consultation on the implementation of recommendations contained in the 2002 kinship care report, including but not limited to the recommendations relating to legal and respite care services and resources;

(c) Partner with nonprofit organizations and private sector businesses to guide a public education awareness campaign; and

(d) Assist with developing future recommendations on kinship care issues.

(2) The department shall consult with the oversight committee on its efforts to better collaborate and coordinate services to benefit kinship care families.

(3) The oversight committee must consist of a minimum of thirty percent kinship caregivers, who shall represent a diversity of kinship families. Statewide representation with geographic, ethnic, and gender diversity is required. Other members shall include representatives of the department, representatives of relevant state agencies, representatives of the private nonprofit and business sectors, child advocates, representatives of Washington state Indian tribes as defined under the federal Indian welfare act (25 U.S.C. Sec. 1901 et seq.), and representatives of the legal or judicial field. Birth parents, foster parents, and others who have an interest in these issues may also be included.

(4) To the extent funding is available, the department may reimburse nondepartmental members of the oversight committee for costs incurred in participating in the meetings of the oversight committee.

(5) The kinship care oversight committee shall update the legislature and governor annually on committee activities, with the first update due by January 1, 2006.

(6) This section expires June 30, (~~2011~~) 2013.

Sec. 966. RCW 79.64.040 and 2009 c 564 s 957 are each amended to read as follows:

(1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting state lands and aquatic lands, provided that no deduction shall be made from the proceeds from agricultural college lands.

(2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.

(3) Except as otherwise provided in subsection (5) of this section, the deductions authorized under this section shall not exceed twenty-five percent of the moneys received by the department in connection

with any one transaction pertaining to state lands and aquatic lands other than second-class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second-class tide and shore lands and the beds of navigable waters.

(4) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.

(5) During the 2009-2011 fiscal biennium and fiscal year 2012, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board.

Sec. 967. RCW 79.105.150 and 2010 1st sp.s. c 37 s 949 are each amended to read as follows:

(1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. During the 2009-2011 and 2011-2013 fiscal (~~(biennium)~~) biennia, the aquatic lands enhancement account may also be used for scientific research as part of the adaptive management process and for developing a planning report for McNeil Island. During the 2009-2011 (~~(fiscal biennium)~~) and 2011-2013 fiscal biennia, the legislature may transfer from the aquatic lands enhancement account to the state general fund such amounts as reflect excess fund balance of the account.

(2) In providing grants for aquatic lands enhancement projects, the recreation and conservation funding board shall:

(a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications;

(b) Utilize the statement of environmental benefits, consideration, except as provided in RCW 79.105.610, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, whether a project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, and except as otherwise provided in RCW 79.105.630, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the applicant is an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030 in its prioritization and selection process; and

(c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.

(3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.

(4) The department shall consult with affected interest groups in implementing this section.

(5) After January 1, 2010, any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

Sec. 968. RCW 80.36.430 and 2011 c 5 s 919 are each amended to read as follows:

(1) The Washington telephone assistance program shall be funded by a telephone assistance excise tax on all switched access lines and by funds from any federal government or other programs for this purpose. Switched access lines are defined in RCW 82.14B.020. The

telephone assistance excise tax shall be applied equally to all residential and business access lines not to exceed fourteen cents per month. The department shall submit an approved annual budget for the Washington telephone assistance program to the department of revenue no later than March 1st prior to the beginning of each fiscal year. The department of revenue shall then determine the amount of telephone assistance excise tax to be placed on each switched access line and shall inform local exchange companies and the utilities and transportation commission of this amount no later than May 1st. The department of revenue shall determine the amount of telephone assistance excise tax by dividing the total of the program budget funded by the telephone assistance excise tax, as submitted by the department, by the total number of switched access lines in the prior calendar year. The telephone assistance excise tax shall be separately identified on each ratepayer's bill as the "Washington telephone assistance program." All money collected from the telephone assistance excise tax shall be transferred to a telephone assistance fund administered by the department.

(2) Local exchange companies shall bill the fund for their expenses incurred in offering the telephone assistance program, including administrative and program expenses. The department shall disburse the money to the local exchange companies. The department is exempted from having to conclude a contract with local exchange companies in order to effect this reimbursement. The department shall recover its administrative costs from the fund. The department may specify by rule the range and extent of administrative and program expenses that will be reimbursed to local exchange companies.

(3) The department shall enter into an agreement with the department of commerce for an amount not to exceed eight percent of the prior fiscal year's total revenue for the administrative and program expenses of providing community service voice mail services. The community service voice mail service may include toll-free lines in community action agencies through which recipients can access their community service voice mailboxes at no charge.

(4) During the 2009-2011 (~~(biennium)~~) and 2011-2013 biennia, the department shall enter into an agreement with the WIN 211 organization for operational support. During the 2011-2013 biennium, the department shall provide five hundred thousand dollars per fiscal year for this purpose.

(5) During the 2009-2011 biennium, the telephone assistance fund shall also be used in support of the economic services administration call centers and related operations.

Sec. 969. RCW 82.08.160 and 1982 1st ex.s. c 35 s 4 are each amended to read as follows:

(1) On or before the twenty-fifth day of each month, all taxes collected under RCW 82.08.150 during the preceding month (~~(shall)~~) must be remitted to the state department of revenue, to be deposited with the state treasurer. Except as provided in subsection (2) of this section, upon receipt of such moneys the state treasurer (~~(shall)~~) must credit sixty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) and one hundred percent of the sums collected and remitted under RCW 82.08.150 (3) and (4) to the state general fund and thirty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) to a fund which is hereby created to be known as the "liquor excise tax fund."

(2) During the 2011-2013 fiscal biennium, 66.19 percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund.

Sec. 970. RCW 82.14.310 and 2005 c 282 s 49 are each amended to read as follows:

(1) The county criminal justice assistance account is created in the state treasury. Beginning in fiscal year 2000, the state treasurer (~~(shall)~~) must transfer into the county criminal justice assistance

account from the general fund the sum of twenty-three million two hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer ~~((shall))~~ must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year.

(2) The moneys deposited in the county criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (4) of this section, ~~((shall))~~ must be distributed at such times as distributions are made under RCW 82.44.150 and on the relative basis of each county's funding factor as determined under this subsection.

(a) A county's funding factor is the sum of:

(i) The population of the county, divided by one thousand, and multiplied by two-tenths;

(ii) The crime rate of the county, multiplied by three-tenths; and

(iii) The annual number of criminal cases filed in the county superior court, for each one thousand in population, multiplied by five-tenths.

(b) Under this section and RCW 82.14.320 and 82.14.330:

(i) The population of the county or city ~~((shall be))~~ is as last determined by the office of financial management;

(ii) The crime rate of the county or city is the annual occurrence of specified criminal offenses, as calculated in the most recent annual report on crime in Washington state as published by the Washington association of sheriffs and police chiefs, for each one thousand in population;

(iii) The annual number of criminal cases filed in the county superior court ~~((shall))~~ must be determined by the most recent annual report of the courts of Washington, as published by the administrative office of the courts;

(iv) Distributions and eligibility for distributions in the ~~((1989-94))~~ 1989-1991 biennium ~~((shall))~~ must be based on 1988 figures for both the crime rate as described under (ii) of this subsection and the annual number of criminal cases that are filed as described under (iii) of this subsection. Future distributions ~~((shall))~~ must be based on the most recent figures for both the crime rate as described under (ii) of this subsection and the annual number of criminal cases that are filed as described under (iii) of this subsection.

(3) Moneys distributed under this section ~~((shall))~~ must be expended exclusively for criminal justice purposes and ~~((shall))~~ may not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil or juvenile justice system occurs, and which includes (a) domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020, and (b) during the 2001-2003 fiscal biennium, juvenile dispositional hearings relating to petitions for at-risk youth, truancy, and children in need of services. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

(4) Not more than five percent of the funds deposited to the county criminal justice assistance account ~~((shall))~~ may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such enhancements ~~((shall))~~ may not supplant existing funds from the state general fund.

(5) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the county criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.

Sec. 971. RCW 82.14.320 and 1998 c 321 s 12 are each amended to read as follows:

(1) The municipal criminal justice assistance account is created in the state treasury. Beginning in fiscal year 2000, the state treasurer ~~((shall))~~ must transfer into the municipal criminal justice assistance account for distribution under this section from the general fund the sum of four million six hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer ~~((shall))~~ must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year.

(2) No city may receive a distribution under this section from the municipal criminal justice assistance account unless:

(a) The city has a crime rate in excess of one hundred twenty-five percent of the statewide average as calculated in the most recent annual report on crime in Washington state as published by the Washington association of sheriffs and police chiefs;

(b) The city has levied the tax authorized in RCW 82.14.030(2) at the maximum rate or the tax authorized in RCW 82.46.010(3) at the maximum rate; and

(c) The city has a per capita yield from the tax imposed under RCW 82.14.030(1) at the maximum rate of less than one hundred fifty percent of the statewide average per capita yield for all cities from such local sales and use tax.

(3) The moneys deposited in the municipal criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (7) of this section, ~~((shall))~~ must be distributed at such times as distributions are made under RCW 82.44.150. The distributions ~~((shall))~~ must be made as follows:

(a) Unless reduced by this subsection, thirty percent of the moneys ~~((shall))~~ must be distributed ratably based on population as last determined by the office of financial management to those cities eligible under subsection (2) of this section that have a crime rate determined under subsection (2)(a) of this section which is greater than one hundred seventy-five percent of the statewide average crime rate. No city may receive more than fifty percent of any moneys distributed under this subsection (a) but, if a city distribution is reduced as a result of exceeding the fifty percent limitation, the amount not distributed ~~((shall))~~ must be distributed under (b) of this subsection.

(b) The remainder of the moneys, including any moneys not distributed in subsection (2)(a) of this section, ~~((shall))~~ must be distributed to all cities eligible under subsection (2) of this section ratably based on population as last determined by the office of financial management.

(4) No city may receive more than thirty percent of all moneys distributed under subsection (3) of this section.

(5) Notwithstanding other provisions of this section, the distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), ~~((shall))~~ must be made to the county in which the city is located.

(6) Moneys distributed under this section ~~((shall))~~ must be expended exclusively for criminal justice purposes and ~~((shall))~~ may not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence

programs, community advocates, and legal advocates, as defined in RCW 70.123.020, and publications and public educational efforts designed to provide information and assistance to parents in dealing with runaway or at-risk youth. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

(7) Not more than five percent of the funds deposited to the municipal criminal justice assistance account ~~((shall))~~ may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such enhancements ~~((shall))~~ may not supplant existing funds from the state general fund.

(8) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the municipal criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.

Sec. 972. RCW 82.14.330 and 2003 c 90 s 1 are each amended to read as follows:

(1)(a) Beginning in fiscal year 2000, the state treasurer ~~((shall))~~ must transfer into the municipal criminal justice assistance account for distribution under this section from the general fund the sum of four million six hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer ~~((shall))~~ must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year. The moneys deposited in the municipal criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (4) of this section, ~~((shall))~~ must be distributed to the cities of the state as follows:

~~((a))~~ (i) Twenty percent appropriated for distribution ~~((shall))~~ must be distributed to cities with a three-year average violent crime rate for each one thousand in population in excess of one hundred fifty percent of the statewide three-year average violent crime rate for each one thousand in population. The three-year average violent crime rate ~~((shall))~~ must be calculated using the violent crime rates for each of the preceding three years from the annual reports on crime in Washington state as published by the Washington association of sheriffs and police chiefs. Moneys ~~((shall))~~ must be distributed under this subsection (1)(a) ratably based on population as last determined by the office of financial management, but no city may receive more than one dollar per capita. Moneys remaining undistributed under this subsection at the end of each calendar year ~~((shall))~~ must be distributed to the criminal justice training commission to reimburse participating city law enforcement agencies with ten or fewer full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training, as provided in RCW 43.101.200.

~~((b))~~ (ii) Sixteen percent ~~((shall))~~ must be distributed to cities ratably based on population as last determined by the office of financial management, but no city may receive less than one thousand dollars.

(b) The moneys deposited in the municipal criminal justice assistance account for distribution under this subsection ~~((shall))~~ (1) must be distributed at such times as distributions are made under RCW 82.44.150.

(c) Moneys distributed under this subsection ~~((shall))~~ (1) must be expended exclusively for criminal justice purposes and ~~((shall))~~ may not be used to replace or supplant existing funding. Criminal justice

purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

(2)(a) In addition to the distributions under subsection (1) of this section:

~~((a))~~ (i) Ten percent ~~((shall))~~ must be distributed on a per capita basis to cities that contract with another governmental agency for the majority of the city's law enforcement services. Cities that subsequently qualify for this distribution ~~((shall))~~ must notify the department of ~~((community, trade, and economic development))~~ commerce by November 30th for the upcoming calendar year. The department of ~~((community, trade, and economic development))~~ commerce must provide a list of eligible cities to the state treasurer by December 31st. The state treasurer ~~((shall))~~ must modify the distribution of these funds in the following year. Cities have the responsibility to notify the department of ~~((community, trade, and economic development))~~ commerce of any changes regarding these contractual relationships. Adjustments in the distribution formula to add or delete cities may be made only for the upcoming calendar year; no adjustments may be made retroactively.

~~((b))~~ (ii) The remaining fifty-four percent ~~((shall))~~ must be distributed to cities and towns by the state treasurer on a per capita basis. These funds ~~((shall))~~ must be used for: ~~((i))~~ (A) Innovative law enforcement strategies; ~~((ii))~~ (B) programs to help at-risk children or child abuse victim response programs; and ~~((iii))~~ (C) programs designed to reduce the level of domestic violence or to provide counseling for domestic violence victims.

(b) The moneys deposited in the municipal criminal justice assistance account for distribution under this subsection (2), less any moneys appropriated for purposes under subsection (4) of this section, ~~((shall))~~ must be distributed at the times as distributions are made under RCW 82.44.150. Moneys remaining undistributed under this subsection at the end of each calendar year ~~((shall))~~ must be distributed to the criminal justice training commission to reimburse participating city law enforcement agencies with ten or fewer full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training, as provided in RCW 43.101.200.

(c) If a city is found by the state auditor to have expended funds received under this subsection (2) in a manner that does not comply with the criteria under which the moneys were received, the city ~~((shall be))~~ is ineligible to receive future distributions under this subsection (2) until the use of the moneys are justified to the satisfaction of the director or are repaid to the state general fund.

(3) Notwithstanding other provisions of this section, the distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), ~~((shall))~~ must be made to the county in which the city is located.

(4) Not more than five percent of the funds deposited to the municipal criminal justice assistance account ~~((shall))~~ may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such

enhancements ~~((shall))~~ may not supplant existing funds from the state general fund.

(5) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the municipal criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.

Sec. 973. RCW 82.14.390 and 2008 c 48 s 1 are each amended to read as follows:

(1) Except as provided in subsection (7) of this section, the governing body of a public facilities district (a) created before July 31, 2002, under chapter 35.57 or 36.100 RCW that commences construction of a new regional center, or improvement or rehabilitation of an existing new regional center, before January 1, 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a county or counties in which there are no other public facilities districts on June 7, 2006, and in which the total population in the public facilities district is greater than ninety thousand that commences construction of a new regional center before February 1, 2007; (c) created under the authority of RCW 35.57.010(1)(d); or (d) created before September 1, 2007, under chapter 35.57 or 36.100 RCW, in a county or counties in which there are no other public facilities districts on July 22, 2007, and in which the total population in the public facilities district is greater than seventy thousand, that commences construction of a new regional center before January 1, 2009, or before January 1, 2011, in the case of a new regional center in a county designated by the president as a disaster area in December 2007, may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and ~~((shall))~~ must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax ~~((shall))~~ may not exceed 0.033 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

(2)(a) The governing body of a public facilities district imposing a sales and use tax under the authority of this section may increase the rate of tax up to 0.037 percent if, within three fiscal years of July 1, 2008, the department determines that, as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020, a public facilities district's sales and use tax collections for fiscal years after July 1, 2008, have been reduced by a net loss of at least 0.50 percent from the fiscal year before July 1, 2008. The fiscal year in which this section becomes effective is the first fiscal year after July 1, 2008.

(b) The department ~~((shall))~~ must determine sales and use tax collection net losses under this section as provided in RCW 82.14.500 (2) and (3). The department ~~((shall))~~ must provide written notice of its determinations to public facilities districts. Determinations by the department of a public facilities district's sales and use tax collection net losses as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020 are final and not appealable.

(c) A public facilities district may increase its rate of tax after it has received written notice from the department as provided in (b) of this subsection. The increase in the rate of tax must be made in 0.001 percent increments and must be the least amount necessary to mitigate the net loss in sales and use tax collections as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020. The increase in the rate of tax is subject to RCW 82.14.055.

(3) The tax imposed under subsection (1) of this section ~~((shall))~~ must be deducted from the amount of tax otherwise required to be collected or paid over to the department of revenue under chapter 82.08 or 82.12 RCW. The department of revenue ~~((shall))~~ must perform the collection of such taxes on behalf of the county at no cost to the public facilities district. During the 2011-2013 fiscal biennium, distributions by the state to a public facilities district based on the

additional rate authorized in subsection (2) of this section must be reduced by 3.4 percent.

(4) No tax may be collected under this section before August 1, 2000. The tax imposed in this section ~~((shall))~~ expires when the bonds issued for the construction of the regional center and related parking facilities are retired, but not more than twenty-five years after the tax is first collected.

(5) Moneys collected under this section ~~((shall))~~ may only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to thirty-three percent of the amount collected under this section ~~((; provided that))~~; however, amounts generated from nonvoter approved taxes authorized under chapter 35.57 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW ~~((shall))~~ do not constitute a public or private source. For the purpose of this section, public or private sources includes, but is not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

(6) The combined total tax levied under this section ~~((shall))~~ may not be greater than 0.037 percent. If both a public facilities district created under chapter 35.57 RCW and a public facilities district created under chapter 36.100 RCW impose a tax under this section, the tax imposed by a public facilities district created under chapter 35.57 RCW ~~((shall))~~ must be credited against the tax imposed by a public facilities district created under chapter 36.100 RCW.

(7) A public facilities district created under chapter 36.100 RCW is not eligible to impose the tax under this section if the legislative authority of the county where the public facilities district is located has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

Sec. 974. RCW 82.14.500 and 2007 c 6 s 903 are each amended to read as follows:

(1)(a) In order to mitigate local sales tax revenue net losses as a result of the sourcing provisions of the streamlined sales and use tax agreement under this title, the state treasurer ~~((shall))~~, on July 1, 2011, and each July 1st thereafter, must transfer into the streamlined sales and use tax mitigation account from the general fund ~~((the sum of thirty one million six hundred thousand dollars on July 1, 2008. On July 1, 2009, and each July 1st thereafter, the state treasurer shall transfer into the streamlined sales and use tax mitigation account from the general fund))~~ the sum required to mitigate actual net losses as determined under this section.

(b) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred under (a) of this subsection must be reduced by 3.4 percent.

(2) Beginning July 1, 2008, and continuing until the department determines annual losses under subsection (3) of this section, the department ~~((shall))~~ must determine the amount of local sales tax net loss each local taxing jurisdiction experiences as a result of the sourcing provisions of the streamlined sales and use tax agreement under this title each calendar quarter. The department ~~((shall))~~ must determine losses by analyzing and comparing data from tax return information and tax collections for each local taxing jurisdiction before and after July 1, 2008, on a calendar quarter basis. The department's analysis may be revised and supplemented in consultation with the oversight committee as provided in subsection (4) of this section. To determine net losses, the department ~~((shall))~~ must reduce losses by the amount of voluntary compliance revenue for the calendar quarter analyzed. Beginning December 31, 2008, distributions ~~((shall))~~ must be made quarterly from the streamlined sales and use tax mitigation account by the state treasurer, as directed by the department, to each local taxing jurisdiction, other than public

facilities districts for losses in respect to taxes imposed under the authority of RCW 82.14.390, in an amount representing its net losses for the previous calendar quarter. Distributions ~~((shall))~~ must be made on the last working day of each calendar quarter and ~~((shall))~~ must cease when distributions under subsection (3) of this section begin.

(3)(a) By December 31, 2009, or such later date the department in consultation with the oversight committee determines that sufficient data is available, the department ~~((shall))~~ must determine each local taxing jurisdiction's annual loss. The department ~~((shall))~~ must determine annual losses by comparing at least twelve months of data from tax return information and tax collections for each local taxing jurisdiction before and after July 1, 2008. The department ~~((shall))~~ is not ~~((be))~~ required to determine annual losses on a recurring basis, but may make any adjustments to annual losses as it deems proper as a result of the annual reviews provided in (b) of this subsection. Beginning the calendar quarter in which the department determines annual losses, and each calendar quarter thereafter, distributions ~~((shall))~~ must be made from the streamlined sales and use tax mitigation account by the state treasurer on the last working day of the calendar quarter, as directed by the department, to each local taxing jurisdiction, other than public facilities districts for losses in respect to taxes imposed under the authority of RCW 82.14.390, in an amount representing one-fourth of the jurisdiction's annual loss reduced by voluntary compliance revenue reported during the previous calendar quarter.

(b) The department's analysis of annual losses ~~((shall))~~ must be reviewed by December 1st of each year and may be revised and supplemented in consultation with the oversight committee as provided in subsection (4) of this section.

(4) The department ~~((shall))~~ must convene an oversight committee to assist in the determination of losses. The committee ~~((shall))~~ includes one representative of one city whose revenues are increased, one representative of one city whose revenues are reduced, one representative of one county whose revenues are increased, one representative of one county whose revenues are decreased, one representative of one transportation authority under RCW 82.14.045 whose revenues are increased, and one representative of one transportation authority under RCW 82.14.045 whose revenues are reduced, as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020. Beginning July 1, 2008, the oversight committee ~~((shall))~~ must meet quarterly with the department to review and provide additional input and direction on the department's analyses of losses. Local taxing jurisdictions may also present to the oversight committee additional information to improve the department's analyses of the jurisdiction's loss. Beginning January 1, 2010, the oversight committee ~~((shall))~~ must meet at least annually with the department by December 1st.

(5) The rule-making provisions of chapter 34.05 RCW do not apply to this section.

Sec. 975. RCW 82.45.060 and 2005 c 450 s 1 are each amended to read as follows:

There is imposed an excise tax upon each sale of real property at the rate of one and twenty-eight one-hundredths percent of the selling price. An amount equal to six and one-tenth percent of the proceeds of this tax to the state treasurer ~~((shall))~~ must be deposited in the public works assistance account created in RCW 43.155.050. Except as otherwise provided in this section, an amount equal to one and six-tenths percent of the proceeds of this tax to the state treasurer ~~((shall))~~ must be deposited in the city-county assistance account created in RCW 43.08.290. During the 2011-2013 fiscal biennium, 1.546 percent of the proceeds of this tax to the state treasurer must be deposited in the city-county assistance account.

Sec. 976. RCW 86.26.007 and 2009 c 564 s 961 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. At the beginning of the 2005-2007 fiscal biennium, the state treasurer shall transfer three million dollars from the general fund to the flood control assistance account. Each biennium thereafter the state treasurer shall transfer four million dollars from the general fund to the flood control assistance account, except that during the 2009-2011 and 2011-2013 fiscal ~~((biennium))~~ biennia, the state treasurer shall transfer two million dollars from the general fund to the flood control assistance account. Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter.

Sec. 977. RCW 90.71.370 and 2010 1st sp.s. c 36 s 6013 are each amended to read as follows:

(1) By December 1, 2008, and by September 1st of each even-numbered year beginning in 2010, the council shall provide to the governor and the appropriate fiscal committees of the senate and house of representatives its recommendations for the funding necessary to implement the action agenda in the succeeding biennium. The recommendations shall:

- (a) Identify the funding needed by action agenda element;
- (b) Address funding responsibilities among local, state, and federal governments, as well as nongovernmental funding; and
- (c) Address funding needed to support the work of the partnership, the panel, the ecosystem work group, and entities assisting in coordinating local efforts to implement the plan.

(2) In the 2008 report required under subsection (1) of this section, the council shall include recommendations for projected funding needed through 2020 to implement the action agenda; funding needs for science panel staff; identify methods to secure stable and sufficient funding to meet these needs; and include proposals for new sources of funding to be dedicated to Puget Sound protection and recovery. In preparing the science panel staffing proposal, the council shall consult with the panel.

(3) By November 1st of each odd-numbered year beginning in 2009, the council shall produce a state of the Sound report that includes, at a minimum:

- (a) An assessment of progress by state and nonstate entities in implementing the action agenda, including accomplishments in the use of state funds for action agenda implementation;
- (b) A description of actions by implementing entities that are inconsistent with the action agenda and steps taken to remedy the inconsistency;
- (c) The comments by the panel on progress in implementing the plan, as well as findings arising from the assessment and monitoring program;
- (d) A review of citizen concerns provided to the partnership and the disposition of those concerns;
- (e) A review of the expenditures of funds to state agencies for the implementation of programs affecting the protection and recovery of Puget Sound, and an assessment of whether the use of the funds is consistent with the action agenda; and
- (f) An identification of all funds provided to the partnership, and recommendations as to how future state expenditures for all entities, including the partnership, could better match the priorities of the action agenda.

(4)(a) The council shall review state programs that fund facilities and activities that may contribute to action agenda implementation. By November 1, 2009, the council shall provide initial recommendations regarding program changes to the governor and appropriate fiscal and policy committees of the senate and house of representatives. By November 1, 2010, the council shall provide final recommendations regarding program changes, including proposed legislation to implement the recommendation, to the governor and appropriate fiscal and policy committees of the senate and house of representatives.

(b) The review in this subsection shall be conducted with the active assistance and collaboration of the agencies administering these programs, and in consultation with local governments and other entities receiving funding from these programs:

- (i) Water pollution control facilities financing, chapter 70.146 RCW;
- (ii) The water pollution control revolving fund, chapter 90.50A RCW;
- (iii) The public works assistance account, chapter 43.155 RCW;
- (iv) The aquatic lands enhancement account, RCW 79.105.150;
- (v) The state toxics control account and local toxics control account and clean-up program, chapter 70.105D RCW;
- (vi) The acquisition of habitat conservation and outdoor recreation land, chapter 79A.15 RCW;
- (vii) The salmon recovery funding board, RCW 77.85.110 through 77.85.150;
- (viii) The community economic revitalization board, chapter 43.160 RCW;
- (ix) Other state financial assistance to water quality-related projects and activities; and
- (x) Water quality financial assistance from federal programs administered through state programs or provided directly to local governments in the Puget Sound basin.

(c) The council's review shall include but not be limited to:

- (i) Determining the level of funding and types of projects and activities funded through the programs that contribute to implementation of the action agenda;
- (ii) Evaluating the procedures and criteria in each program for determining which projects and activities to fund, and their relationship to the goals and priorities of the action agenda;
- (iii) Assessing methods for ensuring that the goals and priorities of the action agenda are given priority when program funding decisions are made regarding water quality-related projects and activities in the Puget Sound basin and habitat-related projects and activities in the Puget Sound basin;
- (iv) Modifying funding criteria so that projects, programs, and activities that are inconsistent with the action agenda are ineligible for funding;
- (v) Assessing ways to incorporate a strategic funding approach for the action agenda within the outcome-focused performance measures required by RCW 43.41.270 in administering natural resource-related and environmentally based grant and loan programs.

(5) During the 2009-2011 fiscal biennium, the council's review must result in a ranking of projects affecting the protection and recovery of the Puget Sound basin that are proposed in the governor's capital budget submitted under RCW 43.88.060. The ranking shall include recommendations for reallocation of total requested funds for Puget Sound basin projects to achieve the greatest positive outcomes for protection and recovery of Puget Sound and shall be submitted to the appropriate fiscal committees of the legislature no later than February 1, 2011.

(6) During the 2011-2013 fiscal biennium, the council shall by November 1, 2012, produce the state of the sound report as defined in subsection (3) of this section.

NEW SECTION. Sec. 978. BUDGET SUSTAINABILITY.

The full disclosure of the long-term fiscal impacts of budget proposals under consideration by the legislature will improve the informed participation in the budget process of the citizens of the state and their legislators and contribute to the sustainable use of the state's limited fiscal resources. For each proposed omnibus operating appropriations bill reported by a legislative fiscal committee or approved by either house of the legislature during the 2012 and 2013 legislative sessions, the relevant fiscal committee shall provide a public report that documents the policy-level proposals in the bill and the cost of each proposal in the current fiscal biennium and the estimated cost in the next ensuing fiscal biennium. This information shall also be provided

by the governor for each proposed omnibus operating appropriations bill submitted to the legislature by the governor for the 2012 and 2013 legislative sessions.

(End of part)

PART X

GENERAL GOVERNMENT

Sec. 1001. 2010 2nd sp.s. c 1 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund--State Appropriation (FY 2010)	\$33,505,000
General Fund--State Appropriation (FY 2011)	((\$30,934,000))
\$30,918,000	
TOTAL APPROPRIATION	((\$64,439,000))
\$64,423,000	

Sec. 1002. 2010 2nd sp.s. c 1 s 102 (uncodified) is amended to read as follows:

FOR THE SENATE

General Fund--State Appropriation (FY 2010)	\$24,960,000
General Fund--State Appropriation (FY 2011)	((\$24,020,000))
\$24,008,000	
TOTAL APPROPRIATION	((\$48,980,000))
\$48,968,000	

Sec. 1003. 2010 2nd sp.s. c 1 s 106 (uncodified) is amended to read as follows:

FOR THE SUPREME COURT

General Fund--State Appropriation (FY 2010)	\$6,912,000
General Fund--State Appropriation (FY 2011)	((\$6,844,000))
\$6,924,000	
TOTAL APPROPRIATION	((\$13,756,000))
\$13,836,000	

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

Sec. 1004. 2010 2nd sp.s. c 1 s 107 (uncodified) is amended to read as follows:

FOR THE LAW LIBRARY

General Fund--State Appropriation (FY 2010)	\$1,925,000
General Fund--State Appropriation (FY 2011)	((\$1,592,000))
\$1,596,000	
TOTAL APPROPRIATION	((\$3,517,000))
\$3,521,000	

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

Sec. 1005. 2010 2nd sp.s. c 1 s 108 (uncodified) is amended to read as follows:

FOR THE COURT OF APPEALS

General Fund--State Appropriation (FY 2010)	\$15,632,000
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General Fund--State Appropriation (FY 2011)	(\$15,517,000)
\$15,593,000	
TOTAL APPROPRIATION	(\$31,149,000)
\$31,225,000	

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

Sec. 1006. 2011 c 5 s 106 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund--State Appropriation (FY 2010)	\$52,644,000
General Fund--State Appropriation (FY 2011)	(\$49,260,000)
\$49,196,000	
General Fund--Federal Appropriation	\$979,000
Judicial Information Systems Account--State Appropriation	(\$33,406,000)
\$31,407,000	
Judicial Stabilization Trust Account--State Appropriation	\$6,598,000
TOTAL APPROPRIATION	(\$142,887,000)
\$140,824,000	

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

(1) \$1,800,000 of the general fund--state appropriation for fiscal year 2010 and \$1,387,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for school districts for petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The office of the administrator for the courts shall develop an interagency agreement with the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed. This funding includes amounts school districts may expend on the cost of serving petitions filed under RCW 28A.225.030 by certified mail or by personal service or for the performance of service of process for any hearing associated with RCW 28A.225.030. Absences from school occurring in the months of May and June 2011 do not count towards the number of absences allowed under RCW 28A.225.030. Reductions in appropriations in this section reflect reduced workload associated with filing petitions generated through absences occurring in May and June.

(2)(a) \$8,252,000 of the general fund--state appropriation for fiscal year 2010 and \$7,534,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2009-11 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives appropriations committee and the senate ways and means committee no later than 60 days after a fiscal

year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

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

(4) \$5,700,000 of the judicial information systems account--state appropriation is provided solely for modernization and integration of the judicial information system.

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

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

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

(d) \$100,000 of the judicial information systems account--state appropriation is provided solely for the administrative office of the courts, in coordination with the judicial information system committee, to conduct an independent third-party executive-level review of the judicial information system. This review shall examine, at a minimum, the scope of the current project plan, governance structure, and organizational change management procedures. The review will also benchmark the system plans against similarly sized projects in other states or localities, review the large scale program risks, and estimate life cycle costs, including capital and on-going operational expenditures.

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

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

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

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

~~((9))~~ (8) \$44,000 of the judicial information systems account--state appropriation is provided solely to implement chapter 272, Laws of 2010 (SHB 2680; guardianship).

~~((10))~~ (9) \$274,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the office of public guardianship to provide guardianship services for low-income incapacitated persons.

~~((11))~~ (10) \$3,797,000 of the judicial information systems account--state appropriation is provided solely for continued planning and implementation of improvements to the court case management system.

~~((12))~~ (11) In accordance with RCW 43.135.055, the administrative office of the courts is authorized to adopt and increase the fees set forth in and previously authorized in section 6, chapter 491, Laws of 2009.

Sec. 1007. 2011 c 5 s 107 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund--State Appropriation (FY 2010)	\$21,105,000
General Fund--State Appropriation (FY 2011)	((13,612,000))
	\$14,727,000
General Fund--Federal Appropriation	\$8,082,000
Archives and Records Management Account--State Appropriation	\$8,990,000
Charitable Organization Education Account--State Appropriation	\$76,000
Department of Personnel Service Account--State Appropriation	\$757,000
Election Account--State Appropriation	\$77,000
Local Government Archives Account--State Appropriation	\$11,515,000
Election Account--Federal Appropriation	\$31,163,000
TOTAL APPROPRIATION	((95,377,000))
	\$96,492,000

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

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

(2)(a) \$1,897,000 of the general fund--state appropriation for fiscal year 2010 and \$1,845,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for contracting with a nonprofit organization to produce gavel-to-gavel television coverage of state government deliberations and other events of statewide significance during the 2009-2011 biennium. The funding level for each year of the contract shall be based on the amount provided in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in this subsection have been satisfactorily documented.

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

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

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

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

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

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

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

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

(5) \$76,000 of the charitable organization education account--state appropriation for fiscal year 2011 is provided solely to implement Second Substitute House Bill No. 2576 (corporation and charity fees). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(6) \$77,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for deposit to the election account.

Sec. 1008. 2011 c 5 s 108 (uncodified) is amended to read as follows:

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund--State Appropriation (FY 2010)	\$2,249,000
General Fund--State Appropriation (FY 2011)	((1,969,000))
	\$1,967,000
TOTAL APPROPRIATION	((4,218,000))
	\$4,216,000

Sec. 1009. 2011 c 5 s 113 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 2010)	\$5,732,000
General Fund--State Appropriation (FY 2011)	((5,272,000))
	\$5,268,000
General Fund--Federal Appropriation	\$4,026,000
New Motor Vehicle Arbitration Account--State Appropriation	\$1,350,000
Legal Services Revolving Account--State Appropriation	((224,523,000))
	\$225,910,000
Tobacco Prevention and Control Account--State Appropriation	\$270,000
TOTAL APPROPRIATION	((241,173,000))
	\$242,556,000

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

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

(2) Prior to entering into any negotiated settlement of a claim against the state that exceeds five million dollars, the attorney general shall notify the director of financial management and the chairs of the

senate committee on ways and means and the house of representatives committee on ways and means.

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

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

(5) The executive ethics board must produce a report by the end of the calendar year for the legislature regarding performance measures on the efficiency and effectiveness of the board, as well as on performance measures to measure and monitor the ethics and integrity of all state agencies.

(6) \$53,000 of the legal services revolving account--state appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 3026 (school district compliance with state and federal civil rights laws).

Sec. 1010. 2011 c 5 s 114 (uncodified) is amended to read as follows:

FOR THE CASELOAD FORECAST COUNCIL

General Fund--State Appropriation (FY 2010)	\$766,000
General Fund--State Appropriation (FY 2011)	(\$660,000)
\$658,000	
TOTAL APPROPRIATION	(\$1,426,000)
\$1,424,000	

The appropriations in this section are subject to the following conditions and limitations: \$13,000 of the general fund--state appropriation for fiscal year 2010 and \$7,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Second Substitute House Bill No. 2106 (improving child welfare outcomes through the phased implementation of strategic and proven reforms). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

Sec. 1011. 2011 c 5 s 115 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

General Fund--State Appropriation (FY 2010)	\$49,670,000
General Fund--State Appropriation (FY 2011)	(\$36,739,000)
\$36,710,000	
General Fund--Federal Appropriation	\$385,601,000
General Fund--Private/Local Appropriation	\$10,972,000
Public Works Assistance Account--State	
Appropriation	\$2,974,000
Tourism Development and Promotion Account--State	
Appropriation	\$798,000
Drinking Water Assistance Administrative	
Account--State Appropriation	\$433,000
Lead Paint Account--State Appropriation	\$35,000
Building Code Council Account--State Appropriation	\$688,000
Home Security Fund Account--State Appropriation	\$24,486,000
Affordable Housing for All Account--State	
Appropriation	\$11,896,000
Washington Auto Theft Prevention Authority	
Account--State Appropriation	\$300,000
Independent Youth Housing Account--State Appropriation	\$220,000
County Research Services Account--State Appropriation	\$469,000
Community Preservation and Development Authority	
Account--State Appropriation	\$350,000

Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account--State Appropriation	\$1,166,000
Low-Income Weatherization Assistance Account--State	
Appropriation	\$6,882,000
City and Town Research Services Account--State	
Appropriation	\$2,246,000
Manufacturing Innovation and Modernization	
Account--State Appropriation	\$230,000
Community and Economic Development Fee Account--State	
Appropriation	\$6,922,000
Washington Housing Trust Account--State	
Appropriation	\$15,348,000
Prostitution Prevention and Intervention Account--	
State Appropriation	\$125,000
Public Facility Construction Loan Revolving	
Account--State Appropriation	\$754,000
TOTAL APPROPRIATION	(\$559,304,000)
\$559,275,000	

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

(1) \$2,378,000 of the general fund--state appropriation for fiscal year 2010 and \$2,117,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a contract with the Washington technology center for work essential to the mission of the Washington technology center and conducted in partnership with universities.

(2) Repayments of outstanding loans granted under RCW 43.63A.600, the mortgage and rental assistance program, shall be remitted to the department, including any current revolving account balances. The department shall collect payments on outstanding loans, and deposit them into the state general fund. Repayments of funds owed under the program shall be remitted to the department according to the terms included in the original loan agreements.

(3) \$100,000 of the general fund--state appropriation for fiscal year 2010 and \$89,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement section 2(7) of Engrossed Substitute House Bill No. 1959 (land use and transportation planning for marine container ports).

(4) \$102,000 of the building code council account--state appropriation is provided solely for the implementation of sections 3 and 7 of Engrossed Second Substitute Senate Bill No. 5854 (built environment pollution). If sections 3 and 7 of the bill are not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(5)(a) \$10,500,000 of the general fund--federal appropriation is provided for training and technical assistance associated with low income weatherization programs. Subject to federal requirements, the department shall provide: (i) Up to \$4,000,000 to the state board for community and technical colleges to provide workforce training related to weatherization and energy efficiency; (ii) up to \$3,000,000 to the Bellingham opportunity council to provide workforce training related to energy efficiency and weatherization; and (iii) up to \$3,500,000 to community-based organizations and to community action agencies consistent with the provisions of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). Any funding remaining shall be expended in project 91000013, weatherization, in the omnibus capital appropriations act, Substitute House Bill No. 1216 (capital budget).

(b) \$6,787,000 of the general fund--federal appropriation is provided solely for the state energy program, including not less than \$5,000,000 to provide credit enhancements consistent with the provisions of Engrossed Second Substitute Senate Bill No. 5649 (energy efficiency in buildings).

(c) Of the general fund--federal appropriation the department shall provide: \$14,500,000 to the Washington State University for the purpose of making grants for pilot projects providing community-

wide urban, residential, and commercial energy efficiency upgrades consistent with the provisions of Engrossed Second Substitute Senate Bill No. 5649 (energy efficiency in buildings); \$500,000 to Washington State University to conduct farm energy assessments. In contracting with the Washington State University for the provision of these services, the total administration of Washington State University and the department shall not exceed 3 percent of the amounts provided.

(d) ((\$38,500,000 of the general fund--federal appropriation is provided for deposit in the energy recovery act account to establish a revolving loan program, consistent with the provisions of Engrossed Substitute House Bill No. 2289 (expanding energy freedom program).

(e)) \$10,646,000 of the general fund--federal appropriation is provided pursuant to the energy efficiency and conservation block grant under the American reinvestment and recovery act. The department may use up to \$3,000,000 of the amount provided in this subsection to provide technical assistance for energy programs administered by the agency under the American reinvestment and recovery act.

(6) \$14,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5560 (state agency climate leadership). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(7) \$22,400,000 of the general fund--federal appropriation is provided solely for the justice assistance grant program and is contingent upon the department transferring: \$1,200,000 to the department of corrections for security threat mitigation, \$2,336,000 to the department of corrections for offender reentry, \$1,960,000 to the Washington state patrol for law enforcement activities, \$2,087,000 to the department of social and health services, division of alcohol and substance abuse for drug courts, and \$428,000 to the department of social and health services for sex abuse recognition training. The remaining funds shall be distributed by the department to local jurisdictions.

(8) \$20,000 of the general fund--state appropriation for fiscal year 2010 and \$18,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to KCTS public television to support Spanish language programming and the V-me Spanish language channel.

(9) \$500,000 of the general fund--state appropriation for fiscal year 2010 and \$447,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to resolution Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

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

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

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

(13) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$35,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant for the state's participation in the Pacific Northwest economic region.

(14) \$712,000 of the general fund--state appropriation for fiscal year 2010 and \$559,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the office of crime victims advocacy. These funds shall be contracted with the 39 county prosecuting attorneys' offices to support victim-witness services. The funds must be prioritized to ensure a full-time victim-witness coordinator in each county. The office may retain only the amount currently allocated for this activity for administrative costs.

(15) \$306,000 of the general fund--state appropriation for fiscal year 2010 and \$274,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant to the retired senior volunteer program.

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

(17) \$371,000 of the general fund--state appropriation for fiscal year 2010 and \$290,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the northwest agriculture business center.

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

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

(20) \$69,000 of the general fund--state appropriation for fiscal year 2010 and \$60,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

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

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

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

(25) \$253,000 of the general fund--state appropriation for fiscal year 2010 and \$253,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely for the Washington new Americans program.

(26) \$438,000 of the general fund--state appropriation for fiscal year 2010 and \$394,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington asset building coalitions.

(27) \$3,231,000 of the general fund--state appropriation for fiscal year 2010 and \$2,953,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for associate development organizations.

(28) \$5,400,000 of the community and economic development fee account is provided as follows: \$1,000,000 is provided solely for the department of commerce for services for homeless families through the Washington families fund; \$2,600,000 is provided solely for housing trust fund operations and maintenance; \$800,000 is provided solely for housing trust fund portfolio management; \$500,000 is provided solely for foreclosure counseling and support; and \$500,000 is provided solely for use as a reserve in the account.

(29) \$237,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to administer a competitive grant program to fund economic development activities designed to further regional cluster growth and to integrate its sector-based and cluster-based strategies with its support for the development of innovation partnership zones. Grant recipients must provide matching funds equal to the size of the grant. Grants may be awarded to support the formation of sector associations or cluster associations, the identification of the technology and commercialization needs of a sector or cluster, facilitating working relationships between a sector association or cluster association and an innovation partnership zone, expanding the operations of an innovation partnership zone, and developing and implementing plans to meet the technology development and commercialization needs of industry sectors, industry clusters, and innovation partnership zones. The projects receiving grants must not duplicate the purpose or efforts of industry skill panels but priority must be given to applicants that complement industry skill panels and will use the grant funds to build linkages and joint projects.

(30) \$62,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to:

(a) Develop a rural manufacturer export outreach program in conjunction with impact Washington. The program must provide outreach services to rural manufacturers in Washington to inform them of the importance of and opportunities in international trade, and to inform them of the export assistance programs available to assist these businesses to become exporters; and

(b) Develop export loan or loan guarantee programs in conjunction with the Washington economic development finance authority and the appropriate federal and private entities.

(31) \$750,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement the provisions of chapter 13, Laws of 2010 (global health program).

(32) \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the creation of the Washington entrepreneurial development and small business reference service in the department of commerce.

(a) The department must:

(i) In conjunction with and drawing on information compiled by the work force training and education coordinating board and the Washington economic development commission:

(A) Establish and maintain an inventory of the public and private entrepreneurial training and technical assistance services, programs, and resources available in the state;

(B) Disseminate information about available entrepreneurial development and small business assistance services, programs, and resources via in-person presentations and electronic and printed

materials and undertake other activities to raise awareness of entrepreneurial training and small business assistance offerings; and

(C) Evaluate the extent to which existing entrepreneurial training and technical assistance programs in the state are effective and represent a consistent, integrated approach to meeting the needs of start-up and existing entrepreneurs;

(ii) Assist providers of entrepreneurial development and small business assistance services in applying for federal and private funding to support the entrepreneurial development and small business assistance activities in the state;

(iii) Distribute awards for excellence in entrepreneurial training and small business assistance; and

(iv) Report to the governor, the economic development commission, the work force training and education coordinating board, and the appropriate legislative committees its recommendations for statutory changes necessary to enhance operational efficiencies or enhance coordination related to entrepreneurial development and small business assistance.

(b) In carrying out the duties under this section, the department must seek the advice of small business owners and advocates, the Washington economic development commission, the work force training and education coordinating board, the state board for community and technical colleges, the employment security department, the Washington state microenterprise association, associate development organizations, impact Washington, the Washington quality award council, the Washington technology center, the small business export finance assistance center, the Spokane intercollegiate research and technology institute, representatives of the University of Washington business school and the Washington State University college of business and economics, the office of minority and women's business enterprises, the Washington economic development finance authority, and staff from small business development centers.

(c) The director may appoint an advisory board or convene such other individuals or groups as he or she deems appropriate to assist in carrying out the department's duties under this section.

(33) \$45,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for a grant to HistoryLink.

Sec. 1012. 2010 2nd sp.s. c 1 s 116 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT	
General Fund--State Appropriation (FY 2010)	\$21,089,000
General Fund--State Appropriation (FY 2011)	(\$18,285,000)
	\$17,996,000
General Fund--Federal Appropriation	\$27,103,000
General Fund--Private/Local Appropriation	\$1,270,000
State Auditing Services Revolving	
Account--State Appropriation	\$25,000
Economic Development Strategic Reserve Account--	
State Appropriation	\$278,000
TOTAL APPROPRIATION	(\$68,050,000)
	\$67,761,000

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

(1) \$188,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Second Substitute Senate Bill No. 5945 (Washington health partnership plan). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(2) The office of financial management shall conduct a study on alternatives for consolidating or transferring activities and responsibilities of the state lottery commission, state horse racing commission, state liquor control board, and the state gambling commission to achieve cost savings and regulatory efficiencies. In conducting the study, the office of financial management shall consult

with the legislative fiscal committees. Further, the office of financial management shall establish an advisory group to include, but not be limited to, representatives of affected businesses, state agencies or entities, local governments, and stakeholder groups. The office of financial management shall submit a final report to the governor and the legislative fiscal committees by November 15, 2009.

(3) \$110,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement Second Substitute Senate Bill No. 6578 (multiagency permitting teams). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(4) The office of financial management shall, with the assistance of the natural resources cabinet as created in executive order 09-07, reduce the number of facilities being leased by the state by consolidating, wherever possible, regional offices and storage facilities of the natural resource agencies. The office of financial management and the natural resources cabinet shall submit a report on the progress of this effort and the associated savings to the appropriate fiscal committees of the legislature no later than December 1, 2010.

(5)(a) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$150,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purposes of the office of financial management:

(i) Conducting a technical and financial analysis of the state's plan for the consolidated state data center and office building; and

(ii) Developing a strategic business plan outlining the various options for use of the site that maximize taxpayer value consistent with the terms of the finance lease and related agreements.

(b) The analysis required in (a)(i) of this subsection must consist of, at a minimum, an assessment of the following issues:

(i) The total capital and operational costs for the proposed data center and office building;

(ii) The occupancy rate for the consolidated state data center, as compared to total capacity, that will result in revenue exceeding total capital and operating expenses;

(iii) The potential reallocation of resources that could result from the consolidation of state data centers and office space; and

(iv) The potential return on investment for the consolidated state data center and office building that may be realized without impairing any existing contractual rights under the terms of the financing lease and related agreements.

(c) This review must build upon the analysis and migration strategy for the consolidated state data center being prepared for the department of information services.

(d) The strategic plan must be submitted to the governor and the legislature by December 1, 2010.

(6) Appropriations in this section include amounts sufficient to implement Engrossed Substitute House Bill No. 3178 (technology efficiencies).

Sec. 1013. 2011 c 5 s 117 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account--State

Appropriation ((~~\$34,468,000~~))

\$34,805,000

The appropriation in this section is subject to the following conditions and limitations: \$725,000 of the administrative hearings revolving account--state appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1014. 2011 c 5 s 118 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund--State Appropriation (FY 2010) \$250,000
General Fund--State Appropriation (FY 2011) ((~~\$227,000~~))
\$226,000

TOTAL APPROPRIATION ((~~\$477,000~~))

\$476,000

Sec. 1015. 2011 c 5 s 119 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund--State Appropriation (FY 2010) \$243,000

General Fund--State Appropriation (FY 2011) ((~~\$210,000~~))

\$221,000

TOTAL APPROPRIATION ((~~\$453,000~~))

\$464,000

Sec. 1016. 2011 c 5 s 120 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund--State Appropriation (FY 2010) \$109,472,000

General Fund--State Appropriation (FY 2011)

((~~\$107,662,000~~))

\$107,169,000

Timber Tax Distribution Account--State Appropriation

\$5,933,000

Waste Reduction/Recycling/Litter Control--State

Appropriation \$130,000

Waste Tire Removal Account--State Appropriation \$2,000

Real Estate Excise Tax Grant Account--State

Appropriation \$3,429,000

State Toxics Control Account--State Appropriation \$87,000

Oil Spill Prevention Account--State Appropriation \$19,000

TOTAL APPROPRIATION ((~~\$226,734,000~~))

\$226,241,000

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

(1) \$469,000 of the general fund--state appropriation for fiscal year 2010 and \$374,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Substitute Senate Bill No. 5368 (annual property revaluation). If the bill is not enacted by June 30, 2009, the amounts in this subsection shall lapse.

(2) \$4,653,000 of the general fund--state appropriation for fiscal year 2010 and \$4,242,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of revenue enhancement strategies. The strategies must include increased out-of-state auditing and compliance, the purchase of third party data sources for enhanced audit selection, and increased traditional auditing and compliance efforts.

(3) \$3,127,000 of the general fund--state appropriation for fiscal year 2010 and \$1,737,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Senate Bill No. 6173 (sales tax compliance). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(4) \$1,294,000 of the general fund--state appropriation for fiscal year 2010 and \$3,085,000 of the general fund--state appropriation for fiscal year 2011 are for the implementation of Second Engrossed Substitute Senate Bill No. 6143 (excise tax law modifications). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(5) \$163,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement Substitute Senate Bill No. 6846 (enhanced 911 services). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(6) \$304,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for making the necessary preparations for implementation of the working families tax exemption pursuant to RCW 82.08.0206 in 2012.

Sec. 1017. 2011 c 5 s 121 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund--State Appropriation (FY 2010)	\$1,346,000
General Fund--State Appropriation (FY 2011)	(\$1,195,000)
\$1,194,000	
TOTAL APPROPRIATION	(\$2,541,000)
\$2,540,000	

Sec. 1018. 2011 c 5 s 122 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund--State Appropriation (FY 2010)	\$815,000
General Fund--State Appropriation (FY 2011)	(\$3,527,000)
\$3,524,000	
General Fund--Federal Appropriation	\$2,956,000
Building Code Council Account--State Appropriation	\$875,000
General Fund--Private/Local Appropriation	\$84,000
General Administration Service Account--State Appropriation	\$31,397,000
TOTAL APPROPRIATION	(\$39,654,000)
\$39,651,000	

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

(1) \$28,000 of the general fund--state appropriation for fiscal year 2010 and \$14,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purposes of section 8 of Engrossed Second Substitute Senate Bill No. 5854 (built environment pollution). If section 8 of the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(2) \$3,197,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, and joint legislative systems committee. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall enter into an interagency agreement with these agencies by July 1, 2010, to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The agencies named in this subsection shall continue to enjoy all of the same rights of occupancy, support, and space use on the capitol campus as historically established.

(3) \$84,000 of the general fund--private/local appropriation and \$593,000 of the building code council account--state appropriation are provided solely to implement Engrossed Second Substitute House Bill No. 2658 (refocusing the department of commerce, including transferring programs). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(4) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal year 2011 as necessary to meet the actual costs of conducting business.

Sec. 1019. 2011 c 5 s 125 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 2010)	\$9,350,000
General Fund--State Appropriation (FY 2011)	(\$7,898,000)
\$7,890,000	
General Fund--Federal Appropriation	\$168,599,000
Enhanced 911 Account--State Appropriation	\$44,508,000
Disaster Response Account--State Appropriation	\$28,350,000
Disaster Response Account--Federal Appropriation	\$114,496,000
Military Department Rent and Lease Account--State Appropriation	\$612,000
Military Department Active State Service Account--Federal	

Appropriation	\$592,000
Worker and Community Right-to-Know Account--State Appropriation	\$341,000
Nisqually Earthquake Account--State Appropriation	\$307,000
Nisqually Earthquake Account--Federal Appropriation	\$1,067,000
TOTAL APPROPRIATION	(\$376,120,000)
\$376,112,000	

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

(1) \$28,326,000 of the disaster response account--state appropriation and \$114,496,000 of the disaster response account--federal appropriation may be spent only on disasters declared by the governor and with the approval of the office of financial management. The military department shall submit a report to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2009-2011 biennium based on current revenue and expenditure patterns.

(2) \$307,000 of the Nisqually earthquake account--state appropriation and \$1,067,000 of the Nisqually earthquake account--federal appropriation are provided solely for response and recovery costs associated with the February 28, 2001, earthquake. The military department shall submit a report to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing earthquake recovery costs, including: (a) Estimates of total costs; (b) incremental changes from the previous estimate; (c) actual expenditures; (d) estimates of total remaining costs to be paid; and (e) estimates of future payments by biennium. This information shall be displayed by fund, by type of assistance, and by amount paid on behalf of state agencies or local organizations. The military department shall also submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on the Nisqually earthquake account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2009-2011 biennium based on current revenue and expenditure patterns.

(3) \$85,000,000 of the general fund--federal appropriation is provided solely for homeland security, subject to the following conditions:

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

(b) The department shall submit 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.

(4) \$500,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the military department to contract with the Washington information network 2-1-1 to operate a statewide 2-1-1 system. The department shall provide the entire amount for 2-1-1 and may not use any of the funds for administrative purposes.

Sec. 1020. 2011 c 5 s 126 (uncodified) is amended to read as follows:

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund--State Appropriation (FY 2010)	\$2,667,000
General Fund--State Appropriation (FY 2011)	(\$2,345,000)
\$2,344,000	

Higher Education Personnel Services Account--State

Appropriation	\$250,000	
Department of Personnel Service Account--State		
Appropriation	\$3,263,000	
TOTAL APPROPRIATION		(\$8,525,000)
	\$8,524,000	

The appropriations in this section are subject to the following conditions and limitations: \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Engrossed Substitute Senate Bill No. 6726 (language access provider bargaining).

Sec. 1021. 2011 c 5 s 127 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

General Fund--State Appropriation (FY 2010)	\$1,371,000	
General Fund--State Appropriation (FY 2011)		(\$1,230,000)
	\$1,197,000	
General Fund--Federal Appropriation	\$2,293,000	
General Fund--Private/Local Appropriation	\$14,000	
TOTAL APPROPRIATION		(\$4,908,000)
	\$4,875,000	

The appropriations in this section are subject to the following conditions and limitations: \$44,000 of the general fund--state appropriation for fiscal year 2011 is provided for implementation of Substitute House Bill No. 2704 (Washington main street program). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1022. 2011 c 5 s 128 (uncodified) is amended to read as follows:

FOR THE GROWTH MANAGEMENT HEARINGS BOARD

General Fund--State Appropriation (FY 2010)	\$1,642,000	
General Fund--State Appropriation (FY 2011)		(\$1,334,000)
	\$1,331,000	
TOTAL APPROPRIATION		(\$2,976,000)
	\$2,973,000	

The appropriations in this section are subject to the following conditions and limitations: \$12,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for Substitute House Bill No. 2935 (hearings boards/environment and land use). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(End of part)

**PART XI
HUMAN SERVICES**

Sec. 1101. 2010 1st sp.s. c 37 s 201 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES.

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

(2) The department of social and health services shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department

may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(3) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act.

(4) The department is authorized to develop an integrated health care program designed to slow the progression of illness and disability and better manage medicaid expenditures for the aged and disabled population. Under this Washington medicaid integration partnership (WMIP), the department may combine and transfer such medicaid funds appropriated under sections 204, 206, 208, and 209 of this act as may be necessary to finance a unified health care plan for the WMIP program enrollment. The WMIP pilot projects shall not exceed a daily enrollment of 6,000 persons, nor expand beyond one county, during the 2009-2011 biennium. The amount of funding assigned to the pilot projects from each program may not exceed the average per capita cost assumed in this act for individuals covered by that program, actuarially adjusted for the health condition of persons enrolled in the pilot project, times the number of clients enrolled in the pilot project. In implementing the WMIP pilot projects, the department may: (a) Withhold from calculations of "available resources" as set forth in RCW 71.24.025 a sum equal to the capitated rate for individuals enrolled in the pilots; and (b) employ capitation financing and risk-sharing arrangements in collaboration with health care service contractors licensed by the office of the insurance commissioner and qualified to participate in both the medicaid and medicare programs. The department shall conduct an evaluation of the WMIP, measuring changes in participant health outcomes, changes in patterns of service utilization, participant satisfaction, participant access to services, and the state fiscal impact.

(5)(a) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, ~~(2010)~~ 2011, unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year ~~(2010)~~ 2011 among programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose except as expressly provided in (b) of this subsection.

(b) To the extent that transfers under (a) of this subsection are insufficient to fund actual expenditures in excess of fiscal year ~~(2010)~~ 2011 caseload forecasts and utilization assumptions in the medical assistance, long-term care, foster care, adoptions support, and child support programs, the department may transfer state moneys that are provided solely for a specified purpose. The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments

by budget unit and appropriation, both before and after any allotment modifications or transfers.

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

Sec. 1102. 2011 c 5 s 201 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM
 General Fund--State Appropriation (FY 2010) \$315,002,000
 General Fund--State Appropriation (FY 2011)
 ((~~\$287,643,000~~))
 \$285,342,000
 General Fund--Federal Appropriation ((~~\$494,136,000~~))
 \$494,749,000
 General Fund--Private/Local Appropriation \$3,320,000
 Home Security Fund Appropriation \$8,406,000
 Domestic Violence Prevention Account--State
 Appropriation \$1,154,000
 Education Legacy Trust Account--State Appropriation
 \$725,000
TOTAL APPROPRIATION ((~~\$1,110,386,000~~))
\$1,108,698,000

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

(1) \$937,000 of the general fund--state appropriation for fiscal year 2010 and \$696,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility shall also provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract.

(2) \$369,000 of the general fund--state appropriation for fiscal year 2010, \$343,000 of the general fund--state appropriation for fiscal year 2011, and \$306,000 of the general fund--federal appropriation are provided solely for up to three nonfacility-based programs for the training, consultation, support, and recruitment of biological, foster, and adoptive parents of children through age three in need of special care as a result of substance abuse by their mothers, except that each program may serve up to three medically fragile nonsubstance-abuse-affected children. In selecting nonfacility-based programs, preference shall be given to programs whose federal or private funding sources have expired or that have successfully performed under the existing pediatric interim care program.

(3) \$2,500,000 of the general fund--state appropriation for fiscal year 2010 and \$46,000 of the general fund--state appropriation for fiscal year 2011, and \$2,098,000 of the home security fund--state appropriation are provided solely for secure crisis residential centers. Within appropriated amounts, the department shall collaborate with providers to maintain no less than forty-five beds that are geographically representative of the state. The department shall examine current secure crisis residential staffing requirements,

flexible payment options, center specific waivers, and other appropriate methods to accomplish this outcome.

(4) A maximum of \$69,190,000 of the general fund--state appropriations and \$54,443,000 of the general fund--federal appropriations for the 2009-11 biennium shall be expended for behavioral rehabilitative services and these amounts are provided solely for this purpose. The department shall work with behavioral rehabilitative service providers to safely keep youth with emotional, behavioral, or medical needs at home, with relatives, or with other permanent placement resources and decrease the length of service through improved emotional, behavioral, or medical outcomes for children in behavioral rehabilitative services in order to achieve the appropriated levels.

(a) Contracted providers shall act in good faith and accept the hardest to serve children, to the greatest extent possible, in order to improve their emotional, behavioral, or medical conditions.

(b) The department and the contracted provider shall mutually agree and establish an exit date for when the child is to exit the behavioral rehabilitative service provider. The department and the contracted provider should mutually agree, to the greatest extent possible, on a viable placement for the child to go to once the child's treatment process has been completed. The child shall exit only when the emotional, behavioral, or medical condition has improved or if the provider has not shown progress toward the outcomes specified in the signed contract at the time of exit. This subsection (b) does not prevent or eliminate the department's responsibility for removing the child from the provider if the child's emotional, behavioral, or medical condition worsens or is threatened.

(c) The department is encouraged to use performance-based contracts with incentives directly tied to outcomes described in this section. The contracts should incentivize contracted providers to accept the hardest to serve children and incentivize improvement in children's emotional, mental, and medical well-being within the established exit date. The department is further encouraged to increase the use of behavioral rehabilitative service group homes, wrap around services to facilitate and support placement of youth at home with relatives, or other permanent resources, and other means to control expenditures.

(d) The total foster care per capita amount shall not increase more than four percent in the 2009-11 biennium and shall not include behavioral rehabilitative service.

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

(6) \$13,387,000 of the general fund--state appropriation for fiscal year 2011 and \$6,231,000 of the general fund--federal appropriation are provided solely for the department to provide contracted prevention and early intervention services. The legislature recognizes the need for flexibility as the department transitions to performance-based contracts. The following services are included in the prevention and early intervention block grant: Crisis family intervention services, family preservation services, intensive family preservation services, evidence-based programs, public health nurses, and early family support services. The legislature intends for the department to maintain and build on existing evidence-based and research-based programs with the goal of utilizing contracted prevention and intervention services to keep children safe at home and to safely reunify families. Priority shall be given to proven intervention models, including evidence-based prevention and early intervention programs identified by the Washington state institute for public policy and the department. The department shall include information on the number, type, and outcomes of the evidence-based programs being implemented in its reports on child welfare reform

efforts and shall provide the legislature and governor a report regarding the allocation of resources in this subsection by September 30, 2010. The department shall expend federal funds under this subsection in compliance with federal regulations.

(7) \$36,000 of the general fund--state appropriation for fiscal year 2010, \$34,000 of the general fund--state appropriation for fiscal year 2011, and \$29,000 of the general fund--federal appropriation are provided solely for the implementation of chapter 465, Laws of 2007 (child welfare).

(8) \$125,000 of the general fund--state appropriation for fiscal year 2010 and \$118,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for continuum of care services. \$100,000 of this amount is for Casey family partners and \$25,000 of this amount is for volunteers of America crosswalk in fiscal year 2010. \$95,000 of this amount is for Casey family partners and \$23,000 of this amount is for volunteers of America crosswalk in fiscal year 2011.

(9) \$1,904,000 of the general fund--state appropriation for fiscal year 2010, \$1,441,000 of the general fund--state appropriation for fiscal year 2011, and \$335,000 of the general fund--federal appropriation are provided solely to contract with medical professionals for comprehensive safety assessments of high-risk families and for foster care assessments. The safety assessments will use validated assessment tools to guide intervention decisions through the identification of additional safety and risk factors. The department will maintain the availability of comprehensive foster care assessments and follow up services for children in out-of-home care who do not have permanent plans, comprehensive safety assessments for families receiving in-home child protective services or family voluntary services, and comprehensive safety assessments for families with an infant age birth to fifteen days where the infant was, at birth, diagnosed as substance exposed and the department received an intake referral related to the infant due to the substance exposure. The department must consolidate contracts, streamline administration, and explore efficiencies to achieve savings.

(10) \$7,679,000 of the general fund--state appropriation for fiscal year 2010, \$6,226,000 of the general fund--state appropriation for fiscal year 2011, and \$4,658,000 of the general fund--federal appropriation are provided solely for court-ordered supervised visits between parents and dependent children and for sibling visits. The department shall work collaboratively with the juvenile dependency courts and revise the supervised visit reimbursement procedures to stay within appropriations without impeding reunification outcomes between parents and dependent children. The department shall report to the legislative fiscal committees on September 30, 2010, and December 30, 2010, the number of children in foster care who receive supervised visits, their frequency, length of time of each visit, and whether reunification is attained.

(11) \$145,000 of the general fund--state appropriation for fiscal year 2010, \$817,000 of the general fund--state appropriation for fiscal year 2011, and \$668,000 of the home security fund--state appropriation is provided solely for street youth program services.

(12) \$1,522,000 of the general fund--state appropriation for fiscal year 2010, \$1,256,000 of the general fund--state appropriation for fiscal year 2011, and \$1,372,000 of the general fund--federal appropriation are provided solely for the department to recruit foster parents. The recruitment efforts shall include collaborating with community-based organizations and current or former foster parents to recruit foster parents.

(13) \$493,000 of the general fund--state appropriation for fiscal year 2010, \$102,000 of the general fund--state appropriation for fiscal year 2011, \$466,000 of the general fund--private/local appropriation, \$182,000 of the general fund--federal appropriation, and \$725,000 of the education legacy trust account--state appropriation are provided solely for children's administration to contract with an educational advocacy provider with expertise in foster care educational outreach.

Funding is provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems. Funding shall be prioritized to regions with high numbers of foster care youth and/or regions where backlogs of youth that have formerly requested educational outreach services exist. The department shall utilize private matching funds to maintain educational advocacy services.

(14) \$1,273,000 of the home security fund account--state appropriation is provided solely for HOPE beds.

(15) \$4,234,000 of the home security fund account--state appropriation is provided solely for the crisis residential centers.

(16) The appropriations in this section reflect reductions in the appropriations for the children's administration administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(17) Within the amounts appropriated in this section, the department shall contract for a pilot project with family and community networks in Whatcom county and up to four additional counties to provide services. The pilot project shall be designed to provide a continuum of services that reduce out-of-home placements and the lengths of stay for children in out-of-home placement. The department and the community networks shall collaboratively select the additional counties for the pilot project and shall collaboratively design the contract. Within the framework of the pilot project, the contract shall seek to maximize federal funds. The pilot project in each county shall include the creation of advisory and management teams which include members from neighborhood-based family advisory committees, residents, parents, youth, providers, and local and regional department staff. The Whatcom county team shall facilitate the development of outcome-based protocols and policies for the pilot project and develop a structure to oversee, monitor, and evaluate the results of the pilot projects. The department shall report the costs and savings of the pilot project to the appropriate committees of the legislature by November 1 of each year.

(18) \$157,000 of the general fund--state appropriation for fiscal year 2010 and \$78,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to contract with a nonprofit entity for a reunification pilot project in Whatcom and Skagit counties. The contract for the reunification pilot project shall include a rate of \$46.16 per hour for evidence-based interventions, in combination with supervised visits, to provide 3,564 hours of services to reduce the length of stay for children in the child welfare system. The contract shall also include evidence-based intensive parenting skills building services and family support case management services for 38 families participating in the reunification pilot project. The contract shall include the flexibility for the nonprofit entity to subcontract with trained providers.

(19) \$303,000 of the general fund--state appropriation for fiscal year 2010, \$392,000 of the general fund--state appropriation for fiscal year 2011, and \$241,000 of the general fund--federal appropriation are provided solely to implement Engrossed Substitute House Bill No. 1961 (increasing adoptions act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(20) \$98,000 of the general fund--state appropriation for fiscal year 2010 and \$49,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to contract with an agency that is working in partnership with, and has been evaluated by, the University of Washington school of social work to implement promising practice constellation hub models of foster care support.

(21) The legislature intends for the department to reduce the time a child remains in the child welfare system. The department shall establish a measurable goal and report progress toward meeting that goal to the legislature by January 15 of each fiscal year of the 2009-11

fiscal biennium. To the extent that actual caseloads exceed those assumed in this section, it is the intent of the legislature to address those issues in a manner similar to all other caseload programs.

(22) \$715,000 of the general fund--state appropriation for fiscal year 2010 and \$671,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for services provided through children's advocacy centers.

(23) \$10,000 of the general fund--state appropriation for fiscal year 2011 and \$3,000 of the general fund--federal appropriation are provided solely for implementation of chapter 224, Laws of 2010 (confinement alternatives). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(24) \$1,867,000 of the general fund--state appropriation for fiscal year 2010, \$1,677,000 of the general fund--state appropriation for fiscal year 2011, and \$4,379,000 of the general fund--federal appropriation are provided solely for the department to contract for medicaid treatment child care (MTCC) services. Children's administration case workers, local public health nurses and case workers from the temporary assistance for needy families program shall refer children to MTCC services, as long as the children meet the eligibility requirements as outlined in the Washington state plan for the MTCC services.

(25) The department shall contract for at least one pilot project with adolescent services providers to deliver a continuum of short-term crisis stabilization services. The pilot project shall include adolescent services provided through secure crisis residential centers, crisis residential centers, and hope beds. The department shall work with adolescent service providers to maintain availability of adolescent services and maintain the delivery of services in a geographically representative manner. The department shall examine current staffing requirements, flexible payment options, center-specific licensing waivers, and other appropriate methods to achieve savings and streamline the delivery of services. The legislature intends for the pilot project to provide flexibility to the department to improve outcomes and to achieve more efficient utilization of existing resources, while meeting the statutory goals of the adolescent services programs. The department shall provide an update to the appropriate legislative committees and governor on the status of the pilot project implementation by December 1, 2010.

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

(27) Receipts from fees per chapter 289, Laws of 2010, as deposited into the prostitution prevention and intervention account for services provided to sexually exploited children as defined in RCW 13.32A.030 in secure and semi-secure crisis residential centers with access to staff trained to meet their specific needs shall be used to expand capacity for secure crisis residential centers and not supplant existing funding.

((28) The appropriations in this section reflect reductions to the foster care maintenance payment rates during fiscal year 2011.))

Sec. 1103. 2011 c 5 s 202 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE REHABILITATION PROGRAM	
General Fund--State Appropriation (FY 2010)	\$103,437,000
General Fund--State Appropriation (FY 2011)	(\$90,240,000)
	\$89,127,000
General Fund--Federal Appropriation	(\$1,715,000)
	\$1,734,000

General Fund--Private/Local Appropriation	(\$1,899,000)
	\$1,931,000
Washington Auto Theft Prevention Authority Account--	
State Appropriation	\$3,896,000
Juvenile Accountability Incentive Account--Federal	
Appropriation	\$2,805,000
State Efficiency and Restructuring Account--State	
Appropriation	\$4,958,000
TOTAL APPROPRIATION	(\$208,950,000)
	\$207,888,000

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

(1) \$353,000 of the general fund--state appropriation for fiscal year 2010 and \$331,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) \$3,408,000 of the general fund--state appropriation for fiscal year 2010 and \$2,716,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(3) \$3,716,000 of the general fund--state appropriation for fiscal year 2010 and \$3,482,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(4) \$1,427,000 of the general fund--state appropriation for fiscal year 2010 and \$1,130,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(5) \$3,066,000 of the general fund--state appropriation for fiscal year 2010 and \$2,873,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for grants to county juvenile courts for the following programs identified by the Washington state institute for public policy (institute) in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Functional family therapy, multi-systemic therapy, aggression replacement training and interagency coordination programs, or other programs with a positive benefit-cost finding in the institute's report. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(6) \$1,287,000 of the general fund--state appropriation for fiscal year 2010 and \$1,287,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for expansion of the following treatments and therapies in juvenile rehabilitation administration

programs identified by the Washington state institute for public policy in its October 2006 report: "Evidence-Based Public Policy Options to Reduce Future Prison Construction, Criminal Justice Costs and Crime Rates": Multidimensional treatment foster care, family integrated transitions, and aggression replacement training. The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

(7)(a) For the fiscal year ending June 30, 2011, the juvenile rehabilitation administration shall administer a block grant, rather than categorical funding, of consolidated juvenile service funds, community juvenile accountability act grants, the chemical dependency disposition alternative funds, the mental health disposition alternative, and the sentencing disposition alternative for the purpose of serving youth adjudicated in the juvenile justice system. In making the block grant, the juvenile rehabilitation administration shall follow the following formula and will prioritize evidence-based programs and disposition alternatives and take into account juvenile courts program-eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for moderate and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical dependency disposition alternative; and (vi) two percent for the mental health and sentencing dispositional alternatives. Funding for the special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

(b) It is the intent of the legislature that the juvenile rehabilitation administration phase the implementation of the formula provided in subsection (1) of this section by including a stop-loss formula of three percent in fiscal year 2011, five percent in fiscal year 2012, and five percent in fiscal year 2013. It is further the intent of the legislature that the evidence-based expansion grants be incorporated into the block grant formula by fiscal year 2013 and SSODA remain separate unless changes would result in increasing the cost benefit savings to the state as identified in (c) of this subsection.

(c) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be cochaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. Initial members will include one juvenile court representative from the finance committee, the community juvenile accountability act committee, the risk assessment quality assurance committee, the executive board of the Washington association of juvenile court administrators, the Washington state center for court research, and a representative of the superior court judges association; two representatives from the juvenile rehabilitation administration headquarters program oversight staff, two representatives of the juvenile rehabilitation administration regional office staff, one representative of the juvenile rehabilitation administration fiscal staff and a juvenile rehabilitation administration division director. The committee may make changes to the formula

categories other than the evidence-based program and disposition alternative categories if it is determined the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition alternative resulting in increased cost benefit savings to the state. Long-term cost benefit must be considered. Percentage changes may occur in the evidence-based program or disposition alternative categories of the formula should it be determined the changes will increase evidence-based program or disposition alternative delivery and increase the cost benefit to the state. These outcomes will also be considered in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

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

(e) By December 1, 2010, the Washington state institute for public policy shall report to the office of financial management and appropriate committees of the legislature on the administration of the block grant authorized in this subsection. The report shall include the criteria used for allocating the funding as a block grant and the participation targets and actual participation in the programs subject to the block grant.

(8) \$3,700,000 of the Washington auto theft prevention authority account--state appropriation is provided solely for competitive grants to community-based organizations to provide at-risk youth intervention services, including but not limited to, case management, employment services, educational services, and street outreach intervention programs. Projects funded should focus on preventing, intervening, and suppressing behavioral problems and violence while linking at-risk youth to pro-social activities. The department may not expend more than \$1,850,000 per fiscal year. The costs of administration must not exceed four percent of appropriated funding for each grant recipient. Each entity receiving funds must report to the juvenile rehabilitation administration on the number and types of youth served, the services provided, and the impact of those services upon the youth and the community.

(9) The appropriations in this section assume savings associated with the transfer of youthful offenders age eighteen or older whose sentences extend beyond age twenty-one to the department of corrections to complete their sentences. Prior to transferring an offender to the department of corrections, the juvenile rehabilitation administration shall evaluate the offender to determine the offender's physical and emotional suitability for transfer.

Sec. 1104. 2011 c 5 s 203 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH PROGRAM

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund--State Appropriation (FY 2010)	\$273,648,000
General Fund--State Appropriation (FY 2011)	((263,993,000))
	\$271,260,000
General Fund--Federal Appropriation	((520,024,000))
	\$513,373,000
General Fund--Private/Local Appropriation	\$16,951,000
Hospital Safety Net Assessment Fund--State Appropriation	\$3,476,000
TOTAL APPROPRIATION	((1,078,092,000))
	\$1,078,708,000

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

(a) \$113,689,000 of the general fund--state appropriation for fiscal year 2010 and \$101,089,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for persons and services not covered by the medicaid program. This is a reduction in fiscal year 2010 of \$11,606,000 ((each fiscal year)) and in fiscal year 2011 of \$24,206,000 from the nonmedicaid funding that was allocated for expenditure by regional support networks during fiscal year 2009 prior to supplemental budget reductions. ~~((This \$11,606,000))~~ These reductions shall be distributed among regional support networks proportional to each network's share of the total state population. To the extent possible, levels of regional support network spending shall be maintained in the following priority order: (i) Crisis and commitment services; (ii) community inpatient services; and (iii) residential care services, including personal care and emergency housing assistance.

(b) \$10,400,000 of the general fund--state appropriation for fiscal year 2010, \$8,814,000 of the general fund--state appropriation for fiscal year 2011, and \$1,300,000 of the general fund--federal appropriation are provided solely for the department and regional support networks to contract for implementation of high-intensity program for active community treatment (PACT) teams. The department shall work with regional support networks and the center for medicare and medicaid services to integrate eligible components of the PACT service delivery model into medicaid capitation rates no later than January 2011, while maintaining consistency with all essential elements of the PACT evidence-based practice model.

(c) \$6,500,000 of the general fund--state appropriation for fiscal year 2010 and \$6,091,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the western Washington regional support networks to provide either community- or hospital campus-based services for persons who require the level of care provided by the program for adaptive living skills (PALS) at western state hospital.

(d) The number of nonforensic beds allocated for use by regional support networks at eastern state hospital shall be 192 per day. The number of nonforensic beds allocated for use by regional support networks at western state hospital shall be 617 per day during the first quarter of fiscal year 2010, 587 per day through the second quarter of fiscal year 2011, and 557 per day thereafter. Beds in the program for adaptive living skills (PALS) are not included in the preceding bed allocations. The department shall separately charge regional support networks for persons served in the PALS program.

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

(f) \$4,582,000 of the general fund--state appropriation for fiscal year 2010 and \$4,582,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement.

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

(h) \$750,000 of the general fund--state appropriation for fiscal year 2010 and \$703,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to continue performance-based incentive contracts to provide appropriate community support services for individuals with severe mental illness who were discharged from the state hospitals as part of the expanding

community services initiative. These funds will be used to enhance community residential and support services provided by regional support networks through other state and federal funding.

(i) \$1,500,000 of the general fund--state appropriation for fiscal year 2010 and \$1,500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Spokane regional support network to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

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

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

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

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

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

(j) The department shall return to the Spokane regional support network fifty percent of the amounts assessed against the network during the last six months of calendar year 2009 for state hospital utilization in excess of its contractual limit. The regional support network shall use these funds for operation during its initial months of a new sixteen-bed evaluation and treatment facility that will enable the network to reduce its use of the state hospital, and for diversion and community support services for persons with dementia who would likely otherwise require care at the state hospital.

(k) The department is directed to identify and implement program efficiencies and benefit changes in its delivery of medicaid managed-care services that are sufficient to operate within the state and federal appropriations in this section. Such actions may include but are not limited to methods such as adjusting the care access standards; improved utilization management of ongoing, recurring, and high-intensity services; and increased uniformity in provider payment rates. The department shall ensure that the capitation rate adjustments necessary to accomplish these efficiencies and changes are distributed uniformly and equitably across all regional support networks statewide. The department is directed to report to the relevant legislative fiscal and policy committees at least thirty days prior to implementing rate adjustments reflecting these changes.

(l) In developing the new medicaid managed care rates under which the public mental health managed care system will operate during the five years beginning in fiscal year 2011, the department should seek to estimate the reasonable and necessary cost of efficiently and effectively providing a comparable set of medically necessary mental health benefits to persons of different acuity levels regardless of where in the state they live. Actual prior period spending in a regional administrative area shall not be a key determinant of future payment rates. The department shall report to the office of financial management and to the relevant fiscal and policy committees of the legislature on its proposed new waiver and mental health managed care rate-setting approach by October 1, 2009, and again at least sixty days prior to implementation of new capitation rates.

(m) In implementing the new public mental health managed care payment rates for fiscal year 2011, the department shall to the maximum extent possible within each regional support network's allowable rate range establish rates so that there is no increase or decrease in the total state and federal funding that the regional support network would receive if it were to continue to be paid at its October 2009 through June 2010 rates. The department shall additionally revise the draft rates issued January 28, 2010, to more accurately

reflect the lower practitioner productivity inherent in the delivery of services in extremely rural regions in which a majority of the population reside in frontier counties, as defined and designated by the national center for frontier communities.

(n) \$1,529,000 of the general fund--state appropriation for fiscal year 2010 and \$1,529,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

(o) The legislature intends and expects that regional support networks and contracted community mental health agencies shall make all possible efforts to, at a minimum, maintain current compensation levels of direct care staff. Such efforts shall include, but not be limited to, identifying local funding that can preserve client services and staff compensation, achieving administrative reductions at the regional support network level, and engaging stakeholders on cost-savings ideas that maintain client services and staff compensation. For purposes of this section, "direct care staff" means persons employed by community mental health agencies whose primary responsibility is providing direct treatment and support to people with mental illness, or whose primary responsibility is providing direct support to such staff in areas such as client scheduling, client intake, client reception, client records- keeping, and facilities maintenance.

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

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010)	\$119,423,000
General Fund--State Appropriation (FY 2011)	(\$112,514,000)
	\$111,365,000
General Fund--Federal Appropriation	(\$152,195,000)
	\$154,399,000
General Fund--Private/Local Appropriation	(\$63,873,000)
	\$64,789,000
TOTAL APPROPRIATION	(\$448,005,000)
	\$449,976,000

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

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

(b) \$231,000 of the general fund--state appropriation for fiscal year 2008 and \$216,000 of the general fund--state appropriation for fiscal year 2009 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood.

(c) \$45,000 of the general fund--state appropriation for fiscal year 2010 and \$42,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for payment to the city of Lakewood

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

(d) \$187,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for support of the psychiatric security review panel established pursuant to Senate Bill No. 6610. If Senate Bill No. 6610 is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(3) SPECIAL PROJECTS

General Fund--State Appropriation (FY 2010)	\$1,819,000
General Fund--State Appropriation (FY 2011)	\$1,961,000
General Fund--Federal Appropriation	(\$2,142,000)
	\$2,538,000
TOTAL APPROPRIATION	(\$5,922,000)
	\$6,318,000

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

(a) \$1,511,000 of the general fund--state appropriation for fiscal year 2010 and \$1,416,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for children's evidence based mental health services. Funding is sufficient to continue serving children at the same levels as fiscal year 2009.

(b) \$94,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for consultation, training, and technical assistance to regional support networks on strategies for effective service delivery in very sparsely populated counties.

(c) \$56,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract with the Washington state institute for public policy for completion of the research reviews to be conducted in accordance with chapter 263, Laws of 2010.

(d) \$56,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract with the Washington state institute for public policy for completion of the research reviews to be conducted in accordance with section 1, chapter 280, Laws of 2010.

(e) \$56,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of sections 2 and 3, chapter 280, Laws of 2010. The department shall use these funds to contract with the Washington state institute for public policy for completion of an assessment of (i) the extent to which the number of persons involuntarily committed for 3, 14, and 90 days is likely to increase as a result of the revised commitment standards; (ii) the availability of community treatment capacity to accommodate that increase; (iii) strategies for cost-effectively leveraging state, local, and private resources to increase community involuntary treatment capacity; and (iv) the extent to which increases in involuntary commitments are likely to be offset by reduced utilization of correctional facilities, publicly-funded medical care, and state psychiatric hospitalizations.

(4) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010)	\$4,078,000
General Fund--State Appropriation (FY 2011)	(\$3,722,000)
	\$4,002,000
General Fund--Federal Appropriation	(\$7,207,000)
	\$6,920,000
TOTAL APPROPRIATION	(\$15,007,000)
	\$15,000,000

The department is authorized and encouraged to continue its contract with the Washington state institute for public policy to provide a longitudinal analysis of long-term mental health outcomes as directed in chapter 334, Laws of 2001 (mental health performance audit); to build upon the evaluation of the impacts of chapter 214,

Laws of 1999 (mentally ill offenders); and to assess program outcomes and cost effectiveness of the children's mental health pilot projects as required by chapter 372, Laws of 2006.

Sec. 1105. 2011 c 5 s 204 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL DISABILITIES PROGRAM
(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 2010)	\$307,348,000
General Fund--State Appropriation (FY 2011)	(\$321,752,000)
	\$329,639,000
General Fund--Federal Appropriation	(\$890,274,000)
	\$870,232,000
TOTAL APPROPRIATION	(\$1,519,374,000)
	\$1,507,219,000

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

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

(b)(i) Amounts appropriated in this section reflect a reduction to funds appropriated for in-home care. The department shall reduce the number of in-home hours authorized. The reduction shall be scaled based on the acuity level of care recipients. The largest hour reductions shall be to lower acuity patients and the smallest hour reductions shall be to higher acuity patients. In doing so, the department shall comply with all maintenance of effort requirements contained in the American reinvestment and recovery act.

(ii) \$508,000 of the general fund--state appropriation for fiscal year 2011 and \$822,000 of the general fund--federal appropriation are provided solely for the department to partially restore the reductions to in-home care that are taken in (b)(i) of this subsection. The department will use the same formula to restore personal care hours that it used to reduce personal care hours.

(c) Amounts appropriated in this section are sufficient to develop and implement the use of a consistent, statewide outcome-based vendor contract for employment and day services by April 1, 2011. The rates paid to vendors under this contract shall also be made consistent. In its description of activities the agency shall include activity listings and dollars appropriated for: Employment services, day services, child development services and county administration of services to the developmentally disabled. The department shall begin reporting to the office of financial management on these activities beginning in fiscal year 2010.

(d) \$302,000 of the general fund--state appropriation for fiscal year 2010, \$831,000 of the general fund--state appropriation for fiscal year 2011, and \$1,592,000 of the general fund--federal appropriation are provided solely for health care benefits pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(e)(i) \$682,000 of the general fund--state appropriation for fiscal year 2010, \$1,651,000 of the general fund--state appropriation for fiscal year 2011, and \$1,678,000 of the general fund--federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(ii) The federal portion of the amounts in this subsection (~~((e))~~) is contingent upon federal approval of participation in contributions to the trust and shall remain unallotted and placed in reserve status until

the office of financial management and the department of social and health services receive federal approval.

(iii) Expenditures for the purposes specified in this subsection (~~((e))~~) shall not exceed the amounts provided in this subsection.

(f) Within the amounts appropriated in this subsection (1), the department shall implement all necessary rules to facilitate the transfer to a department home and community-based services (HCBS) waiver of all eligible individuals who (i) currently receive services under the existing state-only employment and day program or the existing state-only residential program, and (ii) otherwise meet the waiver eligibility requirements. The amounts appropriated are sufficient to ensure that all individuals currently receiving services under the state-only employment and day and state-only residential programs who are not transferred to a department HCBS waiver will continue to receive services.

(g) In addition to other reductions, the appropriations in this subsection reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(h) The department shall not pay a home care agency licensed under chapter 70.127 RCW for personal care services provided by a family member, pursuant to Substitute House Bill No. 2361 (modifying state payments for in-home care).

(i) Within the appropriations of this section, the department shall reduce all seventeen payment levels of the seventeen-level payment system from the fiscal year 2009 levels for boarding homes, boarding homes contracted as assisted living, and adult family homes. Excluded from the reductions are exceptional care rate add-ons. The long-term care program may develop add-ons to pay exceptional care rates to adult family homes and boarding homes with specialty contracts to provide support for the following specifically eligible clients:

(i) Persons with AIDS or HIV-related diseases who might otherwise require nursing home or hospital care;

(ii) Persons with Alzheimer's disease and related dementia who might otherwise require nursing home care; and

(iii) Persons with co-occurring mental illness and long-term care needs who are eligible for expanded community services and who might otherwise require state and local psychiatric hospital care.

Within amounts appropriated, exceptional add-on rates for AIDS/HIV, dementia specialty care, and expanded community services may be standardized within each program.

(j) The amounts appropriated in this subsection reflect a reduction in funds available for employment and day services. In administering this reduction the department shall negotiate with counties and their vendors so that this reduction, to the greatest extent possible, is achieved by reducing vendor rates and allowable contract administrative charges (overhead) and not through reductions to direct client services or direct service delivery or programs.

(k) As part of the needs assessment instrument, the department may collect data on family income for minor children with developmental disabilities and all individuals who are receiving state-only funded services. The department may ensure that this information is collected as part of the client assessment process.

(l) \$116,000 of the general fund--state appropriation for fiscal year 2010, \$2,133,000 of the general fund--state appropriation for fiscal year 2011, and \$1,772,000 of the general fund--federal appropriation are provided solely for employment services and required waiver services. Priority consideration for this new funding shall be young adults with developmental disabilities living with their family who need employment opportunities and assistance after high school graduation. Services shall be provided for both waiver and nonwaiver clients.

(m) \$81,000 of the general fund--state appropriation for fiscal year 2010, \$599,000 of the general fund--state appropriation for fiscal year 2011, and \$1,111,000 of the general fund--federal appropriation are provided solely for the department to provide employment and day services for eligible students who are currently on a waiver and will graduate from high school during fiscal years 2010 and 2011.

(n) The automatic award of additional hours of personal care for people with special meal preparation or incontinence needs is eliminated. Authorization of service hours will be based upon the individual's assessed needs.

(o) \$75,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the restoration of direct support to local organizations that utilize parent-to-parent networks and communication to promote access and quality of care for individuals with developmental disabilities and their families.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010)	\$61,422,000
General Fund--State Appropriation (FY 2011)	(\$62,551,000)
	\$66,554,000
General Fund--Federal Appropriation	(\$205,440,000)
	\$200,262,000
General Fund--Private/Local Appropriation	(\$22,357,000)
	\$22,657,000
TOTAL APPROPRIATION	(\$351,770,000)
	\$350,895,000

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

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

(b) The developmental disabilities program is authorized to use funds appropriated in this subsection to purchase goods and supplies through direct contracting with vendors when the program determines it is cost-effective to do so.

(c) \$721,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$721,000)~~ \$800,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers. For fiscal year 2011 and within the amounts appropriated in this subsection, the department shall pay for para educators and behavior aides for students residing at Fircrest residential habilitation center as specified in the individualized education program required by the individuals with disabilities education act.

(d) In addition to other reductions, the appropriations in this subsection reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 2010)	\$1,407,000
General Fund--State Appropriation (FY 2011)	\$1,341,000
General Fund--Federal Appropriation	(\$1,263,000)
	\$1,277,000
TOTAL APPROPRIATION	(\$4,011,000)
	\$4,025,000

The appropriations in this subsection are subject to the following conditions and limitations: In addition to other reductions, the

appropriations in this subsection reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(4) SPECIAL PROJECTS

General Fund--Federal Appropriation	(\$10,171,000)
	\$10,157,000

The appropriation in this subsection is subject to the following conditions and limitations: The appropriations in this subsection are available solely for the infant toddler early intervention program and the money follows the person program as defined by this federal grant.

Sec. 1106. 2011 c 5 s 205 (uncodified) is amended to read as follows:

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

General Fund--State Appropriation (FY 2010)	\$616,837,000
General Fund--State Appropriation (FY 2011)	(\$606,962,000)
	\$654,555,000
General Fund--Federal Appropriation	(\$1,917,607,000)
	\$1,915,332,000
General Fund--Private/Local Appropriation	\$18,013,000
Traumatic Brain Injury Account--State Appropriation	\$4,136,000
TOTAL APPROPRIATION	(\$3,163,555,000)
	\$3,208,873,000

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

(1) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed \$169.85 for fiscal year 2010 and shall not exceed ~~(\$161.86)~~ \$166.24 for fiscal year 2011, including the rate add-on described in subsection (12) of this section. There will be no adjustments for economic trends and conditions in fiscal years 2010 and 2011. The economic trends and conditions factor or factors defined in the biennial appropriations act shall not be compounded with the economic trends and conditions factor or factors defined in any other biennial appropriations acts before applying it to the component rate allocations established in accordance with chapter 74.46 RCW. When no economic trends and conditions factor for either fiscal year is defined in a biennial appropriations act, no economic trends and conditions factor or factors defined in any earlier biennial appropriations act shall be applied solely or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

(2) After examining actual nursing facility cost information, the legislature finds that the medicaid nursing facility rates calculated pursuant to Substitute House Bill No. 3202 or Substitute Senate Bill No. 6872 (nursing facility medicaid payments) provide sufficient reimbursement to efficient and economically operating nursing facilities and bears a reasonable relationship to costs.

(3) In accordance with chapter 74.46 RCW, the department shall issue no additional certificates of capital authorization for fiscal year 2010 and no new certificates of capital authorization for fiscal year 2011 and shall grant no rate add-ons to payment rates for capital improvements not requiring a certificate of need and a certificate of capital authorization for fiscal year 2011.

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

(5) Within the appropriations of this section, the department shall reduce all seventeen payment levels of the seventeen-level payment system from the fiscal year 2009 levels for boarding homes, boarding homes contracted as assisted living, and adult family homes. Excluded from the reductions are exceptional care rate add-ons. The long-term care program may develop add-ons to pay exceptional care rates to adult family homes and boarding homes with specialty contracts to provide support for the following specifically eligible clients:

- (a) Persons with AIDS or HIV-related diseases who might otherwise require nursing home or hospital care;
- (b) Persons with Alzheimer's disease and related dementia who might otherwise require nursing home care; and
- (c) Persons with co-occurring mental illness and long-term care needs who are eligible for expanded community services and who might otherwise require state and local psychiatric hospital care.

Within amounts appropriated, exceptional add-on rates for AIDS/HIV, dementia specialty care, and expanded community services may be standardized within each program.

(6)(a) Amounts appropriated in this section reflect a reduction to funds appropriated for in-home care. The department shall reduce the number of in-home hours authorized. The reduction shall be scaled based on the acuity level of care recipients. The largest hour reductions shall be to lower acuity patients and the smallest hour reductions shall be to higher acuity patients. In doing so, the department shall comply with all maintenance of effort requirements contained in the American reinvestment and recovery act.

(b) \$3,070,000 of the general fund--state appropriation for fiscal year 2011 and \$4,980,000 of the general fund--federal appropriation are provided solely for the department to partially restore the reduction to in-home care that are taken in (a) of this subsection. The department will use the same formula to restore personal care hours that it used to reduce personal care hours.

(7) \$536,000 of the general fund--state appropriation for fiscal year 2010, \$1,477,000 of the general fund--state appropriation for fiscal year 2011, and \$2,830,000 of the general fund--federal appropriation are provided solely for health care benefits pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(8)(a) \$1,212,000 of the general fund--state appropriation for fiscal year 2010, \$2,934,000 of the general fund--state appropriation for fiscal year 2011, and \$2,982,000 of the general fund--federal appropriation are provided solely for the state's contribution to the training partnership, as provided in RCW 74.39A.360, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(b) \$330,000 of the general fund--state appropriation for fiscal year 2010, \$660,000 of the general fund--state appropriation for fiscal year 2011, and \$810,000 of the general fund--federal appropriation are provided solely for transfer from the department to the training partnership, as provided in RCW 74.39A.360, for infrastructure and instructional costs associated with training of individual providers, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270.

(c) The federal portion of the amounts in this subsection is contingent upon federal approval of participation in contributions to the trust and shall remain unallotted and placed in reserve status until the office of financial management and the department of social and health services receive federal approval.

(d) Expenditures for the purposes specified in this subsection shall not exceed the amounts provided in this subsection.

(9) Within the amounts appropriated in this section, the department may expand the new freedom waiver program to

accommodate new waiver recipients throughout the state. As possible, and in compliance with current state and federal laws, the department shall allow current waiver recipients to transfer to the new freedom waiver.

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

(11) \$3,955,000 of the general fund--state appropriation for fiscal year 2010, \$3,972,000 of the general fund--state appropriation for fiscal year 2011, and \$10,190,000 of the general fund--federal appropriation are provided solely for the continued operation of community residential and support services for persons who are older adults or who have co-occurring medical and behavioral disorders and who have been discharged or diverted from a state psychiatric hospital. These funds shall be used to serve individuals whose treatment needs constitute substantial barriers to community placement, who no longer require active psychiatric treatment at an inpatient hospital level of care, and who no longer meet the criteria for inpatient involuntary commitment. Coordination of these services will be done in partnership between the mental health program and the aging and disability services administration.

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

(13) \$1,840,000 of the general fund--state appropriation for fiscal year 2010 and \$1,759,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(14) In accordance with chapter 74.39 RCW, the department may implement two medicaid waiver programs for persons who do not qualify for such services as categorically needy, subject to federal approval and the following conditions and limitations:

(a) One waiver program shall include coverage of care in community residential facilities. Enrollment in the waiver shall not exceed 600 persons at any time.

(b) The second waiver program shall include coverage of in-home care. Enrollment in this second waiver shall not exceed 200 persons at any time.

(c) The department shall identify the number of medically needy nursing home residents, and enrollment and expenditures on each of the two medically needy waivers, on monthly management reports.

(d) If it is necessary to establish a waiting list for either waiver because the budgeted number of enrollment opportunities has been reached, the department shall track how the long-term care needs of applicants assigned to the waiting list are met.

(15) The department shall establish waiting lists to the extent necessary to assure that annual expenditures on the community options program entry systems (COPES) program do not exceed appropriated levels. In establishing and managing any such waiting list, the department shall assure priority access to persons with the greatest unmet needs, as determined by department assessment processes.

(16) The department shall contract for housing with service models, such as cluster care, to create efficiencies in service delivery and responsiveness to unscheduled personal care needs by clustering hours for clients that live in close proximity to each other.

(17) The department shall not pay a home care agency licensed under chapter 70.127 RCW for personal care services provided by a family member, pursuant to Substitute House Bill No. 2361 (modifying state payments for in-home care).

(18) \$209,000 of the general fund--state appropriation for fiscal year 2010, \$732,000 of the general fund--state appropriation for fiscal year 2011, and \$1,293,000 of the general fund--federal appropriation are provided solely to implement Engrossed House Bill No. 2194 (extraordinary medical placement for offenders). The department shall work in partnership with the department of corrections to identify services and find placements for offenders who are released through the extraordinary medical placement program. The department shall collaborate with the department of corrections to identify and track cost savings to the department of corrections, including medical cost savings and to identify and track expenditures incurred by the aging and disability services program for community services and by the medical assistance program for medical expenses. A joint report regarding the identified savings and expenditures shall be provided to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010. If this bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(19) In accordance with RCW 18.51.050, 18.20.050, and 43.135.055, the department is authorized to increase nursing facility and boarding home fees in fiscal year 2011 as necessary to meet the actual costs of conducting the licensure, inspection, and regulatory programs.

(a) \$1,035,000 of the general fund--private/local appropriation assumes that the current annual renewal license fee for nursing facilities shall be increased to \$327 per bed beginning in fiscal year 2011.

(b) \$1,806,000 of the general fund--local appropriation assumes that the current annual renewal license fee for boarding homes shall be increased to \$106 per bed beginning in fiscal year 2011.

(20) \$2,566,000 of the traumatic brain injury account--state appropriation is provided solely to continue services for persons with traumatic brain injury (TBI) as defined in RCW 74.31.020 through 74.31.050. The TBI advisory council shall provide a report to the legislature by December 1, 2010, on the effectiveness of the functions overseen by the council and shall provide recommendations on the development of critical services for individuals with traumatic brain injury.

(21) The automatic award of additional hours of personal care for people with special meal preparation or incontinence needs is eliminated. Authorization of service hours will be based upon the individual's assessed needs.

(22) For calendar year 2009, the department shall calculate split settlements covering two periods January 1, 2009, through June 30, 2009, and July 1, 2009, through December 31, 2009. For the second period beginning July 1, 2009, the department may partially or totally waive settlements only in specific cases where a nursing home can demonstrate significant decreases in costs from the first period.

(23) \$72,000 of the traumatic brain injury account appropriation and \$116,000 of the general fund--federal appropriation are provided solely for a direct care rate add-on to any nursing facility specializing in the care of residents with traumatic brain injuries where more than 50 percent of residents are classified with this condition based upon the federal minimum data set assessment.

(24) \$69,000 of the general fund--state appropriation for fiscal year 2010, \$1,289,000 of the general fund--state appropriation for fiscal year 2011, and \$2,050,000 of the general fund--federal appropriation are provided solely for the department to maintain

enrollment in the adult day health services program. New enrollments are authorized for up to 1,575 clients or to the extent that appropriated funds are available to cover additional clients.

(25) \$937,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract for the provision of an individual provider referral registry.

(26) \$94,000 of the general fund--state appropriation for fiscal year 2011 and \$100,000 of the general fund--federal appropriation are provided solely for the department to contract with a consultant to evaluate and make recommendations on a pay-for-performance payment subsidy system. The department shall organize one workgroup meeting with the consultant where nursing home stakeholders may provide input on pay-for-performance ideas. The consultant shall review pay-for-performance strategies used in other states to sustain and enhance quality-improvement efforts in nursing facilities. The evaluation shall include a review of the centers for medicare and medicaid services demonstration project to explore the feasibility of pay-for-performance systems in medicare certified nursing facilities. The consultant shall develop a report to include:

(a) Best practices used in other states for pay-for-performance strategies incorporated into medicaid nursing home payment systems;

(b) The relevance of existing research to Washington state;

(c) A summary and review of suggestions for pay-for-performance strategies provided by nursing home stakeholders in Washington state; and

(d) An evaluation of the effectiveness of a variety of performance measures.

(27) \$4,100,000 of the general fund--state appropriation for fiscal year 2010, \$4,174,000 of the general fund--state appropriation for fiscal year 2011, and \$8,124,000 of the general fund--federal appropriation are provided for the operation of the management services division of the aging and disability services administration. This includes but is not limited to the budget, contracts, accounting, decision support, information technology, and rate development activities for programs administered by the aging and disability services administration. Nothing in this subsection is intended to exempt the management services division of the aging and disability services administration from reductions directed by the secretary. However, funds provided in this subsection shall not be transferred elsewhere within the department nor used for any other purpose.

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

(29) In accordance with RCW 43.135.055, the department is authorized to adopt and increase the fees set forth in and previously authorized in section 206(19), chapter 37, Laws of 2010 1st sp.s.

Sec. 1107. 2011 c 5 s 206 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM	
General Fund--State Appropriation (FY 2010)	\$564,242,000
General Fund--State Appropriation (FY 2011)	(\$540,549,000)
	\$567,683,000
General Fund--Federal Appropriation	(\$1,219,423,000)
	\$1,268,032,000
General Fund--Private/Local Appropriation	\$37,816,000
Administrative Contingency Account--State	
Appropriation	\$24,336,000
TOTAL APPROPRIATION	(\$2,386,366,000)
	\$2,462,109,000

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

(1) \$303,393,000 of the general fund--state appropriation for fiscal year 2010, (~~(\$285,057,000)~~) \$285,699,000 of the general fund--state appropriation for fiscal year 2011 net of child support pass-through recoveries, \$24,336,000 of the administrative contingency account--state appropriation, and (~~(\$778,606,000)~~) \$863,146,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program. The department shall use moneys from the administrative contingency account for WorkFirst job placement services provided by the employment security department. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. In addition, within the amounts provided for WorkFirst the department shall:

(a) (~~(Establish a career services work transition program;~~
~~(b))~~) Continue to implement WorkFirst program improvements that are designed to achieve progress against outcome measures specified in RCW 74.08A.410. Outcome data regarding job retention and wage progression shall be reported quarterly to appropriate fiscal and policy committees of the legislature for families who leave assistance, measured after 12 months, 24 months, and 36 months. The department shall also report the percentage of families who have returned to temporary assistance for needy families after 12 months, 24 months, and 36 months;

(~~(e))~~) (b) Submit a report electronically by October 1, 2009, to the fiscal committees of the legislature containing a spending plan for the WorkFirst program. The plan shall identify how spending levels in the 2009-2011 biennium will be adjusted to stay within available federal grant levels and the appropriated state-fund levels;

(~~(d))~~) (c) Provide quarterly fiscal reports to the office of financial management and the legislative fiscal committees detailing information on the amount expended from general fund--state and general fund--federal by activity.

(2) The department may establish a career services work transition program.

(3) The department and the office of financial management shall electronically report quarterly the expenditures, maintenance of effort allotments, expenditure amounts, and caseloads for the WorkFirst program to the legislative fiscal committees.

(~~(3))~~) (4) \$16,783,000 of the general fund--state appropriation for fiscal year 2011 and (~~(\$62,000,000)~~) \$19,027,000 of the general fund--federal appropriation are provided solely for all components of the WorkFirst program in order to maintain services to January 2011. The legislature intends to work with the governor to design and implement fiscal and programmatic modifications to provide for the sustainability of the program. The funding in this subsection assumes that no other expenditure reductions will be made prior to January 2011 other than those assumed in the appropriation levels in this act.

(~~(4))~~) (5) \$94,322,000 of the general fund--state appropriation for fiscal year 2010 and (~~(\$76,979,000)~~) \$94,104,000 of the general fund--state appropriation for fiscal year 2011, net of recoveries, are provided solely for cash assistance and other services to recipients in the cash program pursuant to chapter 8, Laws of 2010 1st sp. sess. (security lifeline act), including persons in the unemployable, expedited, and aged, blind, and disabled components of the program. It is the intent of the legislature that the lifeline incapacity determination and progressive evaluation process regulations be carefully designed to accurately identify those persons who have been or will be incapacitated for at least ninety days. The incapacity determination and progressive evaluation process regulations in effect on January 1, 2010, cannot be amended until at least September 30, 2010; except that provisions related to the use of administrative review teams may be amended, and obsolete terminology and functional assessment language may be updated on or after July 1, 2010, in a manner that only minimally impacts the outcome of incapacity evaluations. After September 30, 2010, the incapacity

determination and progressive evaluation process regulations may be amended only if the reports under (a) and (b) of this subsection have been submitted, and find that expenditures will exceed the appropriated level by three percent or more.

(a) The department and the caseload forecast council shall, by September 21, 2010, submit a report to the legislature based upon the most recent caseload forecast and actual expenditure data available, as to whether expenditures for the lifeline-unemployable grants in fiscal year 2011 will exceed \$69,648,000 for fiscal year 2011 in the 2010 supplemental operating budget by three percent or more. If expenditures will exceed the appropriated amount for lifeline-unemployable grants by three percent or more, the department may adopt regulations modifying incapacity determination and progressive evaluation process regulations after September 30, 2010.

(b) On or before September 21, 2010, the department shall submit a report to the relevant policy and fiscal committees of the legislature that includes the following information regarding any regulations proposed for adoption that would modify the lifeline incapacity determination and progressive evaluation process:

(i) A copy of the proposed changes and a concise description of the changes;

(ii) A description of the persons who would likely be affected by adoption of the regulations, including their impairments, age, education, and work history;

(iii) An estimate of the number of persons who, on a monthly basis through June 2013, would be denied lifeline benefits if the regulations were adopted, expressed as a number, as a percentage of total applicants, and as a percentage of the number of persons granted lifeline benefits in each month;

(iv) An estimate of the number of persons who, on a monthly basis through June 2013, would have their lifeline benefits terminated following an eligibility review if the regulations were adopted, expressed as a number, as a percentage of the number of persons who have had an eligibility review in each month, and as a percentage of the total number of persons currently receiving lifeline-unemployable benefits in each month; and

(v) Intended improvements in employment or treatment outcomes among persons receiving lifeline benefits that could be attributable to the changes in the regulations.

(c) Within these amounts:

(i) The department shall aggressively pursue opportunities to transfer lifeline clients to general assistance expedited coverage and to facilitate client applications for federal supplemental security income when the client's incapacities indicate that he or she would be likely to meet the federal disability criteria for supplemental security income. The department shall initiate and file the federal supplemental security income interim agreement as quickly as possible in order to maximize the recovery of federal funds;

(ii) The department shall review the lifeline caseload to identify recipients that would benefit from assistance in becoming naturalized citizens, and thus be eligible to receive federal supplemental security income benefits. Those cases shall be given high priority for naturalization funding through the department;

(iii) The department shall actively coordinate with local workforce development councils to expedite access to worker retraining programs for lifeline clients in those regions of the state with the greatest number of such clients;

(iv) By July 1, 2009, the department shall enter into an interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veteran's services. This agreement must include outstationing department of veterans' affairs staff in selected community service office locations in King and Pierce counties to facilitate applications for veterans' services; and

(v) In addition to any earlier evaluation that may have been conducted, the department shall intensively evaluate those clients who

have been receiving lifeline benefits for twelve months or more as of July 1, 2009, or thereafter, if the available medical and incapacity related evidence indicates that the client is unlikely to meet the disability standard for federal supplemental security income benefits. The evaluation shall identify services necessary to eliminate or minimize barriers to employment, including mental health treatment, substance abuse treatment and vocational rehabilitation services. The department shall expedite referrals to chemical dependency treatment, mental health and vocational rehabilitation services for these clients.

(vi) The appropriations in this subsection reflect a change in the earned income disregard policy for lifeline clients. It is the intent of the legislature that the department shall adopt the temporary assistance for needy families earned income policy for the lifeline program.

~~((5))~~ (6) \$750,000 of the general fund--state appropriation for fiscal year 2010 and \$500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for naturalization services.

~~((6))~~ (7) \$3,550,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for refugee employment services, of which \$2,650,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services; and \$2,050,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for refugee employment services, of which \$1,540,000 is provided solely for the department to pass through to statewide refugee assistance organizations for limited English proficiency pathway services.

~~((7))~~ (8) The appropriations in this section reflect reductions in the appropriations for the economic services administration's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

~~((8))~~ (9) \$855,000 of the general fund--state appropriation for fiscal year 2011, \$719,000 of the general fund--federal appropriation, and \$2,907,000 of the general fund--private/local appropriation are provided solely for the implementation of the opportunity portal, the food stamp employment and training program, and the disability lifeline program under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

~~((9))~~ (10) \$100,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to award grants to small mutual assistance or small community-based organizations that contract with the department for immigrant and refugee assistance services. The funds shall be awarded to provide funding for community groups to provide transitional assistance, language skills, and other resources to improve refugees' economic self-sufficiency through the effective use of social services, financial services, and medical assistance.

~~((10))~~ (11) To ensure expenditures remain within available funds appropriated in this section, the legislature establishes the benefit under the state food assistance program, made pursuant to RCW 74.08A.120, to be fifty percent of the federal supplemental nutrition assistance program benefit amount.

Sec. 1108. 2011 c 5 s 207 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE ABUSE PROGRAM
 General Fund--State Appropriation (FY 2010) \$81,982,000
 General Fund--State Appropriation (FY 2011) ~~((77,065,000))~~
 \$77,818,000
 General Fund--Federal Appropriation ~~((151,574,000))~~
 \$152,619,000
 General Fund--Private/Local Appropriation \$2,718,000
 Criminal Justice Treatment Account--State
 Appropriation \$17,743,000

Problem Gambling Account--State Appropriation \$1,456,000
 TOTAL APPROPRIATION ~~((332,538,000))~~
 \$334,336,000

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

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

(2) Within the amounts appropriated in this section, the department shall continue to provide for chemical dependency treatment services for adult medicaid eligible and general assistance-unemployable patients.

(3) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(4) Funding is provided for the implementation of the lifeline program under Second Substitute House Bill No. 2782 (security lifeline act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(5) \$3,500,000 of the general fund--federal appropriation (from the substance abuse prevention and treatment federal block grant) is provided solely for the continued funding of existing county drug and alcohol use prevention programs.

Sec. 1109. 2011 c 5 s 208 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE PROGRAM
 General Fund--State Appropriation (FY 2010) \$1,697,203,000
 General Fund--State Appropriation (FY 2011) ~~((1,737,303,000))~~
 \$1,814,985,000
 General Fund--Federal Appropriation ~~((6,047,405,000))~~
 \$5,903,131,000
 General Fund--Private/Local Appropriation ~~((38,509,000))~~
 \$37,247,000
 Emergency Medical Services and Trauma Care Systems
 Trust Account--State Appropriation \$15,075,000
 Tobacco Prevention and Control Account--
 State Appropriation ~~((4,464,000))~~
 \$3,798,000
 Hospital Safety Net Assessment Fund--State
 Appropriation ~~((260,057,000))~~
 \$254,974,000
 TOTAL APPROPRIATION ~~((9,800,016,000))~~
 \$9,726,413,000

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

(1) Based on quarterly expenditure reports and caseload forecasts, if the department estimates that expenditures for the medical assistance program will exceed the appropriations, the department shall take steps including but not limited to reduction of rates or elimination of optional services to reduce expenditures so that total program costs do not exceed the annual appropriation authority.

(2) In determining financial eligibility for medicaid-funded services, the department is authorized to disregard recoveries by Holocaust survivors of insurance proceeds or other assets, as defined in RCW 48.104.030.

(3) The legislature affirms that it is in the state's interest for Harborview medical center to remain an economically viable component of the state's health care system.

(4) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the department shall provide the person with the same benefits as he or she would receive if eligible for medicaid, using state-only funds to the extent necessary.

(5) ~~((In accordance with RCW 74.46.625,))~~ \$6,000,000 of the general fund--federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the department's discretion. During either the interim cost settlement or the final cost settlement, the department shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The department shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

(6) \$649,000 of the general fund--federal appropriation and \$644,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for grants to rural hospitals. The department shall distribute the funds under a formula that provides a relatively larger share of the available funding to hospitals that (a) serve a disproportionate share of low-income and medically indigent patients, and (b) have relatively smaller net financial margins, to the extent allowed by the federal medicaid program.

(7) \$5,729,000 of the general fund--state appropriation for fiscal year 2011, and \$5,776,000 of the general fund--federal appropriation are provided solely for grants to nonrural hospitals. The department shall distribute the funds under a formula that provides a relatively larger share of the available funding to hospitals that (a) serve a disproportionate share of low-income and medically indigent patients, and (b) have relatively smaller net financial margins, to the extent allowed by the federal medicaid program.

(8) The department shall continue the inpatient hospital certified public expenditures program for the 2009-11 biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The department shall submit reports to the governor and legislature by November 1, 2009, and by November 1, 2010, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the department shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2010 and fiscal year 2011, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the

program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2009-11 biennial operating appropriations act (chapter 564, Laws of 2009) and in effect on July 1, 2009, (b) one half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2009-11 biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. \$20,403,000 of the general fund--state appropriation for fiscal year 2010, of which \$6,570,000 is appropriated in section ~~((204(4)))~~ 1104(1) of this act, and ~~((29,480,000))~~ \$15,113,000 of the general fund--state appropriation for fiscal year 2011, of which \$6,570,000 is appropriated in section ~~((204(4)))~~ 1104(1) of this act, are provided solely for state grants for the participating hospitals. CPE hospitals will receive the inpatient and outpatient reimbursement rate restorations in section 9 and rate increases in section 10(1)(b) of Engrossed Second Substitute House Bill No. 2956 (hospital safety net assessment) funded through the hospital safety net assessment fund rather than through the baseline mechanism specified in this subsection.

(9) The department is authorized to use funds appropriated in this section to purchase goods and supplies through direct contracting with vendors when the department determines it is cost-effective to do so.

(10) \$93,000 of the general fund--state appropriation for fiscal year 2010 and \$93,000 of the general fund--federal appropriation are provided solely for the department to pursue a federal Medicaid waiver pursuant to Second Substitute Senate Bill No. 5945 (Washington health partnership plan). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(11) The department shall require managed health care systems that have contracts with the department to serve medical assistance clients to limit any reimbursements or payments the systems make to providers not employed by or under contract with the systems to no more than the medical assistance rates paid by the department to providers for comparable services rendered to clients in the fee-for-service delivery system.

(12) A maximum of ~~((241,141,000))~~ \$247,809,000 in total funds from the general fund--state, general fund--federal, and tobacco and prevention control account--state appropriations may be expended in the fiscal biennium for the medical program pursuant to chapter 8, Laws of 2010 1st sp. sess. (security lifeline act), and these amounts are provided solely for this program. Of these amounts, \$10,749,000 of the general fund--state appropriation for fiscal year 2010 and \$10,892,000 of the general fund--federal appropriation are provided solely for payments to hospitals for providing outpatient services to

low income patients who are recipients of lifeline benefits. Pursuant to RCW 74.09.035, the department shall not expend for the lifeline medical care services program any amounts in excess of the amounts provided in this subsection.

(13) Mental health services shall be included in the services provided through the managed care system for lifeline clients under chapter 8, Laws of 2010 1st sp. sess. In transitioning lifeline clients to managed care, the department shall attempt to deliver care to lifeline clients through medical homes in community and migrant health centers. The department, in collaboration with the carrier, shall seek to improve the transition rate of lifeline clients to the federal supplemental security income program. The department shall renegotiate the contract with the managed care plan that provides services for lifeline clients to maximize state retention of future hospital savings as a result of improved care coordination. The department, in collaboration with stakeholders, shall propose a new name for the lifeline program.

(14) The department shall evaluate the impact of the use of a managed care delivery and financing system on state costs and outcomes for lifeline medical clients. Outcomes measured shall include state costs, utilization, changes in mental health status and symptoms, and involvement in the criminal justice system.

(15) The department shall report to the governor and the fiscal committees of the legislature by June 1, 2010, on its progress toward achieving a twenty percentage point increase in the generic prescription drug utilization rate.

(16) State funds shall not be used by hospitals for advertising purposes.

(17) \$24,356,000 of the general fund--private/local appropriation and \$35,707,000 of the general fund--federal appropriation are provided solely for the implementation of professional services supplemental payment programs. The department shall seek a medicaid state plan amendment to create a professional services supplemental payment program for University of Washington medicine professional providers no later than July 1, 2009. The department shall apply federal rules for identifying the shortfall between current fee-for-service medicaid payments to participating providers and the applicable federal upper payment limit. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the department in the development, implementation, and maintenance of this program will be the responsibility of the participating providers. Participating providers will retain the full amount of supplemental payments provided under this program, net of any potential costs for any related audits or litigation brought against the state. The department shall report to the governor and the legislative fiscal committees on the prospects for expansion of the program to other qualifying providers as soon as feasibility is determined but no later than December 31, 2009. The report will outline estimated impacts on the participating providers, the procedures necessary to comply with federal guidelines, and the administrative resource requirements necessary to implement the program. The department will create a process for expansion of the program to other qualifying providers as soon as it is determined feasible by both the department and providers but no later than June 30, 2010.

(18) \$9,075,000 of the general fund--state appropriation for fiscal year 2010, \$8,588,000 of the general fund--state appropriation for fiscal year 2011, and \$39,747,000 of the general fund--federal appropriation are provided solely for development and implementation of a replacement system for the existing medicaid management information system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of section 902 of this act.

(19) \$506,000 of the general fund--state appropriation for fiscal year 2011 and \$657,000 of the general fund--federal appropriation are

provided solely for the implementation of Second Substitute House Bill No. 1373 (children's mental health). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(20) Pursuant to 42 U.S.C. Sec. 1396(a)(25), the department shall pursue insurance claims on behalf of medicaid children served through its in-home medically intensive child program under WAC 388-551-3000. The department shall report to the Legislature by December 31, 2009, on the results of its efforts to recover such claims.

(21) The department may, on a case-by-case basis and in the best interests of the child, set payment rates for medically intensive home care services to promote access to home care as an alternative to hospitalization. Expenditures related to these increased payments shall not exceed the amount the department would otherwise pay for hospitalization for the child receiving medically intensive home care services.

(22) \$425,000 of the general fund--state appropriation for fiscal year 2010 and \$790,000 of the general fund--federal appropriation are provided solely to continue children's health coverage outreach and education efforts under RCW 74.09.470. These efforts shall rely on existing relationships and systems developed with local public health agencies, health care providers, public schools, the women, infants, and children program, the early childhood education and assistance program, child care providers, newborn visiting nurses, and other community-based organizations. The department shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

(23) The department, in conjunction with the office of financial management, shall implement a prorated inpatient payment policy.

(24) The department will pursue a competitive procurement process for antihemophilic products, emphasizing evidence-based medicine and protection of patient access without significant disruption in treatment.

(25) The department will pursue several strategies towards reducing pharmacy expenditures including but not limited to increasing generic prescription drug utilization by 20 percentage points and promoting increased utilization of the existing mail-order pharmacy program.

(26) The department shall reduce reimbursement for over-the-counter medications while maintaining reimbursement for those over-the-counter medications that can replace more costly prescription medications.

(27) The department shall seek public-private partnerships and federal funds that are or may become available to implement health information technology projects under the federal American recovery and reinvestment act of 2009.

(28) The department shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The department shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the department shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

(29) \$260,036,000 of the hospital safety net assessment fund--state appropriation and \$255,448,000 of the general fund--federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 2956 (hospital safety net assessment). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(30) \$79,000 of the general fund--state appropriation for fiscal year 2010 and \$53,000 of the general fund--federal appropriation are provided solely to implement Substitute House Bill No. 1845 (medical support obligations).

(31) \$63,000 of the general fund--state appropriation for fiscal year 2010, \$583,000 of the general fund--state appropriation for fiscal year 2011, and \$864,000 of the general fund--federal appropriation are provided solely to implement Engrossed House Bill No. 2194 (extraordinary medical placement for offenders). The department shall work in partnership with the department of corrections to identify services and find placements for offenders who are released through the extraordinary medical placement program. The department shall collaborate with the department of corrections to identify and track cost savings to the department of corrections, including medical cost savings, and to identify and track expenditures incurred by the aging and disability services program for community services and by the medical assistance program for medical expenses. A joint report regarding the identified savings and expenditures shall be provided to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010. If this bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(32) \$73,000 of the general fund--state appropriation for fiscal year 2011 and \$50,000 of the general fund--federal appropriation is provided solely for supplemental services that will be provided to offenders in lieu of a prison sentence pursuant to chapter 224, Laws of 2010 (Substitute Senate Bill No. 6639).

(33) Sufficient amounts are provided in this section to provide full benefit dual eligible beneficiaries with medicare part D prescription drug copayment coverage in accordance with RCW 74.09.520 until December 31, 2010.

(34) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect providers, direct client services, or direct service delivery or programs.

(35) \$331,000 of the general fund--state appropriation for fiscal year 2010, \$331,000 of the general fund--state appropriation for fiscal year 2011, and \$1,228,000 of the general fund--federal appropriation are provided solely for the department to support the activities of the Washington poison center. The department shall seek federal authority to receive matching funds from the federal government through the children's health insurance program.

(36) \$528,000 of the general fund--state appropriation and \$2,955,000 of the general fund--federal appropriation are provided solely for the implementation of the lifeline program under chapter 8, Laws of 2010 1st sp. sess. (security lifeline act).

(37) Reductions in dental services are to be achieved by focusing on the fastest growing areas of dental care. Reductions in preventative care, particularly for children, will be avoided to the extent possible.

(38) \$1,307,000 of the general fund--state appropriation for fiscal year 2011 and \$1,770,000 of the general fund--federal appropriation are provided solely to continue to provide dental services in calendar year 2011 for qualifying adults with developmental disabilities. Services shall include preventive, routine, and emergent dental care, and support for continued operation of the dental education in care of persons with disabilities (DECOD) program at the University of Washington.

(39) The department shall develop the capability to implement apple health for kids express lane eligibility enrollments for children receiving basic food assistance by June 30, 2011.

(40)(a) The department, in coordination with the health care authority, shall actively continue to negotiate a medicaid section 1115 waiver with the federal centers for medicare and medicaid services

that would provide federal matching funds for services provided to persons enrolled in the basic health plan under chapter 70.47 RCW and the medical care services program under RCW 74.09.035.

(b) If the waiver in (a) of this subsection is granted, the department and the health care authority may implement the waiver if it allows the program to remain within appropriated levels, after providing notice of its terms and conditions to the relevant policy and fiscal committees of the legislature in writing thirty days prior to the planned implementation date of the waiver.

(41) \$704,000 of the general fund--state appropriation for fiscal year 2010, \$812,000 of the general fund--state appropriation for fiscal year 2011, and \$1,516,000 of the general fund--federal appropriation are provided solely for maintaining employer-sponsored insurance program staff, coordination of benefits unit staff, the payment integrity audit team, and family planning nursing.

(42) Every effort shall be made to maintain current employment levels and achieve administrative savings through vacancies and employee attrition. Efficiencies shall be implemented as soon as possible in order to minimize actual reduction in force. The department shall implement a management strategy that minimizes disruption of service and negative impacts on employees.

(43) \$1,199,000 of the general fund--private/local appropriation for fiscal year 2011 and \$1,671,000 of the general fund--federal appropriation are provided solely to support medical airlift services.

(44) \$5,000,000 of the general fund--state appropriation for fiscal year 2011 and \$7,191,000 of the general fund--federal appropriation are provided solely for payments to federally qualified health clinics and rural health centers under a new alternative payment methodology that ((the department shall develop in consultation with the legislature and the office of financial management)) reimburses the clinics and centers at rates that are five percent higher than the rates that would be provided under the federal prospective payment system.

(45) \$33,000 of the general fund--state appropriation for fiscal year 2011 and \$61,000 of the general fund--federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free line that assists families to learn about and enroll in apple health for kids, which provides publicly funded medical and dental care for families with incomes below 300 percent of the federal poverty level.

(46) \$150,000 of the general fund--state appropriation for fiscal year 2011 and \$150,000 of the general fund--federal appropriation are provided solely for initiation of a prescriptive practices improvement collaborative focusing upon atypical antipsychotics and other medications commonly used in the treatment of severe and persistent mental illnesses among adults. The project shall promote collaboration among community mental health centers, other major prescribers of atypical antipsychotic medications to adults enrolled in state medical assistance programs, and psychiatrists, pharmacists, and other specialists at the University of Washington department of psychiatry and/or other research universities. The collaboration shall include patient-specific prescriber consultations by psychiatrists and pharmacists specializing in treatment of severe and persistent mental illnesses among adults; production of profiles to assist prescribers and clinics track their prescriptive practices and their patients' medication use and adherence relative to evidence-based practice guidelines, other prescribers, and patients at other clinics; and in-service seminars at which participants can share and increase their knowledge of evidence-based and other effective prescriptive practices. (47)

\$75,000 of the general fund--state appropriation for fiscal year 2011 and \$75,000 of the general fund--federal appropriation are provided solely to assist with development and implementation of evidence-based strategies regarding the appropriate, safe, and effective role of C-section surgeries and early induced labor in births and neonatal care. The strategies shall be identified and implemented in consultation with clinical research specialists, physicians, hospitals,

advanced registered nurse practitioners, and organizations concerned with maternal and child health.

(48) \$700,000 of the general fund--state appropriation for fiscal year 2011 and \$700,000 of the general fund--federal appropriation are provided solely to pay federally designated rural health clinics their full encounter rate for prenatal and well-child visits, whether delivered under a managed care contract or fee-for-service, effective January 1, 2011. In reconciling managed care enhancement payments for calendar year 2009, the department shall treat well-child and prenatal care visits as encounters subject to the clinic's encounter rate.

Sec. 1110. 2011 c 5 s 209 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL REHABILITATION PROGRAM
 General Fund--State Appropriation (FY 2010) \$10,327,000
 General Fund--State Appropriation (FY 2011) ~~(\$9,443,000)~~
 \$9,438,000
 General Fund--Federal Appropriation \$107,848,000
 Telecommunications Devices for the Hearing and
 Speech Impaired--State Appropriation \$6,056,000
 TOTAL APPROPRIATION ~~(\$133,674,000)~~
 \$133,669,000

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

(1) The vocational rehabilitation program shall coordinate closely with the economic services program to serve lifeline clients under chapter 8, Laws of 2010 1st sp. sess. who are referred for eligibility determination and vocational rehabilitation services, and shall make every effort, within the requirements of the federal rehabilitation act of 1973, to serve these clients.

(2) \$80,000 of the telecommunications devices for the hearing and speech impaired account--state appropriation is provided solely for the office of deaf and hard of hearing to enter into an interagency agreement with the department of services for the blind to support contracts for services that provide employment support and help with life activities for deaf-blind individuals in King county.

Sec. 1111. 2011 c 5 s 210 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--SPECIAL COMMITMENT PROGRAM
 General Fund--State Appropriation (FY 2010) \$48,827,000
 General Fund--State Appropriation (FY 2011) ~~(\$48,536,000)~~
 \$49,131,000
 TOTAL APPROPRIATION ~~(\$97,363,000)~~
 \$97,958,000

Sec. 1112. 2011 c 5 s 211 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND SUPPORTING SERVICES PROGRAM
 General Fund--State Appropriation (FY 2010) \$33,579,000
 General Fund--State Appropriation (FY 2011) ~~(\$27,745,000)~~
 \$25,308,000
 General Fund--Federal Appropriation ~~(\$51,304,000)~~
 \$49,594,000
 General Fund--Private/Local Appropriation \$1,121,000
 Institutional Impact Account--State Appropriation \$22,000
 TOTAL APPROPRIATION ~~(\$113,771,000)~~
 \$109,624,000

The appropriations in this section are subject to the following conditions and limitations: In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by

reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(1) \$333,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$300,000)~~ \$281,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state mentors program to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

(2) \$445,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$445,000)~~ \$417,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for funding of the teamchild project through the governor's juvenile justice advisory committee.

(3) \$178,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$178,000)~~ \$167,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the juvenile detention alternatives initiative.

(4) Amounts appropriated in this section reflect a reduction to the family policy council. The family policy council shall reevaluate staffing levels and administrative costs to ensure to the extent possible a maximum ratio of grant moneys provided and administrative costs.

(5) Amounts appropriated in this section reflect a reduction to the council on children and families. The council on children and families shall reevaluate staffing levels and administrative costs to ensure to the extent possible a maximum ratio of grant moneys provided and administrative costs.

Sec. 1113. 2011 c 5 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER AGENCIES PROGRAM
 General Fund--State Appropriation (FY 2010) \$61,985,000
 General Fund--State Appropriation (FY 2011) ~~(\$63,793,000)~~
 \$65,210,000
 General Fund--Federal Appropriation ~~(\$56,855,000)~~
 \$56,321,000
 TOTAL APPROPRIATION ~~(\$182,633,000)~~
 \$183,516,000

Sec. 1114. 2011 c 5 s 213 (uncodified) is amended to read as follows:

FOR THE STATE HEALTH CARE AUTHORITY
 General Fund--State Appropriation (FY 2010) \$208,258,000
 General Fund--State Appropriation (FY 2011) ~~(\$108,749,000)~~
 \$108,896,000
 General Fund--Federal Appropriation ~~(\$31,975,000)~~
 \$34,922,000
 State Health Care Authority Administration Account--
 State Appropriation \$34,880,000
 Medical Aid Account--State Appropriation \$527,000
 Basic Health Plan Stabilization Account--State
 Appropriation \$6,000,000
 TOTAL APPROPRIATION ~~(\$390,389,000)~~
 \$393,483,000

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

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

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

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

(4)(a) In order to maximize the funding appropriated for the basic health plan, the health care authority is directed to make modifications that will reduce the total number of subsidized enrollees to approximately 65,000 by January 1, 2010. In addition to the reduced enrollment, other modifications may include changes in enrollee premium obligations, changes in benefits, enrollee cost-sharing, and termination of the enrollment of individuals concurrently enrolled in a medical assistance program as provided in Substitute House Bill No. 2341.

(b) The health care authority shall coordinate with the department of social and health services to negotiate a medicaid section 1115 waiver with the federal centers for medicare and medicaid services that would provide matching funds for services provided to persons enrolled in the basic health plan under chapter 70.47 RCW.

(c) If the waiver in (b) of this subsection is granted, the health care authority may implement the waiver if it allows the program to remain within appropriated levels, after providing notice of its terms and conditions to the relevant policy and fiscal committees of the legislature in writing thirty days prior to the planned implementation date of the waiver.

(5) \$250,000 of the general fund--state appropriation for fiscal year 2010 and \$250,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5360 (community collaboratives). If the bill is not enacted by June 30, 2009, the amounts provided in this section shall lapse.

(6) The authority shall seek public-private partnerships and federal funds that are or may become available to implement health information technology projects under the federal American recovery and reinvestment act of 2009.

(7) \$20,000 of the general fund--state appropriation for fiscal year 2010 and \$63,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of chapter 220, Laws of 2010 (accountable care organizations).

(8) As soon as practicable after February 28, 2011, enrollment in the subsidized basic health plan shall be limited to only include persons who qualify as subsidized enrollees as defined in RCW 70.47.020 and who (a) qualify for services under 1115 medicaid demonstration project number 11-W-00254/10; or (b) are foster parents licensed under chapter 74.15 RCW.

(9) \$1,500,000 of the general fund--federal appropriation is provided solely for planning and implementation of a health benefit exchange under the federal patient protection and affordable care act. Within

the amounts provided in this subsection, funds used by the authority for information technology projects are conditioned on the authority satisfying the requirements of section 902, chapter 564, Laws of 2009.

Sec. 1115. 2011 c 5 s 214 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 2010)	\$2,638,000
General Fund--State Appropriation (FY 2011)	(\$2,353,000)
	\$2,350,000
General Fund--Federal Appropriation	\$1,584,000
TOTAL APPROPRIATION	(\$6,575,000)
	\$6,572,000

Sec. 1116. 2011 c 5 s 215 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund--State Appropriation (FY 2010)	\$17,273,000
General Fund--State Appropriation (FY 2011)	(\$16,721,000)
	\$16,803,000
General Fund--Federal Appropriation	\$143,000
General Fund--Private/Local Appropriation	(\$1,378,000)
	\$1,382,000
Death Investigations Account--State Appropriation	\$148,000
Municipal Criminal Justice Assistance Account-- State Appropriation	\$460,000
Washington Auto Theft Prevention Authority Account-- State Appropriation	\$6,432,000
TOTAL APPROPRIATION	(\$42,555,000)
	\$42,641,000

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

(1) \$1,191,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the Washington association of sheriffs and police chiefs to continue to develop, maintain, and operate the jail booking and reporting system (JBRS) and the statewide automated victim information and notification system (SAVIN).

(2) \$5,000,000 of the general fund--state appropriation for fiscal year 2010 and \$5,000,000 of the general fund--state appropriation for fiscal year 2011, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130. The Washington association of sheriffs and police chiefs shall:

(a) Enter into performance-based agreements with units of local government to ensure that registered offender address and residency are verified:

- (i) For level I offenders, every twelve months;
- (ii) For level II offenders, every six months; and
- (iii) For level III offenders, every three months.

For the purposes of this subsection, unclassified offenders and kidnapping offenders shall be considered at risk level I unless in the opinion of the local jurisdiction a higher classification is in the interest of public safety.

(b) Collect performance data from all participating jurisdictions sufficient to evaluate the efficiency and effectiveness of the address and residency verification program; and

(c) Submit a report on the effectiveness of the address and residency verification program to the governor and the appropriate committees of the house of representatives and senate by December 31, each year.

The Washington association of sheriffs and police chiefs may retain up to three percent of the amount provided in this subsection for the cost of administration. Any funds not disbursed for address and residency verification or retained for administration may be allocated

to local prosecutors for the prosecution costs associated with failing-to-register offenses.

(3) \$30,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the implementation of Second Substitute House Bill No. 2078 (persons with developmental disabilities in correctional facilities or jails). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(4) (~~(\$171,000)~~) \$75,000 of the general fund--local appropriation is provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions with one hundred or more full-time commissioned officers shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

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

Sec. 1117. 2011 c 5 s 216 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund--State Appropriation (FY 2010)	\$24,975,000
General Fund--State Appropriation (FY 2011)	(\$18,120,000)
	\$17,876,000
General Fund--Federal Appropriation	\$11,316,000
Asbestos Account--State Appropriation	\$923,000
Electrical License Account--State Appropriation	\$36,977,000
Farm Labor Revolving Account--Private/Local Appropriation	\$28,000
Worker and Community Right-to-Know Account--	
State Appropriation	\$1,987,000
Public Works Administration Account--State	
Appropriation	\$6,021,000
Manufactured Home Installation Training Account--	
State Appropriation	(\$143,000)
	\$135,000
Accident Account--State Appropriation	\$250,509,000
Accident Account--Federal Appropriation	\$13,621,000
Medical Aid Account--State Appropriation	\$249,232,000
Medical Aid Account--Federal Appropriation	\$3,186,000
Plumbing Certificate Account--State Appropriation	\$1,704,000
Pressure Systems Safety Account--State Appropriation	\$4,144,000
TOTAL APPROPRIATION	(\$622,886,000)
	\$622,634,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees related to factory assembled structures, contractor registration, electricians, plumbers, asbestos removal, boilers, elevators, and manufactured home installers. These increases are necessary to support expenditures authorized in this section, consistent with chapters 43.22, 18.27, 19.28, and 18.106 RCW, RCW 49.26.130, and chapters 70.79, 70.87, and 43.22A RCW.

(2) \$424,000 of the accident account--state appropriation and \$76,000 of the medical aid account--state appropriation are provided solely for implementation of a community agricultural worker safety grant at the department of agriculture. The department shall enter into an interagency agreement with the department of agriculture to implement the grant.

(3) \$4,850,000 of the medical aid account--state appropriation is provided solely to continue the program of safety and health as authorized by RCW 49.17.210 to be administered under rules adopted pursuant to chapter 34.05 RCW, provided that projects funded involve workplaces insured by the medical aid fund, and that priority is given to projects fostering accident prevention through cooperation between employers and employees or their representatives.

(4) \$150,000 of the medical aid account--state appropriation is provided solely for the department to contract with one or more independent experts to evaluate and recommend improvements to the rating plan under chapter 51.18 RCW, including analyzing how risks are pooled, the effect of including worker premium contributions in adjustment calculations, incentives for accident and illness prevention, return-to-work practices, and other sound risk-management strategies that are consistent with recognized insurance principles.

(5) The department shall continue to conduct utilization reviews of physical and occupational therapy cases at the 24th visit. The department shall continue to report performance measures and targets for these reviews on the agency web site. The reports are due September 30th for the prior fiscal year and must include the amount spent and the estimated savings per fiscal year.

(6) The appropriations in this section reflect reductions in the appropriations for the department of labor and industries' administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing administrative costs only.

(7) \$500,000 of the accident account--state appropriation is provided solely for the department to contract with one or more independent experts to oversee and assist the department's implementation of improvements to the rating plan under chapter 51.18 RCW, in collaboration with the department and with the department's work group of retrospective rating and workers' compensation stakeholders. The independent experts will validate the impact of recommended changes on retrospective rating participants and nonparticipants, confirm implementation technology changes, and provide other implementation assistance as determined by the department.

(8) \$194,000 of the accident account--state appropriation and \$192,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5346 (health care administrative procedures).

(9) \$131,000 of the accident account--state appropriation and \$128,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5613 (stop work orders).

(10) \$68,000 of the accident account--state appropriation and \$68,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5688 (registered domestic partners).

(11) \$320,000 of the accident account--state appropriation and \$147,000 of the medical aid account--state appropriation are provided solely for implementation of Senate Bill No. 5873 (apprenticeship utilization).

(12) \$73,000 of the general fund--state appropriation for fiscal year 2010, \$66,000 of the general fund--state appropriation for fiscal year 2011, \$606,000 of the accident account--state appropriation, and \$600,000 of the medical aid account--state appropriation are provided solely for the implementation of House Bill No. 1555 (underground economy).

(13) \$574,000 of the accident account--state appropriation and \$579,000 of the medical account--state appropriation are provided solely for the implementation of House Bill No. 1402 (industrial insurance appeals).

(14) Within statutory guidelines, the boiler program shall explore opportunities to increase program efficiency. Strategies may include the consolidation of routine multiple inspections to the same site and trip planning to ensure the least number of miles traveled.

(15) \$16,000 of the general fund--state appropriation for fiscal year 2010 and \$50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the crime victims compensation program to pay claims for mental health services for crime victim compensation program clients who have an established relationship with a mental health provider and subsequently obtain

coverage under the medicaid program or the medical care services program under chapter 74.09 RCW. Prior to making such payment, the program must have determined that payment for the specific treatment or provider is not available under the medicaid or medical care services program. In addition, the program shall make efforts to contact any healthy options or medical care services health plan in which the client may be enrolled to help the client obtain authorization to pay the claim on an out-of-network basis.

(16) \$48,000 of the accident account--state appropriation and \$48,000 of the medical aid account--state appropriation are provided solely for the implementation of Substitute House Bill No. 2789 (issuance of subpoenas for purposes of agency investigations of underground economic activity). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(17) \$71,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Senate Bill No. 6349 (farm internship program). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(18) \$127,000 of the general fund--state appropriation for fiscal year 2010 and \$133,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to provide benefits in excess of the cap established by sections 1 and 2, chapter 122, Laws of 2010. These benefits shall be paid for claimants who were determined eligible for and who were receiving crime victims' compensation benefits because they were determined to be permanently and totally disabled, as defined by RCW 51.08.160, prior to April 1, 2010. The director shall establish, by May 1, 2010, a process to aid crime victims' compensation recipients in identifying and applying for appropriate alternative benefit programs.

(19) \$155,000 of the public works administration account--state appropriation is provided solely for the implementation of Engrossed House Bill No. 2805 (offsite prefabricated items). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1118. 2011 c 5 s 217 (uncodified) is amended to read as follows:

FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund--State Appropriation (FY 2010)	\$1,882,000
General Fund--State Appropriation (FY 2011)	(\$1,659,000)
\$1,657,000	
TOTAL APPROPRIATION	(\$3,541,000)
\$3,539,000	

Sec. 1119. 2011 c 5 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund--State Appropriation (FY 2010)	\$1,913,000
General Fund--State Appropriation (FY 2011)	(\$1,865,000)
\$1,755,000	

Charitable, Educational, Penal, and Reformatory

Institutions Account--State Appropriation	\$10,000
TOTAL APPROPRIATION	(\$3,788,000)
\$3,678,000	

The appropriations in this subsection are subject to the following conditions and limitations: In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(2) FIELD SERVICES

General Fund--State Appropriation (FY 2010)	\$4,885,000
General Fund--State Appropriation (FY 2011)	\$4,964,000
General Fund--Federal Appropriation	\$2,382,000

General Fund--Private/Local Appropriation	\$4,512,000
Veterans Innovations Program Account--State Appropriation	\$897,000
Veteran Estate Management Account--Private/Local Appropriation	\$1,072,000
TOTAL APPROPRIATION	\$18,712,000

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

(a) The department shall collaborate with the department of social and health services to identify and assist eligible general assistance unemployable clients to access the federal department of veterans affairs benefits.

(b) \$648,000 of the veterans innovations program account--state appropriation is provided solely for the department to continue support for returning combat veterans through the veterans innovation program, including emergency financial assistance through the defenders' fund and long-term financial assistance through the competitive grant program.

(c) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 2010)	\$3,318,000
((General Fund--State Appropriation (FY 2011)	\$1,793,000))
General Fund--Federal Appropriation	(\$50,931,000)
\$52,965,000	
General Fund--Private/Local Appropriation	(\$34,189,000)
\$34,791,000	
TOTAL APPROPRIATION	(\$90,231,000)
\$91,074,000	

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

(a) In addition to other reductions, the appropriations in this section reflect reductions targeted specifically to state government administrative costs. These administrative reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(b) The reductions in this subsection shall be achieved through savings from contract revisions and shall not impact the availability of goods and services for residents of the three state veterans homes.

Sec. 1120. 2011 c 5 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund--State Appropriation (FY 2010)	\$98,414,000
General Fund--State Appropriation (FY 2011)	(\$72,427,000)
\$72,269,000	
General Fund--Federal Appropriation	(\$564,379,000)
\$567,818,000	
General Fund--Private/Local Appropriation	\$162,237,000
Hospital Data Collection Account--State Appropriation	\$218,000
Health Professions Account--State Appropriation	\$82,850,000
Aquatic Lands Enhancement Account--State Appropriation	\$603,000
Emergency Medical Services and Trauma Care Systems Trust Account--State Appropriation	\$13,206,000
Safe Drinking Water Account--State Appropriation	\$2,731,000
Drinking Water Assistance Account--Federal Appropriation	\$22,862,000

Waterworks Operator Certification--State	
Appropriation	\$1,522,000
Drinking Water Assistance Administrative Account--	
State Appropriation	\$326,000
State Toxics Control Account--State Appropriation	\$4,348,000
Medical Test Site Licensure Account--State	
Appropriation	\$2,261,000
Youth Tobacco Prevention Account--State Appropriation	
Appropriation	\$1,512,000
Public Health Supplemental Account--Private/Local	
Appropriation	\$3,804,000
Community and Economic Development Fee Account--State	
Appropriation	\$298,000
Accident Account--State Appropriation	\$292,000
Medical Aid Account--State Appropriation	\$48,000
Tobacco Prevention and Control Account--State	
Appropriation	\$41,196,000
Biotoxin Account--State Appropriation	\$1,163,000
TOTAL APPROPRIATION	(\$1,076,697,000)
	\$1,079,978,000

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

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

(2) In accordance with RCW 43.70.250 and 43.135.055, the department is authorized to establish and raise fees in fiscal year 2011 as necessary to meet the actual costs of conducting business and the appropriation levels in this section. This authorization applies to fees for the review of sewage tank designs, fees related to regulation and inspection of farmworker housing, and fees associated with the following professions: Acupuncture, dental, denturist, mental health counselor, nursing, nursing assistant, optometry, radiologic technologist, recreational therapy, respiratory therapy, social worker, cardiovascular invasive specialist, and practitioners authorized under chapter 18.240 RCW.

(3) Pursuant to RCW 43.135.055 and RCW 43.70.250, the department is authorized to establish fees by the amount necessary to fully support the cost of activities related to the administration of long-term care worker certification. The department is further authorized to increase fees by the amount necessary to implement the regulatory requirements of the following bills: House Bill No. 1414 (health care assistants), House Bill No. 1740 (dental residency licenses), and House Bill No. 1899 (retired active physician licenses).

(4) \$764,000 of the health professions account--state appropriation is provided solely for the medical quality assurance

commission to maintain disciplinary staff and associated costs sufficient to reduce the backlog of disciplinary cases and to continue to manage the disciplinary caseload of the commission.

(5) \$57,000 of the general fund--state appropriation for fiscal year 2010 and \$54,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the midwifery licensure and regulatory program to offset a reduction in revenue from fees. The department shall convene the midwifery advisory committee on a quarterly basis to address issues related to licensed midwifery. The appropriations in this section assume that the current application and renewal fee for midwives shall be increased by fifty dollars and all other fees for midwives be adjusted accordingly.

(6) Funding for the human papillomavirus vaccine shall not be included in the department's universal vaccine purchase program in fiscal year 2010. Remaining funds for the universal vaccine purchase program shall be used to continue the purchase of all other vaccines included in the program until May 1, 2010, at which point state funding for the universal vaccine purchase program shall be discontinued.

(7) Beginning July 1, 2010, the department, in collaboration with the department of social and health services, shall maximize the use of existing federal funds, including section 317 of the federal public health services act direct assistance as well as federal funds that may become available under the American recovery and reinvestment act, in order to continue to provide immunizations for low-income, nonmedicaid eligible children up to three hundred percent of the federal poverty level in state-sponsored health programs.

(8) The department shall eliminate outreach activities for the health care directives registry and use the remaining amounts to maintain the contract for the registry and minimal staffing necessary to administer the basic entry functions for the registry.

(9) Funding in this section reflects a temporary reduction of resources for the 2009-11 fiscal biennium for the state board of health to conduct health impact reviews.

(10) Pursuant to RCW 43.135.055 and 43.70.125, the department is authorized to adopt rules to establish a fee schedule to apply to applicants for initial certification surveys of health care facilities for purposes of receiving federal health care program reimbursement. The fees shall only apply when the department has determined that federal funding is not sufficient to compensate the department for the cost of conducting initial certification surveys. The fees for initial certification surveys may be established as follows: Up to \$1,815 for ambulatory surgery centers, up to \$2,015 for critical access hospitals, up to \$980 for end stage renal disease facilities, up to \$2,285 for home health agencies, up to \$2,285 for hospice agencies, up to \$2,285 for hospitals, up to \$520 for rehabilitation facilities, up to \$690 for rural health clinics, and up to \$7,000 for transplant hospitals.

(11) Funding for family planning grants for fiscal year 2011 is reduced in the expectation that federal funding shall become available to expand coverage of services for individuals through programs at the department of social and health services. In the event that such funding is not provided, the legislature intends to continue funding through a supplemental appropriation at fiscal year 2010 levels. \$4,360,000 of the general fund--state appropriation is provided solely for the department of health-funded family planning clinic grants due to federal funding not becoming available.

(12) \$16,000,000 of the tobacco prevention and control account--state appropriation is provided solely for local health jurisdictions to conduct core public health functions as defined in RCW 43.70.514.

(13) \$100,000 of the health professions account appropriation is provided solely for implementation of Substitute House Bill No. 1414 (health care assistants). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(14) \$42,000 of the health professions account--state appropriation is provided solely to implement Substitute House Bill

No. 1740 (dentistry license issuance). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

(15) \$23,000 of the health professions account--state appropriation is provided solely to implement Second Substitute House Bill No. 1899 (retired active physician licenses). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

(16) \$12,000 of the general fund--state appropriation for fiscal year 2010 and \$67,000 of the general fund--private/local appropriation are provided solely to implement House Bill No. 1510 (birth certificates). If the bill is not enacted by June 30, 2009, the amount provided in this section shall lapse.

(17) \$31,000 of the health professions account is provided for the implementation of Second Substitute Senate Bill No. 5850 (human trafficking). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

(18) \$282,000 of the health professions account is provided for the implementation of Substitute Senate Bill No. 5752 (dentists cost recovery). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

(19) \$106,000 of the health professions account is provided for the implementation of Substitute Senate Bill No. 5601 (speech language assistants). If the bill is not enacted by June 2009, the amount provided in this subsection shall lapse.

(20) Subject to existing resources, the department of health is encouraged to examine, in the ordinary course of business, current and prospective programs, treatments, education, and awareness of cardiovascular disease that are needed for a thriving and healthy Washington.

(21) \$390,000 of the health professions account--state appropriation is provided solely to implement chapter 169, Laws of 2010 (nursing assistants). The amount provided in this subsection is from fee revenue authorized by Engrossed Substitute Senate Bill No. 6582.

(22) \$10,000 of the health professions account--state appropriation for fiscal year 2010 and \$40,000 of the health professions account--state appropriation for fiscal year 2011 are provided solely for the department to study cost effective options for collecting demographic data related to the health care professions workforce to be submitted to the legislature by December 1, 2010.

(23) \$66,000 of the health professions account--state appropriation is provided solely to implement chapter 209, Laws of 2010 (pain management).

(24) \$10,000 of the health professions account--state appropriation is provided solely to implement chapter 92, Laws of 2010 (cardiovascular invasive specialists).

(25) \$23,000 of the general fund--state appropriation is provided solely to implement chapter 182, Laws of 2010 (tracking ephedrine, etc.).

(26) The department is authorized to coordinate a tobacco cessation media campaign using all appropriate media with the purpose of maximizing the use of quit-line services and youth smoking prevention.

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

(28) \$400,000 of the state toxics control account--state appropriation is provided solely for granting to a willing local public entity to provide emergency water supplies or water treatment for households with individuals at high public health risk from nitrate-contaminated wells in the lower Yakima basin.

(29) \$100,000 of the state toxics control account--state appropriation is provided solely for an interagency contract to the department of ecology to grant to agencies involved in improving groundwater quality in the lower Yakima Valley. These agencies will develop a local plan for improving water quality and reducing nitrate contamination. The department of ecology will report to the appropriate committees of the legislature and to the office of financial management no later than December 1, 2010, summarizing progress towards developing and implementing this plan.

(30) In accordance with RCW 43.135.055, the department is authorized to adopt and increase all fees set forth in and previously authorized in section 221(2), chapter 37, Laws of 2010 1st sp.s.

NEW SECTION. Sec. 1121. A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified herein. However, after May 1, 2011, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer general fund--state appropriations for fiscal year 2011 between programs. The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds and not federal funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any deviations from appropriation levels. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

Sec. 1122. 2011 c 5 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES

General Fund--State Appropriation (FY 2010)	\$55,772,000
General Fund--State Appropriation (FY 2011)	(\$51,929,000)
\$48,131,000	
TOTAL APPROPRIATION	(\$107,701,000)
\$103,903,000	

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

(a) Within funds appropriated in this section, the department shall seek contracts for chemical dependency vendors to provide chemical dependency treatment of offenders in corrections facilities, including corrections centers and community supervision facilities, which have demonstrated effectiveness in treatment of offenders and are able to provide data to show a successful treatment rate.

(b) \$35,000 of the general fund--state appropriation for fiscal year 2010 and \$35,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(2) CORRECTIONAL OPERATIONS

General Fund--State Appropriation (FY 2010)	\$458,503,000
General Fund--State Appropriation (FY 2011)	(\$562,084,000)

\$568,633,000	
General Fund--Federal Appropriation	((186,651,000))
\$186,720,000	
Washington Auto Theft Prevention Authority Account--	
State Appropriation	\$5,936,000
State Efficiency and Restructuring Account--State	
Appropriation	\$34,522,000
TOTAL APPROPRIATION	((1,247,696,000))
\$1,254,314,000	

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

(a) The department may expend funds generated by contractual agreements entered into for mitigation of severe overcrowding in local jails. Any funds generated in excess of actual costs shall be deposited in the state general fund. Expenditures shall not exceed revenue generated by such agreements and shall be treated as a recovery of costs.

(b) The department shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

(c) During the 2009-11 biennium, when contracts are established or renewed for offender pay phone and other telephone services provided to inmates, the department shall select the contractor or contractors primarily based on the following factors: (i) The lowest rate charged to both the inmate and the person paying for the telephone call; and (ii) the lowest commission rates paid to the department, while providing reasonable compensation to cover the costs of the department to provide the telephone services to inmates and provide sufficient revenues for the activities funded from the institutional welfare betterment account.

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

(e) A political subdivision which is applying for funding to mitigate one-time impacts associated with construction or expansion of a correctional institution, consistent with WAC 137-12A-030, may apply for the mitigation funds in the fiscal biennium in which the impacts occur or in the immediately succeeding fiscal biennium.

(f) Within amounts provided in this subsection, the department, jointly with the department of social and health services, shall identify the number of offenders released through the extraordinary medical placement program, the cost savings to the department of corrections, including estimated medical cost savings, and the costs for medical services in the community incurred by the department of social and health services. The department and the department of social and health services shall jointly report to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010.

(g) \$11,863,000 of the general fund--state appropriation for fiscal year 2010, \$7,953,000 of the general fund--state appropriation for fiscal year 2011, and \$2,336,000 of the general fund--private/local appropriation are provided solely for in-prison evidence-based programs and for the reception diagnostic center program as part of the offender re-entry initiative.

(h) The appropriations in this subsection are based on savings assumed from the closure of the McNeil Island corrections center, the Ahtanum View corrections center, and the Pine Lodge corrections center for women.

(3) COMMUNITY SUPERVISION

General Fund--State Appropriation (FY 2010)	\$150,729,000
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General Fund--State Appropriation (FY 2011)	((134,840,000))
\$133,549,000	
TOTAL APPROPRIATION	((285,569,000))
\$284,278,000	

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

(a) The department shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

(b) \$2,083,000 of the general fund--state appropriation for fiscal year 2010 and \$2,083,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Senate Bill No. 5525 (state institutions/release). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(c) The appropriations in this subsection are based upon savings assumed from the implementation of Engrossed Substitute Senate Bill No. 5288 (supervision of offenders).

(d) \$2,791,000 of the general fund--state appropriation for fiscal year 2010 and \$2,680,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for evidence-based community programs and for community justice centers as part of the offender re-entry initiative.

(e) \$418,300 of the general fund--state appropriation for fiscal year 2010 is provided solely for the purposes of settling all claims in *Hilda Solis, Secretary of Labor, United States Department of Labor v. State of Washington, Department of Corrections*, United States District Court, Western District of Washington, Cause No. C08-cv-05362-RJB. The expenditure of this amount is contingent on the release of all claims in the case, and total settlement costs shall not exceed the amount provided in this subsection. If settlement is not fully executed by June 30, 2010, the amount provided in this subsection shall lapse.

(f) \$984,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for supplemental services that will be provided to offenders in lieu of a prison sentence, pursuant to chapter 224, Laws of 2010 (confinement alternatives).

(4) CORRECTIONAL INDUSTRIES

General Fund--State Appropriation (FY 2010)	\$2,574,000
General Fund--State Appropriation (FY 2011)	((2,441,000))
\$2,642,000	
TOTAL APPROPRIATION	((5,015,000))
\$5,216,000	

The appropriations in this subsection are subject to the following conditions and limitations: \$132,000 of the general fund--state appropriation for fiscal year 2010 and \$132,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and technical assistance associated with advising cities and counties in developing, promoting, and implementing consistent, safe, and efficient offender work programs.

(5) INTERAGENCY PAYMENTS

General Fund--State Appropriation (FY 2010)	\$40,728,000
General Fund--State Appropriation (FY 2011)	((38,629,000))
\$38,995,000	
TOTAL APPROPRIATION	((79,357,000))
\$79,723,000	

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

(a) The state prison institutions may use funds appropriated in this subsection to rent uniforms from correctional industries in accordance with existing legislative mandates.

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

(6) Funding in this section may not be used to purchase radios or base station repeaters related to the movement to narrowband frequencies, or for reprogramming existing narrowband radios.

Sec. 1123. 2011 c 5 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND
 General Fund--State Appropriation (FY 2010) \$2,504,000
 General Fund--State Appropriation (FY 2011) ~~((2,160,000))~~
 \$2,158,000
 General Fund--Federal Appropriation ~~((18,116,000))~~
 \$18,416,000
 General Fund--Private/Local Appropriation \$30,000
 TOTAL APPROPRIATION ~~((22,810,000))~~
 \$23,108,000

Sec. 1124. 2011 c 5 s 222 (uncodified) is amended to read as follows:

FOR THE SENTENCING GUIDELINES COMMISSION
 General Fund--State Appropriation (FY 2010) \$962,000
 General Fund--State Appropriation (FY 2011) ~~((844,000))~~
 \$843,000
 TOTAL APPROPRIATION ~~((1,806,000))~~
 \$1,805,000

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

(1) Within the amounts appropriated in this section, the sentencing guidelines commission, in partnership with the courts, shall develop a plan to implement an evidence-based system of community custody for adult felons that will include the consistent use of evidence-based risk and needs assessment tools, programs, supervision modalities, and monitoring of program integrity. The plan for the evidence-based system of community custody shall include provisions for identifying cost-effective rehabilitative programs; identifying offenders for whom such programs would be cost-effective; monitoring the system for cost-effectiveness; and reporting annually to the legislature. In developing the plan, the sentencing guidelines shall consult with: The Washington state institute for public policy; the legislature; the department of corrections; local governments; prosecutors; defense attorneys; victim advocate groups; law enforcement; the Washington federation of state employees; and other interested entities. The sentencing guidelines commission shall report its recommendations to the governor and the legislature by December 1, 2009.

(2)(a) Except as provided in subsection (b), during the 2009-11 biennium, the reports required by RCW 9.94A.480(2) and 9.94A.850(2) (d) and (h) shall be prepared within the available funds and may be delayed or suspended at the discretion of the commission.

(b) The commission shall submit the analysis described in section 15 of Engrossed Substitute Senate Bill No. 5288 no later than December 1, 2011.

(3) Within the amounts appropriated in this section, the sentencing guidelines commission shall survey the practices of other states relating to offenders who violate any conditions of their community custody. In conducting the survey, the sentencing guidelines commission shall perform a review of the research studies to determine if a mandatory minimum confinement policy is an evidence-based practice, investigate the implementation of such a

policy in other states, and estimate the fiscal impacts of implementing such a policy in Washington state. The sentencing guidelines commission shall report its findings to the governor and the legislature by December 1, 2010.

Sec. 1125. 2011 c 5 s 223 (uncodified) is amended to read as follows:

FOR THE EMPLOYMENT SECURITY DEPARTMENT
 General Fund--State Appropriation (FY 2010) \$2,054,000
 General Fund--State Appropriation (FY 2011) ~~((4,735,000))~~
 \$4,219,000
 General Fund--Federal Appropriation ~~((324,135,000))~~
 \$327,109,000
 General Fund--Private/Local Appropriation \$33,640,000
 Unemployment Compensation Administration Account--
 Federal Appropriation ~~((348,000,000))~~
 \$370,397,000
 Administrative Contingency Account--State Appropriation
 \$345,000
 Employment Service Administrative Account--State
 Appropriation \$37,775,000
 TOTAL APPROPRIATION ~~((750,684,000))~~
 \$775,539,000

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

(1) \$59,829,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903 (d) and (f) of the social security act (Reed act). This amount is authorized to continue current unemployment insurance functions and department services to employers and job seekers.

(2) \$17,327,000 of the unemployment compensation administration account--federal appropriation is provided from amounts made available to the state by section 903(d) and (f) of the social security act (Reed act). This amount is authorized to fund the replacement of the unemployment insurance tax information system (TAXIS) for the employment security department. This section is subject to section 902 of this act. After the effective date of this section, the employment security department may not incur further obligations for the replacement of the unemployment insurance tax information system (TAXIS). Nothing in this act prohibits the department from meeting obligations incurred prior to the effective date of this section.

(3) \$110,000 of the unemployment compensation administration account--federal appropriation is provided solely for implementation of Senate Bill No. 5804 (leaving part time work voluntarily).

(4) \$1,263,000 of the unemployment compensation administration account--federal appropriation is provided solely for implementation of Senate Bill No. 5963 (unemployment insurance).

(5) \$159,000 of the unemployment compensation account--federal appropriation is provided solely for the implementation of House Bill No. 1555 (underground economy) from funds made available to the state by section 903(d) of the social security act (Reed act).

(6) \$295,000 of the administrative contingency--state appropriation for fiscal year 2010 is provided solely for the implementation of House Bill No. 2227 (evergreen jobs act).

(7) \$2,000,000 of the general fund--state appropriation for fiscal year 2010 and ~~((4,682,000))~~ \$4,182,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Senate Bill No. 5809 (WorkForce employment and training).

(8) \$444,000 of the unemployment compensation administration account--federal appropriation is provided solely for the implementation of Substitute Senate Bill No. 6524 (unemployment insurance penalties and contribution rates) from funds made available

to the state by section 903 (d) or (f) of the social security act (Reed 12 act). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(9) \$232,000 of the unemployment compensation administration account--federal appropriation from funds made available to the state by section 903(c) or (f) of the social security act (Reed act) is provided solely for the implementation of Substitute House Bill No. 2789 (underground economic activity). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(10) \$577,000 of the unemployment compensation administration account--federal appropriation is from amounts available to the state by section 903 (d), (f), and (g) of the social security act (Reed act). This amount is provided solely for implementation of chapter 4, Laws of 2011 (unemployment insurance program).

(11) \$11,000 of the unemployment compensation administration account--federal appropriation is from amounts available to the state by section 903 (d), (f), and (g) of the social security act (Reed act). This amount is provided solely for implementation of chapter 4, Laws of 2011 (unemployment insurance program).

(End of part)

PART XII

NATURAL RESOURCES

Sec. 1201. 2011 c 5 s 301 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2010)	\$58,552,000
General Fund--State Appropriation (FY 2011)	(\$46,925,000)
	\$46,392,000
General Fund--Federal Appropriation	\$82,079,000
General Fund--Private/Local Appropriation	\$16,688,000
Special Grass Seed Burning Research Account--State Appropriation	\$14,000
Reclamation Account--State Appropriation	(\$3,649,000)
	\$3,640,000
Flood Control Assistance Account--State Appropriation	\$1,943,000
State Emergency Water Projects Revolving Account--State Appropriation	\$240,000
Waste Reduction/Recycling/Litter Control--State Appropriation	(\$12,467,000)
	\$12,440,000
State Drought Preparedness Account--State Appropriation	\$4,000,000
State and Local Improvements Revolving Account (Water Supply Facilities)--State Appropriation	\$424,000
Freshwater Aquatic Algae Control Account--State Appropriation	\$508,000
Water Rights Tracking System Account--State Appropriation	\$116,000
Site Closure Account--State Appropriation	\$922,000
Wood Stove Education and Enforcement Account--State Appropriation	\$582,000
Worker and Community Right-to-Know Account--State Appropriation	\$1,663,000
State Toxics Control Account--State Appropriation	(\$106,642,000)
	\$106,391,000
State Toxics Control Account--Private/Local Appropriation	\$379,000
Local Toxics Control Account--State	

Appropriation	(\$24,690,000)	
	\$24,670,000	
Water Quality Permit Account--State Appropriation	(\$37,018,000)	
	\$36,899,000	
Underground Storage Tank Account--State Appropriation	(\$3,270,000)	
	\$3,259,000	
Biosolids Permit Account--State Appropriation		\$1,866,000
Hazardous Waste Assistance Account--State Appropriation	(\$5,880,000)	
	\$5,858,000	
Air Pollution Control Account--State Appropriation		\$1,565,000
Oil Spill Prevention Account--State Appropriation	(\$10,599,000)	
	\$10,568,000	
Air Operating Permit Account--State Appropriation	(\$2,758,000)	
	\$2,748,000	
Freshwater Aquatic Weeds Account--State Appropriation		\$1,693,000
Oil Spill Response Account--State Appropriation		\$7,077,000
Metals Mining Account--State Appropriation		\$14,000
Water Pollution Control Revolving Account--State Appropriation	\$535,000	
Water Pollution Control Revolving Account--Federal Appropriation	\$2,210,000	
Water Rights Processing Account--State Appropriation	\$68,000	
TOTAL APPROPRIATION	(\$437,036,000)	
	\$436,003,000	

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

- (1) \$170,000 of the oil spill prevention account--state appropriation is provided solely for a contract with the University of Washington's sea grant program to continue an educational program targeted to small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.
- (2) \$240,000 of the woodstove education and enforcement account--state appropriation is provided solely for citizen outreach efforts to improve understanding of burn curtailments, the proper use of wood heating devices, and public awareness of the adverse health effects of woodsmoke pollution.
- (3) \$3,000,000 of the general fund--private/local appropriation is provided solely for contracted toxic-site cleanup actions at sites where multiple potentially liable parties agree to provide funding.
- (4) \$3,600,000 of the local toxics account--state appropriation is provided solely for the standby emergency rescue tug stationed at Neah Bay.
- (5) \$811,000 of the state toxics account--state appropriation is provided solely for oversight of toxic cleanup at facilities that treat, store, and dispose of hazardous wastes.
- (6) \$1,456,000 of the state toxics account--state appropriation is provided solely for toxic cleanup at sites where willing parties negotiate prepayment agreements with the department and provide necessary funding.
- (7) \$558,000 of the state toxics account--state appropriation and \$3,000,000 of the local toxics account--state appropriation are provided solely for grants and technical assistance to Puget Sound-area local governments engaged in updating shoreline master programs.
- (8) \$950,000 of the state toxics control account--state appropriation is provided solely for measuring water and habitat quality to determine watershed health and assist salmon recovery, beginning in fiscal year 2011.

(9) RCW 70.105.280 authorizes the department to assess reasonable service charges against those facilities that store, treat, incinerate, or dispose of dangerous or extremely hazardous waste that involves both a nonradioactive hazardous component and a radioactive component. Service charges may not exceed the costs to the department in carrying out the duties in RCW 70.105.280. The current service charges do not meet the costs of the department to carry out its duties. Pursuant to RCW 43.135.055 and 70.105.280, the department is authorized to increase the service charges no greater than 18 percent for fiscal year 2010 and no greater than 15 percent for fiscal year 2011. Such service charges shall include all costs of public participation grants awarded to qualified entities by the department pursuant to RCW 70.105D.070(5) for facilities at which such grants are recognized as a component of a community relations or public participation plan authorized or required as an element of a consent order, federal facility agreement or agreed order entered into or issued by the department pursuant to any federal or state law governing investigation and remediation of releases of hazardous substances. Public participation grants funded by such service charges shall be in addition to, and not in place of, any other grants made pursuant to RCW 70.105D.070(5). Costs for the public participation grants shall be billed individually to the mixed waste facility associated with the grant.

(10) The department is authorized to increase the following fees in the 2009-2011 biennium as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Environmental lab accreditation, dam safety and inspection, biosolids permitting, air emissions new source review, and manufacturer registration and renewal.

(11) \$63,000 of the state toxics control account--state appropriation is provided solely for implementation of Substitute Senate Bill No. 5797 (solid waste handling permits). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(12) \$225,000 of the general fund--state appropriation for fiscal year 2010 and \$181,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(13) \$150,000 of the general fund--state appropriation for fiscal year 2010 and \$141,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for watershed planning implementation grants to continue ongoing efforts to develop and implement water agreements in the Nooksack Basin and the Bertrand watershed. These amounts are intended to support project administration; monitoring; negotiations in the Nooksack watershed between tribes, the department, and affected water users; continued implementation of a flow augmentation project; plan implementation in the Fishtrap watershed; and the development of a water bank.

(14) \$215,000 of the general fund--state appropriation for fiscal year 2010 and \$220,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to provide watershed planning implementation grants for WRIA 32 to implement Substitute House Bill No. 1580 (pilot local water management program). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(15) \$200,000 of the general fund--state appropriation for fiscal year 2010 and \$187,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the purpose of supporting the trust water rights program and processing trust water right transfer applications that improve instream flow.

(16)(a) The department shall convene a stock water working group that includes: Legislators, four members representing agricultural interests, three members representing environmental interests, the attorney general or designee, the director of the

department of ecology or designee, the director of the department of agriculture or designee, and affected federally recognized tribes shall be invited to send participants.

(b) The group shall review issues surrounding the use of permit-exempt wells for stock-watering purposes and may develop recommendations for legislative action.

(c) The working group shall meet periodically and report its activities and recommendations to the governor and the appropriate legislative committees by December 1, 2009.

(17) \$73,000 of the water quality permit account--state appropriation is provided solely to implement Substitute House Bill No. 1413 (water discharge fees). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(18) The department shall continue to work with the Columbia Snake River irrigators' association to determine how seasonal water operation and maintenance conservation can be utilized. In implementing this proviso, the department shall also consult with the Columbia River policy advisory group as appropriate.

(19) The department shall track any changes in costs, wages, and benefits that would have resulted if House Bill No. 1716 (public contract living wages), as introduced in the 2009 regular session of the legislature, were enacted and made applicable to contracts and related subcontracts entered into, renewed, or extended during the 2009-11 biennium. The department shall submit a report to the house of representatives commerce and labor committee and the senate labor, commerce, and consumer protection committee by December 1, 2011. The report shall include data on any aggregate changes in wages and benefits that would have resulted during the 2009-11 biennium.

(20) Within amounts appropriated in this section the department shall develop recommendations by December 1, 2009, for a convenient and effective mercury-containing light recycling program for residents, small businesses, and small school districts throughout the state. The department shall consider options including but not limited to, a producer-funded program, a recycler-supported or recycle fee program, a consumer fee at the time of purchase, general fund appropriations, or a currently existing dedicated account. The department shall involve and consult with stakeholders including persons who represent retailers, waste haulers, recyclers, mercury-containing light manufacturers or wholesalers, cities, counties, environmental organizations and other interested parties. The department shall report its findings and recommendations for a recycling program for mercury-containing lights to the appropriate committees of the legislature by December 1, 2009.

(21) \$140,000 of the freshwater aquatic algae control account--state appropriation is provided solely for grants to cities, counties, tribes, special purpose districts, and state agencies for capital and operational expenses used to manage and study excessive saltwater algae with an emphasis on the periodic accumulation of sea lettuce on Puget Sound beaches.

(22) By December 1, 2009, the department in consultation with local governments shall conduct a remedial action grant financing alternatives report. The report shall address options for financing the remedial action grants identified in the department's report, entitled "House Bill 1761, Model Toxics Control Accounts Ten-Year Financing Plan" and shall include but not be limited to the following: (a) Capitalizing cleanup costs using debt insurance; (b) capitalizing cleanup costs using prefunded cost-cap insurance; (c) other contractual instruments with local governments; and (d) an assessment of overall economic benefits of the remedial action grants funded using the instruments identified in this section.

(23) \$220,000 of the site closure account--state appropriation is provided solely for litigation expenses associated with the lawsuit filed by energy solutions, inc., against the Northwest interstate compact on low-level radioactive waste management and its executive director.

(24) \$68,000 of the water rights processing account--state appropriation is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6267 (water rights processing). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(25) \$10,000 of the state toxics control account--state appropriation is provided solely for implementation of Engrossed Substitute Senate Bill No. 5543 (mercury-containing lights). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(26) \$300,000 of the state toxics control account--state appropriation is provided solely for piloting and evaluating two coordinated, multijurisdictional permitting teams for nontransportation projects.

(27)(a) \$4,000,000 of the state drought preparedness account--state appropriation is provided solely for response to a drought declaration pursuant to chapter 43.83B RCW. If such a drought declaration occurs, the department of ecology may provide funding to public bodies as defined in RCW 43.83B.050 in connection with projects and measures designed to alleviate drought conditions that may affect public health and safety, drinking water supplies, agricultural activities, or fish and wildlife survival.

(b) Projects or measures for which funding will be provided must be connected with a water system, water source, or water body that is receiving, or has been projected to receive, less than seventy-five percent of normal water supply, as the result of natural drought conditions. This reduction in water supply must be such that it is causing, or will cause, undue hardship for the entities or fish or wildlife depending on the water supply. The department shall issue guidelines outlining grant program and matching fund requirements within ten days of a drought declaration.

(28) In accordance with RCW 43.135.055, the department is authorized to increase the fees set forth in and previously authorized in section 302(10), chapter 564, Laws of 2009.

(29) In accordance with RCW 43.135.055, the department is authorized to adopt and increase the fees set forth in and previously authorized in sections 3, 5, 7, and 12, chapter 285, Laws of 2010.

Sec. 1202. 2011 c 5 s 302 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION	
General Fund--State Appropriation (FY 2010)	\$23,176,000
General Fund--State Appropriation (FY 2011)	(\$18,309,000)
	\$18,275,000
General Fund--Federal Appropriation	\$6,892,000
General Fund--Private/Local Appropriation	\$73,000
Winter Recreation Program Account--State Appropriation	\$1,556,000
Off Road Vehicle Account--State Appropriation	\$239,000
Snowmobile Account--State Appropriation	\$4,842,000
Aquatic Lands Enhancement Account--State Appropriation	\$368,000
Recreation Resources Account--State Appropriation	\$9,469,000
NOVA Program Account--State Appropriation	\$9,164,000
Parks Renewal and Stewardship Account--State Appropriation	\$72,975,000
Parks Renewal and Stewardship Account--Private/Local Appropriation	\$300,000
TOTAL APPROPRIATION	(\$147,363,000)
	\$147,329,000

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

(1) \$79,000 of the general fund--state appropriation for fiscal year 2010 and \$74,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a grant for the operation of the Northwest avalanche center.

(2) Proceeds received from voluntary donations given by motor vehicle registration applicants shall be used solely for the operation and maintenance of state parks.

(3) With the passage of Substitute House Bill No. 2339 (state parks system donation), the legislature finds that it has provided sufficient funds to ensure that all state parks remain open during the 2009-11 biennium. The commission shall not close state parks unless the bill is not enacted by June 30, 2009, or revenue collections are insufficient to fund the ongoing operation of state parks. By January 10, 2010, the commission shall provide a report to the legislature on their budget and resources related to operating parks for the remainder of the biennium.

(4) The commission shall work with the department of general administration to evaluate the commission's existing leases with the intention of increasing net revenue to state parks. The commission shall provide to the office of financial management and the legislative fiscal committees no later than September 30, 2009, a list of leases the commission proposes be managed by the department of general administration.

Sec. 1203. 2011 c 5 s 303 (uncodified) is amended to read as follows:

FOR THE RECREATION AND CONSERVATION FUNDING BOARD	
General Fund--State Appropriation (FY 2010)	\$1,486,000
General Fund--State Appropriation (FY 2011)	(\$1,312,000)
	\$1,311,000
General Fund--Federal Appropriation	\$10,427,000
General Fund--Private/Local Appropriation	\$250,000
Aquatic Lands Enhancement Account--State Appropriation	\$278,000
Firearms Range Account--State Appropriation	\$39,000
Recreation Resources Account--State Appropriation	\$2,738,000
NOVA Program Account--State Appropriation	\$1,059,000
TOTAL APPROPRIATION	(\$17,589,000)
	\$17,588,000

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

(1) \$204,000 of the general fund--state appropriation for fiscal year 2010 and \$194,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute House Bill No. 2157 (salmon recovery). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(2) The recreation and conservation office, under the direction of the salmon recovery funding board, shall assess watershed and regional- scale capacity issues relating to the support and implementation of salmon recovery. The assessment shall examine priority setting and incentives to further promote coordination to ensure that effective and efficient mechanisms for delivery of salmon recovery funding board funds are being utilized. The salmon recovery funding board shall distribute its operational funding to the appropriate entities based on this assessment.

(3) The recreation and conservation office shall negotiate an agreement with the Puget Sound partnership to consolidate or share certain administrative functions currently performed by each agency independently. The agencies shall proportionately share the costs of such shared functions. Examples of shared functions may include, but are not limited to, support for personnel, information technology, grant and contract management, invasive species work, legislative coordination, and policy and administrative support of various boards and councils.

Sec. 1204. 2010 2nd sp.s. c 1 s 305 (uncodified) is amended to read as follows:

FOR THE ENVIRONMENTAL HEARINGS OFFICE	
General Fund--State Appropriation (FY 2010)	\$1,108,000

General Fund--State Appropriation (FY 2011)	(\$1,035,000)
\$1,034,000	
TOTAL APPROPRIATION	(\$2,143,000)
\$2,142,000	

The appropriations in this section are subject to the following conditions and limitations: \$46,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for tenant improvement costs associated with moving the office to a new location.

Sec. 1205. 2010 2nd sp.s. c 1 s 306 (uncodified) is amended to read as follows:

FOR THE CONSERVATION COMMISSION

General Fund--State Appropriation (FY 2010)	\$7,556,000
General Fund--State Appropriation (FY 2011)	(\$6,751,000)
\$6,750,000	
General Fund--Federal Appropriation	\$1,178,000
TOTAL APPROPRIATION	(\$15,485,000)
\$15,484,000	

The appropriations in this section are subject to the following conditions and limitations: In order to maintain a high degree of customer service and accountability for conservation districts, \$125,000 is to support the conservation commission's administrative activities related to the processing of conservation district invoices and budgeting.

Sec. 1206. 2011 c 5 s 304 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund--State Appropriation (FY 2010)	\$41,263,000
General Fund--State Appropriation (FY 2011)	(\$30,560,000)
\$31,053,000	
General Fund--Federal Appropriation	\$88,799,000
General Fund--Private/Local Appropriation	\$47,211,000
Off Road Vehicle Account--State Appropriation	\$413,000
Aquatic Lands Enhancement Account--State Appropriation	\$6,739,000
Recreational Fisheries Enhancement--State Appropriation	\$3,472,000
Warm Water Game Fish Account--State Appropriation	\$2,861,000
Eastern Washington Pheasant Enhancement Account--State Appropriation	\$851,000
Aquatic Invasive Species Enforcement Account--State Appropriation	\$207,000
Aquatic Invasive Species Prevention Account--State Appropriation	\$833,000
Wildlife Account--State Appropriation	\$86,998,000
Wildlife Account--Federal Appropriation	\$101,000
Wildlife Account--Private/Local Appropriation	\$39,000
Game Special Wildlife Account--State Appropriation	\$2,367,000
Game Special Wildlife Account--Federal Appropriation	\$3,426,000
Game Special Wildlife Account--Private/Local Appropriation	\$487,000
Wildlife Rehabilitation Account--State Appropriation	\$269,000
Regional Fisheries Salmonid Recovery Account--Federal Appropriation	\$5,001,000
Oil Spill Prevention Account--State Appropriation	\$876,000
Oyster Reserve Land Account--State Appropriation	\$916,000
TOTAL APPROPRIATION	(\$323,689,000)
\$324,182,000	

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

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

(2) \$355,000 of the general fund--state appropriation for fiscal year 2010 and \$422,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to implement a pilot project with the Confederated Tribes of the Colville Reservation to develop expanded recreational fishing opportunities on Lake Rufus Woods and its northern shoreline and to conduct joint enforcement of lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to state and tribal intergovernmental agreements developed under the Columbia River water supply program. For the purposes of the pilot project:

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

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

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

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

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

(3) Prior to submitting its 2011-2013 biennial operating and capital budget request related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review this request. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost effective manner. The department shall provide a copy of the HSRG review to the office of financial management with their agency budget proposal.

(4) Within existing funds, the department shall continue implementing its capital program action plan dated September 1, 2007, including the purchase of the necessary maintenance and support costs for the capital programs and engineering tools. The department shall report to the office of financial management and the appropriate committees of the legislature, its progress in implementing the plan, including improvements instituted in its capital program, by September 30, 2010.

(5) \$1,232,000 of the state wildlife account--state appropriation is provided solely to implement Substitute House Bill No. 1778 (fish and wildlife). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(6) \$400,000 of the general fund--state appropriation for fiscal year 2010 and \$400,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the U.S. army corps of engineers.

(7) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for removal of derelict gear in Washington waters.

(8) The department of fish and wildlife shall dispose of all Cessna aircraft it currently owns. The proceeds from the aircraft shall be deposited into the state wildlife account. Disposal of the aircraft must occur no later than June 30, 2010. The department shall coordinate with the department of natural resources on the installation of fire surveillance equipment into its Partenavia aircraft. The department shall make its Partenavia aircraft available to the department of natural resources on a cost-reimbursement basis for its use in coordinating fire suppression efforts. The two agencies shall develop an interagency agreement that defines how they will share access to the plane.

(9) \$50,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for an electron project fish passage study consistent with the recommendations and protocols contained in the 2008 electron project downstream fish passage final report.

(10) \$60,000 of the general fund--state appropriation for fiscal year 2010 and \$60,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(11) If sufficient new revenues are not identified to continue hatchery operations, within the constraints of legally binding tribal agreements, the department shall dispose of, by removal, sale, lease, reversion, or transfer of ownership, the following hatcheries: McKernan, Colville, Omak, Bellingham, Arlington, and Mossyrock. Disposal of the hatcheries must occur by June 30, 2011, and any proceeds received from disposal shall be deposited in the state wildlife account. Within available funds, the department shall provide quarterly reports on the progress of disposal to the office of financial management and the appropriate fiscal committees of the legislature. The first report shall be submitted no later than September 30, 2009.

(12) \$100,000 of the eastern Washington pheasant enhancement account--state appropriation is provided solely for the department to support efforts to enhance permanent and temporary pheasant habitat on public and private lands in Grant, Franklin, and Adams counties. The department may support efforts by entities including conservation districts, nonprofit organizations, and landowners, and must require such entities to provide significant nonstate matching resources, which may be in the form of funds, material, or labor.

(13) Within the amounts appropriated in this section, the department of fish and wildlife shall develop a method for allocating its administrative and overhead costs proportionate to program fund use. As part of its 2011-2013 biennial operating budget, the department shall submit a decision package that rebalances expenditure authority for all agency funds based upon proportionate contributions.

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

(15) Within the amounts appropriated in this section, the department shall work with stakeholders to develop a long-term funding model that sustains the department's work of conserving species and habitat, providing sustainable recreational and commercial opportunities and using sound business practices. The funding model analysis shall assess the appropriate uses of each fund source and whether the department's current and projected revenue levels are adequate to sustain its current programs. The department shall report its recommended funding model including supporting analysis and stakeholder participation summary to the office of financial management and the appropriate committees of the legislature by October 1, 2010.

(16) By October 1, 2010, the department shall enter into an interagency agreement with the department of natural resources for land management services for the department's wildlife conservation and recreation lands. Land management services may include but are not limited to records management, real estate services such as surveying, and land acquisition and disposal services. The interagency agreement shall describe business processes, service delivery expectations, cost, and timing. In the agreement, the department shall define its roles and responsibilities. A draft agreement shall be submitted to the office of financial management and the appropriate fiscal committees of the legislature by July 1, 2010.

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

(18) The department must work with appropriate stakeholders to facilitate the disposition of salmon to best utilize the resource, increase revenues to regional fisheries enhancement groups, and enhance the provision of nutrients to food banks. By November 1, 2010, the department must provide a report to the appropriate committees of the legislature summarizing these discussions, outcomes, and recommendations. After November 1, 2010, the department shall not solicit or award a surplus salmon disposal contract without first giving due consideration to implementing the recommendations developed during the stakeholder process.

(19) \$50,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for increased fish production at Voight Creek hatchery.

Sec. 1207. 2011 c 5 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund--State Appropriation (FY 2010)	\$48,822,000
General Fund--State Appropriation (FY 2011)	(\$37,321,000)
	\$37,302,000
General Fund--Federal Appropriation	\$28,784,000
General Fund--Private/Local Appropriation	\$2,369,000
Forest Development Account--State Appropriation	\$41,640,000
Off Road Vehicle Account--State Appropriation	\$4,406,000
Surveys and Maps Account--State Appropriation	\$2,332,000
Aquatic Lands Enhancement Account--State	
Appropriation	\$8,315,000
Resources Management Cost Account--State	
Appropriation	\$78,704,000
Surface Mining Reclamation Account--State	
Appropriation	\$3,494,000
Disaster Response Account--State Appropriation	\$5,000,000
Forest and Fish Support Account--State Appropriation	\$8,000,000
Aquatic Land Dredged Material Disposal Site	
Account--State Appropriation	\$1,333,000
Natural Resources Conservation Areas Stewardship	
Account--State Appropriation	\$184,000
State Toxics Control Account--State Appropriation	\$720,000
Air Pollution Control Account--State Appropriation	\$478,000
NOVA Program Account--State Appropriation	\$974,000
Derelict Vessel Removal Account--State Appropriation	\$1,749,000
Agricultural College Trust Management Account--	
State Appropriation	\$1,941,000
TOTAL APPROPRIATION	(\$276,566,000)
	\$276,547,000

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

(1) \$1,355,000 of the general fund--state appropriation for fiscal year 2010 and \$327,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) \$22,670,000 of the general fund--state appropriation for fiscal year 2010, \$15,089,000 of the general fund--state appropriation for fiscal year 2011, and \$5,000,000 of the disaster response account--state appropriation are provided solely for emergency fire suppression. None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations. The department of natural resources shall submit a quarterly report to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from the disaster response account. This work shall be done in coordination with the military department.

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

(4) \$600,000 of the derelict vessel removal account--state appropriation is provided solely for removal of derelict and abandoned vessels that have the potential to contaminate Puget Sound.

(5) \$666,000 of the general fund--federal appropriation is provided solely to implement House Bill No. 2165 (forest biomass energy project). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(6) \$5,000 of the general fund--state appropriation for fiscal year 2010 and \$5,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Substitute House Bill No. 1038 (specialized forest products). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(7) \$440,000 of the state general fund--state appropriation for fiscal year 2010 and \$440,000 of the state general fund--state appropriation for fiscal year 2011 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of Naselle youth camp at the level provided in fiscal year 2008. The department shall consider using up to \$2,000,000 of the general fund--federal appropriation to support and utilize correctional camp crews to implement natural resource projects approved by the federal government for federal stimulus funding.

(8) The department of natural resources shall dispose of the King Air aircraft it currently owns. Before disposal and within existing funds, the department shall transfer specialized equipment for fire surveillance to the department of fish and wildlife's Partenavia aircraft. Disposal of the aircraft must occur no later than June 30, 2010, and the proceeds from the sale of the aircraft shall be deposited into the forest and fish support account.

(9) \$30,000 of the general fund--state appropriation for fiscal year 2010 and \$28,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute Bill No. 5560 (agency climate leadership). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(10) \$1,030,000 of the aquatic lands enhancement account--state appropriation for fiscal year 2011 is provided solely for continuing scientific studies already underway as part of the adaptive management process. Funds may not be used to initiate new studies unless the department secures new federal funding for the adaptive management process.

(11) Within available funds, the department of natural resources shall review the statutory method for determining aquatic lands lease rates for private marinas, public marinas not owned and operated by port districts, yacht clubs, and other entities leasing state land for boat moorage. The review shall consider alternative methods for determining rents for these entities for a fair distribution of rent, consistent with the department management mandates for state aquatic lands.

(12) \$37,000 of the general fund--state appropriation for fiscal year 2011 and \$100,000 of the aquatic lands enhancement account--state appropriation are provided solely to install up to twenty mooring buoys in Eagle Harbor and to remove abandoned boats, floats, and other trespassing structures.

(13) By October 1, 2010, the department shall enter into an interagency agreement with the department of fish and wildlife for providing land management services on the department of fish and wildlife's wildlife conservation and recreation lands. Land management services may include but are not limited to records management, real estate services such as surveying, and land acquisition and disposal services. The interagency agreement shall describe business processes, service delivery expectations, cost, and timing. A draft agreement shall be submitted to the office of financial management and the appropriate fiscal committees of the legislature by July 1, 2010.

(14) \$41,000 of the forest development account--state appropriation, \$44,000 of the resources management cost account--state appropriation, and \$2,000 of the agricultural college trust management account--state appropriation are provided solely for the implementation of Second Substitute House Bill No. 2481 (DNR forest biomass agreements). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1208. 2011 c 5 s 306 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE	
General Fund--State Appropriation (FY 2010)	\$12,320,000
General Fund--State Appropriation (FY 2011)	(\$15,391,000)
	\$15,366,000
General Fund--Federal Appropriation	\$21,047,000
General Fund--Private/Local Appropriation	\$193,000
Aquatic Lands Enhancement Account--State Appropriation	\$2,564,000
State Toxics Control Account--State Appropriation	\$4,724,000
Water Quality Permit Account--State Appropriation	\$61,000
TOTAL APPROPRIATION	(\$56,300,000)
	\$56,275,000

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

(1) \$350,000 of the aquatic lands enhancement account appropriation is provided solely for funding to the Pacific county noxious weed control board to eradicate remaining spartina in Willapa Bay.

(2) \$19,000 of the general fund--state appropriation for fiscal year 2010 and \$6,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Substitute Senate Bill No. 5797 (solid waste handling permits). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(3) The department is authorized to establish or increase the following fees in the 2009-11 biennium as necessary to meet the actual costs of conducting business: Christmas tree grower licensing, nursery dealer licensing, plant pest inspection and testing, and commission merchant licensing.

(4) \$5,179,000 of the general fund--state appropriation for fiscal year 2011 and \$2,782,000 of the general fund--federal appropriation are provided solely for implementation of Substitute Senate Bill No. 6341 (food assistance/department of agriculture). Within amounts

appropriated in this subsection, \$65,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for a contract with a food distribution program for communities in the southwestern portion of the state and for workers impacted by timber and salmon fishing closures and reductions. The department may not charge administrative overhead or expenses to this contract. If the bill is not enacted by June 30, 2010, the amounts provided in this subsection shall lapse.

(5) The department shall, if public or private funds are available, partner with eligible public and private entities with experience in food collection and distribution to review funding sources for eight full-time volunteers in the AmeriCorps VISTA program to conduct outreach to local growers, agricultural donors, and community volunteers. Public and private partners shall also be utilized to coordinate gleaning unharvested tree fruits and fresh produce for distribution to individuals throughout Washington state.

(6) When reducing laboratory activities and functions, the department shall not impact any research or analysis pertaining to bees.

Sec. 1209. 2011 c 5 s 307 (uncodified) is amended to read as follows:

FOR THE PUGET SOUND PARTNERSHIP	
General Fund--State Appropriation (FY 2010)	\$3,143,000
General Fund--State Appropriation (FY 2011)	(\$2,528,000)
	\$2,525,000
General Fund--Federal Appropriation	\$8,096,000
Aquatic Lands Enhancement Account--State Appropriation	\$493,000
State Toxics Control Account--State Appropriation	\$794,000
TOTAL APPROPRIATION	(\$15,054,000)
	\$15,051,000

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

(1) \$305,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for measuring water and habitat quality to determine watershed health and assist salmon recovery.

(2) \$794,000 of the state toxics control account--state appropriation is provided solely for activities that contribute to Puget Sound protection and recovery, including provision of independent advice and assessment of the state's oil spill prevention, preparedness, and response programs, including review of existing activities and recommendations for any necessary improvements. The partnership may carry out this function through an existing committee, such as the ecosystem coordination board or the leadership council, or may appoint a special advisory council. Because this is a unique statewide program, the partnership may invite participation from outside the Puget Sound region.

(3) Within the amounts appropriated in this section, the Puget Sound partnership shall facilitate an ongoing monitoring consortium to integrate monitoring efforts for storm water, water quality, watershed health, and other indicators to enhance monitoring efforts in Puget Sound.

(4) The Puget Sound partnership shall work with Washington State University and the environmental protection agency to secure funding for the beach watchers program.

(5) \$839,000 of the general fund--state appropriation for fiscal year 2010 and \$608,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to support public education and volunteer programs. The partnership is directed to distribute the majority of funding as grants to local organizations, local governments, and education, communication, and outreach network partners. The partnership shall track progress for this activity through the accountability system of the Puget Sound partnership.

(6) The Puget Sound partnership shall negotiate an agreement with the recreation and conservation office to consolidate or share

certain administrative functions currently performed by each agency independently. The agencies shall proportionately share the costs of such shared functions. Examples of shared functions may include, but are not limited to, support for personnel, information technology, grant and contract management, invasive species work, legislative coordination, and policy and administrative support of various boards and councils.

(End of part)

PART XIII TRANSPORTATION

Sec. 1301. 2011 c 5 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING	
General Fund--State Appropriation (FY 2010)	\$1,436,000
General Fund--State Appropriation (FY 2011)	(\$1,322,000)
	\$1,320,000
Architects' License Account--State Appropriation	\$923,000
Professional Engineers' Account--State Appropriation	\$3,568,000
Real Estate Commission Account--State Appropriation	\$9,987,000
Master License Account--State Appropriation	\$15,718,000
Uniform Commercial Code Account--State Appropriation	\$3,090,000
Real Estate Education Account--State Appropriation	\$276,000
Real Estate Appraiser Commission Account--State Appropriation	\$1,683,000
Business and Professions Account--State Appropriation	\$15,188,000
Real Estate Research Account--State Appropriation	\$471,000
Geologists' Account--State Appropriation	\$53,000
Derelict Vessel Removal Account--State Appropriation	\$31,000
TOTAL APPROPRIATION	(\$53,746,000)
	\$53,744,000

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

(1) Pursuant to RCW 43.135.055, the department is authorized to increase fees for cosmetologists, funeral directors, cemeteries, court reporters and appraisers. These increases are necessary to support the expenditures authorized in this section, consistent with RCW 43.24.086.

(2) \$1,352,000 of the business and professions account--state appropriation is provided solely to implement Substitute Senate Bill No. 5391 (tattoo and body piercing). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(3) \$358,000 of the business and professions account--state appropriation is provided solely to implement Senate Bill No. 6126 (professional athletics). If the bill is not enacted by June 30, 2009, the amount provided in this subsection shall lapse.

(4) \$151,000 of the real estate research account appropriation is provided solely to implement chapter 156, Laws of 2010 (real estate broker licensure fees).

(5) \$158,000 of the architects' license account--state appropriation is provided solely to implement chapter 129, Laws of 2010 (architect licensing).

(6) \$60,000 of the master license account--state appropriation is provided solely to implement chapter 174, Laws of 2010 (vaccine

association). The amount provided in this subsection shall be from fee revenue authorized in chapter 174, Laws of 2010.

Sec. 1302. 2011 c 5 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund--State Appropriation (FY 2010)	\$38,977,000
General Fund--State Appropriation (FY 2011)	(\$33,292,000)
	\$32,867,000
General Fund--Federal Appropriation	\$15,793,000
General Fund--Private/Local Appropriation	\$4,986,000
Death Investigations Account--State Appropriation	\$5,580,000
Enhanced 911 Account--State Appropriation	\$603,000
County Criminal Justice Assistance Account--State Appropriation	\$3,146,000
Municipal Criminal Justice Assistance Account--State Appropriation	\$1,255,000
Fire Service Trust Account--State Appropriation	\$131,000
Disaster Response Account--State Appropriation	\$8,002,000
Fire Service Training Account--State Appropriation	\$8,821,000
Aquatic Invasive Species Enforcement Account--State Appropriation	\$54,000
State Toxics Control Account--State Appropriation	\$509,000
Fingerprint Identification Account--State Appropriation	\$10,454,000
TOTAL APPROPRIATION	(\$131,603,000)
	\$131,178,000

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

(1) \$200,000 of the fire service training account--state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located in counties without qualified review capabilities.

(2) \$8,000,000 of the disaster response account--state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 and 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) The 2010 legislature will review the use of king air planes by the executive branch and the adequacy of funding in this budget regarding maintaining and operating the planes to successfully accomplish their mission.

(4) The appropriations in this section reflect reductions in the appropriations for the agency's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs.

(5) \$400,000 of the fire service training account--state appropriation is provided solely for the firefighter apprenticeship training program.

(6) \$48,000 of the fingerprint identification account--state appropriation is provided solely to implement Substitute House Bill No. 1621 (consumer loan companies). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(7) In accordance with RCW 43.43.942, 46.52.085, and 43.135.055, the state patrol is authorized to increase the following fees in fiscal year 2011 as necessary to meet the actual costs of conducting business and the appropriation levels in this section: Collision records requests; fire training academy courses; and fire training academy dorm accommodations.

(8) \$24,000 of the fingerprint identification account--state appropriation is provided solely for implementation of chapter 47, Laws of 2010 (criminal background checks).

(End of part)

PART XIV

EDUCATION

Sec. 1401. 2011 c 5 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund--State Appropriation (FY 2010)	\$35,415,000
General Fund--State Appropriation (FY 2011)	(\$30,196,000)
	\$30,136,000
General Fund--Federal Appropriation	\$87,081,000
TOTAL APPROPRIATION	(\$152,692,000)
	\$152,632,000

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

(1) A maximum of \$23,096,000 of the general fund--state appropriation for fiscal year 2010 and \$20,070,000 of the general fund--state appropriation for fiscal year 2011 is for state agency operations.

(a) \$11,226,000 of the general fund--state appropriation for fiscal year 2010 and \$9,709,000 of the general fund--state appropriation for fiscal year 2011 are for the operation and expenses of the office of the superintendent of public instruction.

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

(ii) Within amounts appropriated in this subsection (1)(a), the office of the superintendent of public instruction, consistent with WAC 392-121-182 (alternative learning experience requirements) which requires documentation of alternative learning experience student headcount and full-time equivalent (FTE) enrollment claimed for basic education funding, shall provide, monthly, accurate monthly headcount and FTE enrollments for students in alternative learning experience (ALE) programs as well as information about resident and serving districts.

(iii) Within amounts provided in this subsection (1)(a), the state superintendent of public instruction shall share best practices with school districts regarding strategies for increasing efficiencies and economies of scale in school district noninstructional operations through shared service arrangements and school district cooperatives, as well as other practices.

(b) \$25,000 of the general fund--state appropriation for fiscal year 2011 is provided to the office of the superintendent of public instruction solely to convene a science, technology, engineering, and mathematics (STEM) working group to develop a comprehensive plan with a shared vision, goals, and measurable objectives to improve policies and practices to ensure that a pathway is established for elementary schools, middle schools, high schools, postsecondary degree programs, and careers in the areas of STEM, including improving practices for recruiting, preparing, hiring, retraining, and supporting teachers and instructors while creating pathways to boost student success, close the achievement gap, and prepare every student to be college and career ready. The working group shall be composed of the director of STEM at the office of the superintendent of public instruction who shall be the chair of the working group, and at least

one representative from the state board of education, professional educator standards board, state board of community and technical colleges, higher education coordinating board, workforce training and education coordinating board, the achievement gap oversight and accountability committee, and others with appropriate expertise. The working group shall develop a comprehensive plan and a report with recommendations, including a timeline for specific actions to be taken, which is due to the governor and the appropriate committees of the legislature by December 1, 2010.

(c) \$920,000 of the general fund--state appropriation for fiscal year 2010 and \$491,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for research and development activities associated with the development of options for new school finance systems, including technical staff, reprogramming, and analysis of alternative student funding formulae. Within this amount is \$150,000 for the state board of education for further development of accountability systems, and \$150,000 for the professional educator standards board for continued development of teacher certification and evaluation systems.

(d) \$965,000 of the general fund--state appropriation for fiscal year 2010 and \$887,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(e) \$5,366,000 of the general fund--state appropriation for fiscal year 2010 and \$3,103,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the professional educator standards board for the following:

(i) \$1,070,000 in fiscal year 2010 and \$985,000 in fiscal year 2011 are for the operation and expenses of the Washington professional educator standards board;

(ii) \$4,106,000 of the general fund--state appropriation for fiscal year 2010 and \$1,936,000 of the general fund--state appropriation for fiscal year 2011 are for conditional scholarship loans and mentor stipends provided through the alternative routes to certification program administered by the professional educator standards board, including the pipeline for paraeducators program and the retooling to teach conditional loan programs. Funding within this subsection (1)(f)(ii) is also provided for the recruiting Washington teachers program.

(iii) \$102,000 of the general fund--state appropriation for fiscal year 2010 is provided for the implementation of Second Substitute Senate Bill No. 5973 (student achievement gap). \$94,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the ongoing work of the achievement gap oversight and accountability committee and implementation of the committee's recommendations.

(f) \$1,349,000 of the general fund--state appropriation for fiscal year 2010 and \$144,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for replacement of the apportionment system, which includes the processes that collect school district budget and expenditure information, staffing characteristics, and the student enrollments that drive the funding process.

(g) \$1,140,000 of the general fund--state appropriation for fiscal year 2010 and \$1,227,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the creation of a statewide data base of longitudinal student information. This amount is conditioned on the department satisfying the requirements in section 902 of this act.

(h) \$75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely to promote the financial literacy of students. The effort will be coordinated through the financial education public-private partnership. It is expected that nonappropriated funds available to the public-private partnership will be sufficient to continue financial literacy activities.

(i) To the maximum extent possible, in adopting new agency rules or making any changes to existing rules or policies related to the fiscal provisions in the administration of part V of this act, the office of the superintendent of public instruction shall attempt to request approval through the normal legislative budget process.

(j) \$44,000 of the general fund--state appropriation for fiscal year 2010 and \$45,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5248 (enacting the interstate compact on educational opportunity for military children).

(k) \$700,000 of the general fund--state appropriation for fiscal year 2010 and \$700,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the implementation of Substitute Senate Bill No. 5410 (online learning).

(l) \$25,000 of the general fund--state appropriation for fiscal year 2010 and \$12,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote participation in government by middle school students.

(m) \$2,518,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of Substitute House Bill No. 2776 (K-12 education funding). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(n) \$89,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 3026 (state and federal civil rights laws). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(o) Beginning in the 2010-11 school year, the superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives.

(p) \$55,000 of the general fund--state appropriation for fiscal year 2011 is provided to the office of the superintendent of public instruction solely to convene a technical working group to establish standards, guidelines, and definitions for what constitutes a basic education program for highly capable students and the appropriate funding structure for such a program, and to submit recommendations to the legislature for consideration. The working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders. The working group must consult with and seek input from nationally recognized experts; researchers and academics on the unique educational, emotional, and social needs of highly capable students and how to identify such students; representatives of national organizations and associations for educators of or advocates for highly capable students; school district representatives who are educators, counselors, and classified school employees involved with highly capable programs; parents of students who have been identified as highly capable; representatives from the federally recognized tribes; and representatives of cultural, linguistic, and racial minority groups and the community of persons with disabilities. The working group shall make recommendations to the quality education council and to appropriate committees of the legislature by December 1, 2010. The recommendations shall take into consideration that access to the program for highly capable students is not an individual entitlement for any particular student. The recommendations shall seek to minimize underrepresentation of any particular demographic or socioeconomic group by better identification, not lower standards or quotas, and shall include the following:

(i) Standardized state-level identification procedures, standards, criteria, and benchmarks, including a definition or definitions of a highly capable student. Students who are both highly capable and are students of color, are poor, or have a disability must be addressed;

(ii) Appropriate programs and services that have been shown by research and practice to be effective with highly capable students but maintain options and flexibility for school districts, where possible;

(iii) Program administration, management, and reporting requirements for school districts;

(iv) Appropriate educator qualifications, certification requirements, and professional development and support for educators and other staff who are involved in programs for highly capable students;

(v) Self-evaluation models to be used by school districts to determine the effectiveness of the program and services provided by the school district for highly capable programs;

(vi) An appropriate state-level funding structure; and

(vii) Other topics deemed to be relevant by the working group.

(q) \$1,000,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(r) \$24,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for implementation of Substitute Senate Bill No. 6759 (requiring a plan for a voluntary program of early learning as a part of basic education). If the bill is not enacted by June 30, 2010, the amounts provided in this subsection (1)(r) shall lapse.

(s) \$950,000 of the general fund--state appropriation for fiscal year 2010 ~~(is)~~ and \$150,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for office of the attorney general costs related to *McCleary v. State of Washington*.

(2) \$12,320,000 of the general fund--state appropriation for fiscal year 2010, \$10,127,000 of the general fund--state appropriation for fiscal year 2011, and \$55,890,000 of the general fund--federal appropriation are for statewide programs.

(a) HEALTH AND SAFETY

(i) \$2,541,000 of the general fund--state appropriation for fiscal year 2010 and \$2,381,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(ii) \$100,000 of the general fund--state appropriation for fiscal year 2010 and \$94,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a school safety training program provided by the criminal justice training commission. The commission, in collaboration with the school safety center advisory committee, shall provide the school safety training for all school administrators and school safety personnel, including school safety personnel hired after the effective date of this section.

(iii) \$9,670,000 of the general fund--federal appropriation is provided for safe and drug free schools and communities grants for drug and violence prevention activities and strategies.

(iv) \$96,000 of the general fund--state appropriation for fiscal year 2010 and \$90,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the school safety center in the office of the superintendent of public instruction subject to the following conditions and limitations:

(A) The safety center shall: Disseminate successful models of school safety plans and cooperative efforts; provide assistance to schools to establish a comprehensive safe school plan; select models of cooperative efforts that have been proven successful; act as an information dissemination and resource center when an incident occurs in a school district either in Washington or in another state;

coordinate activities relating to school safety; review and approve manuals and curricula used for school safety models and training; and develop and maintain a school safety information web site.

(B) The school safety center advisory committee shall develop a training program, using the best practices in school safety, for all school safety personnel.

(v) \$70,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the youth suicide prevention program.

(vi) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$47,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.

(b) TECHNOLOGY

(i) \$1,842,000 of the general fund--state appropriation for fiscal year 2010 and \$1,635,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and advanced technical support for the network.

(ii) \$1,475,000 of the general fund--state appropriation for fiscal year 2010, \$1,045,000 of the general fund--state appropriation for fiscal year 2011, and \$435,000 of the general fund--federal appropriation are provided solely for implementing a comprehensive data system to include financial, student, and educator data. The office of the superintendent of public instruction will convene a data governance group to create a comprehensive needs-requirement document, conduct a gap analysis, and define operating rules and a governance structure for K-12 data collections.

(c) GRANTS AND ALLOCATIONS

(i) \$1,329,000 of the general fund--state appropriation for fiscal year 2010 and \$664,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the special services pilot project to include up to seven participating districts. The office of the superintendent of public instruction shall allocate these funds to the district or districts participating in the pilot program according to the provisions of RCW 28A.630.016.

(ii) \$750,000 of the general fund--state appropriation for fiscal year 2010 and \$750,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state achievers scholarship program. The funds shall be used to support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars.

(iii) \$25,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for developing and disseminating curriculum and other materials documenting women's role in World War II.

(iv) \$175,000 of the general fund--state appropriation for fiscal year 2010 and \$87,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for incentive grants for districts and pilot projects to develop preapprenticeship programs. Incentive grant awards up to \$10,000 each shall be used to support the program's design, school/business/labor agreement negotiations, and recruiting high school students for preapprenticeship programs in the building trades and crafts.

(v) \$2,898,000 of the general fund--state appropriation for fiscal year 2010 and \$2,924,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the dissemination of the navigation 101 curriculum to all districts. The funding shall support electronic student planning tools and software for analyzing the impact of navigation 101 on student performance, as well as grants to a maximum of one hundred school districts each year, based on progress and need for the implementation of the navigation 101 program. The implementation grants shall be awarded to a cross-

section of school districts reflecting a balance of geographic and demographic characteristics. Within the amounts provided, the office of the superintendent of public instruction will create a navigation 101 accountability model to analyze the impact of the program.

(vi) \$627,000 of the general fund--state appropriation for fiscal year 2010 and \$225,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of a statewide program for comprehensive dropout prevention, intervention, and retrieval.

(vii) \$40,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for program initiatives to address the educational needs of Latino students and families. Using the full amounts of the appropriations under this subsection (2)(c)(vii), the office of the superintendent of public instruction shall contract with the Seattle community coalition of compaña quetzal to provide for three initiatives: (A) Early childhood education; (B) parent leadership training; and (C) high school success and college preparation programs.

(viii) \$60,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for a pilot project to encourage bilingual high school students to pursue public school teaching as a profession. Using the full amounts of the appropriation under this subsection, the office of the superintendent of public instruction shall contract with the Latino/a educational achievement project (LEAP) to work with school districts to identify and mentor not fewer than fifty bilingual students in their junior year of high school, encouraging them to become bilingual instructors in schools with high English language learner populations. Students shall be mentored by bilingual teachers and complete a curriculum developed and approved by the participating districts.

(ix) \$145,000 of the general fund--state appropriation for fiscal year 2010 and \$37,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the office of the superintendent of public instruction to enhance the reading skills of students with dyslexia by implementing the findings of the dyslexia pilot program. Funds shall be used to provide information and training to classroom teachers and reading specialists, for development of a dyslexia handbook, and to take other statewide actions to improve the reading skills of students with dyslexia. The training program shall be delivered regionally through the educational service districts.

(x) \$97,000 of the general fund--state appropriation for fiscal year 2010 and \$48,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to support vocational student leadership organizations.

(xi) \$100,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for drop-out prevention programs at the office of the superintendent of public instruction including the jobs for America's graduates (JAG) program.

Sec. 1402. 2011 c 5 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--	
FOR GENERAL APPORTIONMENT	
General Fund--State Appropriation (FY 2010)	\$5,126,153,000
General Fund--State Appropriation (FY 2011)	
(\$4,887,369,000)	
\$4,748,555,000	
General Fund--Federal Appropriation	\$208,098,000
TOTAL APPROPRIATION	(\$10,221,620,000)
\$10,082,806,000	

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

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

(b) The appropriations in this section include federal funds provided through section 101 of Public Law No. 111-226 (education jobs fund), which shall be used to support general apportionment program funding. In distributing general apportionment allocations under this section for the 2010-11 school year, the superintendent shall include the entire allocation from the federal funds provided through section 101 of Public Law No. 111-226 (education jobs fund) as part of each district's general apportionment allocation.

(2) Allocations for certificated staff salaries for the 2009-10 and 2010-11 school years shall be determined using formula-generated staff units calculated pursuant to this subsection. Staff allocations for small school enrollments in (e) through (g) of this subsection shall be reduced for vocational full-time equivalent enrollments. Staff allocations for small school enrollments in grades K-6 shall be the greater of that generated under (a) of this subsection, or under (d) and (e) of this subsection. Certificated staffing allocations shall be as follows:

(a) On the basis of each 1,000 average annual full-time equivalent enrollments, excluding full-time equivalent enrollment otherwise recognized for certificated staff unit allocations under (d) through (g) of this subsection:

(i) Four certificated administrative staff units per thousand full-time equivalent students in grades K-12;

(ii)(A)(I) For districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grades K through three in digital or online learning programs as defined in WAC 392-121-182, as in effect on November 1, 2009: For the 2009-10 school year, fifty- three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grades K through three and, for the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, fifty and seventy-five one-hundredths certificated instructional staff units per thousand full-time equivalent students in grades K through three.

(II) For all other districts for the 2009-10 school year, a minimum of forty-nine certificated instructional staff units per 1,000 full-time equivalent (FTE) students in grades K through three, with additional certificated instructional staff units to equal the documented staffing level in grades K through three, up to a maximum of fifty-three and two-tenths certificated instructional staff units per 1,000 FTE students.

For the portion of the 2010 school year from September 1, 2010, through January 31, 2011, a minimum of forty-nine certificated instructional staff units per thousand full-time equivalent students in grades K through three, with additional certificated instructional staff units to equal the documented staffing level in grades K through three, up to a maximum of fifty and seventy-five one-hundredths certificated instructional staff units per thousand full-time equivalent students in grades K through three.

(B)(I) For districts that enroll fewer than 25 percent of their total full-time equivalent student enrollment in grade four in digital or online learning programs defined in WAC 392-121-182 as in effect on November 1, 2009: For the 2009-10 school year, fifty-three and two-tenths certificated instructional staff units per thousand full-time equivalent students in grade four, and for the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, forty-six and twenty-seven one-hundredths certificated instructional staff units per thousand full-time equivalent students in grade four.

(II) For all other districts:

For the 2009-10 school year, a minimum of forty-six certificated instructional staff units per 1,000 full-time equivalent (FTE) students in grade four, and additional certificated instructional staff units to equal the documented staffing level in grade four, up to a maximum of fifty-three and two-tenths certificated instructional staff units per 1,000 FTE students.

For the portion of the 2010-11 school year from September 1, 2010, through January 31, 2011, a minimum of forty-six certificated

instructional staff units per 1,000 full-time equivalent (FTE) students in grade four, and additional certificated instructional staff units to equal the documented staffing level in grade four, up to a maximum of forty-six and twenty-seven one-hundredths certificated instructional staff units per 1,000 FTE students;

(iii) For the portion of the 2010-11 school year beginning February 1, 2010:

(A) Forty-nine certificated instructional staff units per thousand full-time equivalent students in grades kindergarten through three;

(B) Forty-six certificated instructional staff units per thousand full-time equivalent students in grade 4;

(iv) All allocations for instructional staff units per thousand full-time equivalent students above forty-nine in grades kindergarten through three and forty-six in grade four shall occur in apportionments in the monthly periods prior to February 1, 2011;

(v) Forty-six certificated instructional staff units per thousand full-time equivalent students in grades 5-12;

(vi) Certificated staff allocations in this subsection (2)(a) exceeding the statutory minimums established in RCW 28A.150.260 shall not be considered part of basic education;

(b) For school districts with a minimum enrollment of 250 full-time equivalent students whose full-time equivalent student enrollment count in a given month exceeds the first of the month full-time equivalent enrollment count by 5 percent, an additional state allocation of 110 percent of the share that such increased enrollment would have generated had such additional full-time equivalent students been included in the normal enrollment count for that particular month;

(c)(i) On the basis of full-time equivalent enrollment in:

(A) Vocational education programs approved by the superintendent of public instruction, a maximum of 0.92 certificated instructional staff units and 0.08 certificated administrative staff units for each 19.5 full-time equivalent vocational students;

(B) Middle school vocational STEM programs approved by the superintendent of public instruction, a maximum of 0.92 certificated instructional staff units and 0.8 certificated administrative staff units for each 19.5 full-time equivalent vocational students; and

(C) Skills center programs meeting the standards for skills center funding established in January 1999 by the superintendent of public instruction with a waiver allowed for skills centers in current operation that are not meeting this standard until the 2010-11 school year, 0.92 certificated instructional staff units and 0.08 certificated administrative units for each 16.67 full-time equivalent vocational students;

(ii) Vocational full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported vocational enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support; and

(iii) Indirect cost charges by a school district to vocational-secondary programs and vocational middle-school shall not exceed 15 percent of the combined basic education and vocational enhancement allocations of state funds;

(d) For districts enrolling not more than twenty-five average annual full-time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the state board of education and enroll not more than twenty-five average annual full-time equivalent students in grades K-8:

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units

for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

(e) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the state board of education:

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

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

(f) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools:

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

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

Units calculated under (f)(ii) of this subsection shall be reduced by certificated staff units at the rate of forty-six certificated instructional staff units and four certificated administrative staff units per thousand vocational full-time equivalent students;

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

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

(3) Allocations for classified salaries for the 2009-10 and 2010-11 school years shall be calculated using formula-generated classified staff units determined as follows:

(a) For enrollments generating certificated staff unit allocations under subsection (2)(e) through (h) of this section, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

(b) For all other enrollment in grades K-12, including vocational full-time equivalent enrollments, one classified staff unit for each 58.75 average annual full-time equivalent students; and

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

(4) Fringe benefit allocations shall be calculated at a rate of 14.43 percent in the 2009-10 school year and 14.43 percent in the 2010-11 school year for certificated salary allocations provided under subsection (2) of this section, and a rate of 16.59 percent in the 2009-10 school year and 16.59 percent in the 2010-11 school year for classified salary allocations provided under subsection (3) of this section.

(5) Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504(2) of this act, based on the number of benefit units determined as follows:

(a) The number of certificated staff units determined in subsection (2) of this section; and

(b) The number of classified staff units determined in subsection (3) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2)(a), (b), and (d) through (g) of this section, there shall be provided a maximum of \$10,179 per certificated staff unit in the 2009-10 school year and a maximum of \$10,424 per certificated staff unit in the 2010-11 school year.

(b) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(A) of this section, there shall be provided a maximum of \$24,999 per certificated staff unit in the 2009-10 school year and a maximum of \$25,399 per certificated staff unit in the 2010-11 school year.

(c) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c)(i)(B) of this section, there shall be provided a maximum of \$19,395 per certificated staff unit in the 2009-10 school year and a maximum of \$19,705 per certificated staff unit in the 2010-11 school year.

(7) Allocations for substitute costs for classroom teachers shall be distributed at a maintenance rate of \$607.44 for the 2009-10 and 2010-11 school years per allocated classroom teachers exclusive of salary increase amounts provided in section 504 of this act. Solely for the purposes of this subsection, allocated classroom teachers shall be equal to the number of certificated instructional staff units allocated under subsection (2) of this section, multiplied by the ratio between the number of actual basic education certificated teachers and the number of actual basic education certificated instructional staff reported statewide for the prior school year.

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

(9) Funding in this section is sufficient to provide additional service year credits to educational staff associates pursuant to chapter 403, Laws of 2007.

(10)(a) The superintendent may distribute a maximum of \$5,452,000 outside the basic education formula during fiscal years 2010 and 2011 as follows:

(i) For fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW, a maximum of \$567,000 may be expended in fiscal year 2010 and a maximum of \$576,000 may be expended in fiscal year 2011;

(ii) For summer vocational programs at skills centers, a maximum of \$2,385,000 may be expended for the 2010 fiscal year and a maximum of \$600,000 for the 2011 fiscal year;

(iii) A maximum of \$403,000 may be expended for school district emergencies; and

(iv) A maximum of \$485,000 for fiscal year 2010 and \$436,000 for fiscal year 2011 may be expended for programs providing skills

training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs.

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

(11) For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 4.0 percent from the 2008-09 school year to the 2009-10 school year and 4.0 percent from the 2009-10 school year to the 2010-11 school year.

(12) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (2)(b) through (g) of this section, the following shall apply:

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

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2)(a) through (h) of this section shall be reduced in increments of twenty percent per year.

(13) General apportionment payments to the Steilacoom historical school district shall reflect changes to operation of the Harriet Taylor elementary school consistent with the timing of reductions in correctional facility capacity and staffing.

(14) (~~(\$2,500,000)~~) \$15,500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the superintendent for financial contingency funds for eligible school districts. Of the amount provided in this subsection, \$2,500,000 is for school districts needing financial assistance as a result of budget reductions included in this act. Of the amount provided in this subsection, \$13,000,000 is for school districts needing financial assistance as a result of delaying a portion of the June apportionment payment. The financial contingency funds shall be allocated to eligible districts in the form of an advance of their respective general apportionment allocations.

(a) Eligibility:

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

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

(ii) The district's projected general fund balance for the month of March is less than one-half of one percent of its budgeted general fund expenditures as submitted to the superintendent for the 2010-11 school year on the F-196 report.

(b) Calculations:

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

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

(ii) An amount not to exceed 10 percent of the total amount to become due and apportionable to the district from September 1st through August 31st of the current school year;

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

(c) Repayment:

For any amount allocated to a district in state fiscal year 2011, the superintendent shall deduct in state fiscal year 2012 from the district's general apportionment the amount of the emergency contingency allocation and any earnings by the school district on the investment of

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

Sec. 1403. 2010 1st sp.s. c 37 s 504 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS**

General Fund--State Appropriation (FY 2010) (\$4,414,000)

General Fund--State Appropriation (FY 2011)

(((\$1,806,000)))

(\$1,539,000)

General Fund--Federal Appropriation (\$1,000)

TOTAL APPROPRIATION (((\$6,221,000)))

(\$5,954,000)

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

(1)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.

Allocations for these salary adjustments shall be provided to all districts that are not grandfathered to receive salary allocations above the statewide salary allocation schedule, and to certain grandfathered districts to the extent necessary to ensure that salary allocations for districts that are currently grandfathered do not fall below the statewide salary allocation schedule.

(b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act. These adjustments shall ensure a minimum salary allocation for certificated administrative staff of \$57,986 in the 2009-10 school year and \$57,986 in the 2010-11 school year.

(c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act. These salary adjustments ensure a minimum salary allocation for classified staff of \$31,865 in the 2009-10 school year and \$31,865 in the 2010-11 school year.

(d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at rates 13.79 percent for the 2009-10 school year and 13.79 percent for the 2010-11 school year for certificated staff and 13.09 percent for the 2009-10 school year and 13.09 percent for the 2010-11 school year for classified staff.

(e) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 502 and 503 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 502 and 503 of this act. The appropriations in this section provide incremental fringe benefit alterations based on formula adjustments as follows:

School Year

	2009-10	2010-11
Pupil Transportation (per weighted pupil mile)	\$0	\$0
Highly Capable (per formula student)	(\$1.49)	(\$2.98)
Transitional Bilingual Education (per eligible bilingual student)	(\$3.93)	(\$7.86)
Learning Assistance (per formula student)	(\$1.18)	(\$2.36)

(f) The appropriations in this section include no salary adjustments for substitute teachers.

(2) \$44,213,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$732.00 per month for the 2009-10 and 2010-11 school years. The appropriations in this section provide for a rate increase to \$745.00 per month for the 2009-10 school year and \$768.00 per month for the 2010-11 school year. The adjustments to health insurance benefits are at the following rates:

School Year

	2009-10	2010-11
Pupil Transportation (per weighted pupil mile)	\$0.12	\$0.33
Highly Capable (per formula student)	\$0.79	\$2.22
Transitional Bilingual Education (per eligible bilingual student)	\$2.11	\$5.83
Learning Assistance (per formula student)	\$0.54	\$1.49

(3) The rates specified in this section are subject to revision each year by the legislature.

Sec. 1404. 2011 c 5 s 503 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
FOR PUPIL TRANSPORTATION**

General Fund--State Appropriation (FY 2010) \$317,116,000

General Fund--State Appropriation (FY 2011)

(((\$296,408,000)))

\$297,393,000

TOTAL APPROPRIATION (((\$613,524,000)))

\$614,509,000

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

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

(2) A maximum of \$878,000 of this fiscal year 2010 appropriation and a maximum of \$803,000 of the fiscal year 2011 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(3) Allocations for transportation of students shall be based on reimbursement rates of \$48.15 per weighted mile in the 2009-10

school year and \$48.37 per weighted mile in the 2010-11 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction multiplied by the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school multiplied by the per mile reimbursement rate for the school year multiplied by 1.29.

(4) The office of the superintendent of public instruction shall provide reimbursement funding to a school district only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

(5) The superintendent of public instruction shall base depreciation payments for school district buses on the pre-sales tax five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

(6) Funding levels in this section reflect reductions from the implementation of Substitute House Bill No. 1292 (authorizing waivers from the one hundred eighty-day school year requirement in order to allow four-day school weeks).

Sec. 1405. 2011 c 5 s 504 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund--State Appropriation (FY 2010)	\$3,159,000
General Fund--State Appropriation (FY 2011)	\$7,111,000
General Fund--Federal Appropriation	(\$448,588,000)
\$505,188,000	
TOTAL APPROPRIATION	(\$458,858,000)
\$515,458,000	

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

(1) \$3,000,000 of the general fund--state appropriation for fiscal year 2010 is provided for state matching money for federal child nutrition programs.

(2) \$100,000 of the general fund--state appropriation for fiscal year 2010 is provided for summer food programs for children in low-income areas.

(3) \$59,000 of the general fund--state appropriation for fiscal year 2010 is provided solely to reimburse school districts for school breakfasts served to students enrolled in the free or reduced price meal program pursuant to chapter 287, Laws of 2005 (requiring school breakfast programs in certain schools).

(4) \$7,111,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(a) Elimination of breakfast copays for eligible public school students and lunch copays for eligible public school students in grades kindergarten through third grade who are eligible for reduced price lunch;

(b) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas; and

(c) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced price lunch, pursuant to chapter 287, Laws of 2005.

Sec. 1406. 2011 c 5 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
FOR SPECIAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 2010)	\$632,136,000
General Fund--State Appropriation (FY 2011)	(\$626,099,000)
\$627,316,000	
General Fund--Federal Appropriation	(\$664,601,000)
\$675,618,000	
Education Legacy Trust Account--State Appropriation	\$756,000
TOTAL APPROPRIATION	(\$1,923,592,000)
\$1,935,826,000	

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

(1) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act. To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(2)(a) The superintendent of public instruction shall ensure that:
(i) Special education students are basic education students first;
(ii) As a class, special education students are entitled to the full basic education allocation; and
(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(3) Each fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(4) The superintendent of public instruction shall distribute state funds to school districts based on two categories: (a) The first category includes (i) children birth through age two who are eligible for the optional program for special education eligible developmentally delayed infants and toddlers, and (ii) students eligible for the mandatory special education program and who are age three or four, or five and not yet enrolled in kindergarten; and (b) the second category includes students who are eligible for the mandatory special education program and who are age five and enrolled in kindergarten and students age six through 21.

(5)(a) For the 2009-10 and 2010-11 school years, the superintendent shall make allocations to each district based on the sum of:

(i) A district's annual average headcount enrollment of students ages birth through four and those five year olds not yet enrolled in kindergarten, as defined in subsection (4) of this section, multiplied by the district's average basic education allocation per full-time equivalent student, multiplied by 1.15; and

(ii) A district's annual average full-time equivalent basic education enrollment multiplied by the funded enrollment percent determined pursuant to subsection (6)(b) of this section, multiplied by the district's average basic education allocation per full-time equivalent student multiplied by 0.9309.

(b) For purposes of this subsection, "average basic education allocation per full-time equivalent student" for a district shall be based on the staffing ratios required by RCW 28A.150.260 and shall not include enhancements, secondary vocational education, or small schools in the 2009-10 school year. In the 2010-11 school year, the per student allocation under this subsection (5)(b) shall include the same factors as in the 2009-10 school year, but shall also include the classified staff enhancements included in section 502(3)(b).

(6) The definitions in this subsection apply throughout this section.

(a) "Annual average full-time equivalent basic education enrollment" means the resident enrollment including students enrolled through choice (RCW 28A.225.225) and students from nonhigh districts (RCW 28A.225.210) and excluding students residing in another district enrolled as part of an interdistrict cooperative program (RCW 28A.225.250).

(b) "Enrollment percent" means the district's resident special education annual average enrollment, excluding the birth through age four enrollment and those five year olds not yet enrolled in kindergarten, as a percent of the district's annual average full-time equivalent basic education enrollment.

Each district's general fund--state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 12.7 percent.

(7) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with subsection (6)(b) of this section, and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(8) To the extent necessary, \$19,512,000 of the general fund--state appropriation and \$29,574,000 of the general fund--federal appropriation are provided for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (5) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (8) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. Safety net funds shall be awarded by the state safety net oversight committee subject to the following conditions and limitations:

(a) The committee shall consider unmet needs for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas. In the determination of need, the committee shall also consider additional available revenues from federal sources. Differences in program costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards. In the determination of need, the committee shall require that districts demonstrate that they are maximizing their eligibility for all state and federal revenues related to services for special education-eligible students. Awards associated with (b) and (c) of this subsection shall not exceed the total of a district's specific determination of need.

(b) The committee shall then consider the extraordinary high cost needs of one or more individual special education students. Differences in costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(c) Using criteria developed by the committee, the committee shall then consider extraordinary costs associated with communities that draw a larger number of families with children in need of special

education services. The safety net awards to school districts shall be adjusted to reflect amounts awarded under (b) of this subsection.

(d) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

(e) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

(f) Safety net awards shall be adjusted based on the percent of potential medicaid eligible students billed as calculated by the superintendent in accordance with chapter 318, Laws of 1999. The state safety net oversight committee shall ensure that safety net documentation and awards are based on current medicaid revenue amounts.

(g) Beginning with the 2010-11 school year award cycle, the office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(9) The superintendent of public instruction may adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. Prior to revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature.

(10) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

(a) One staff from the office of superintendent of public instruction;

(b) Staff of the office of the state auditor who shall be nonvoting members of the committee; and

(c) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

(11) The office of the superintendent of public instruction shall review and streamline the application process to access safety net funds, provide technical assistance to school districts, and annually survey school districts regarding improvement to the process.

(12) A maximum of \$678,000 may be expended from the general fund--state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(13) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(14) A school district may carry over from one year to the next year up to 10 percent of the general fund--state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(15) \$262,000 of the general fund--state appropriation for fiscal year 2010 and \$251,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(16) \$50,000 of the general fund--state appropriation for fiscal year 2010, \$50,000 of the general fund--state appropriation for fiscal 2011, and \$100,000 of the general fund--federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

Sec. 1407. 2010 1st sp.s. c 37 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
 FOR LOCAL EFFORT ASSISTANCE
 General Fund--State Appropriation (FY 2010) \$93,141,000
 General Fund--State Appropriation (FY 2011)
 ((~~\$286,911,000~~)
 \$285,980,000
 General Fund--Federal Appropriation \$157,043,000
 TOTAL APPROPRIATION ((~~\$537,095,000~~)
 \$536,164,000

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

(1) \$157,043,000 of the general fund--federal appropriation for fiscal year 2010 is provided solely for American recovery and reinvestment act of 2009 (ARRA) fiscal stabilization funds to restore state reductions for local effort assistance payments.

(2) \$21,808,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Substitute House Bill No. 2893 (school levies). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

Sec. 1408. 2010 1st sp.s. c 37 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
 FOR INSTITUTIONAL EDUCATION PROGRAMS
 General Fund--State Appropriation (FY 2010) \$18,059,000
 General Fund--State Appropriation (FY 2011) ((~~\$19,006,000~~)
 \$20,063,000
 TOTAL APPROPRIATION ((~~\$37,065,000~~)
 \$38,122,000

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

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

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) \$228,000 of the general fund--state appropriation for fiscal year 2010 and ((~~\$228,000~~) \$509,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, and programs for juveniles under the juvenile rehabilitation administration.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 1409. 2011 c 5 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
 FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS
 General Fund--State Appropriation (FY 2010) \$9,189,000
 General Fund--State Appropriation (FY 2011) ((~~\$9,162,000~~)

\$9,137,000
 TOTAL APPROPRIATION ((~~\$18,351,000~~)
 \$18,326,000

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

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

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of \$401.08 per funded student for the 2009-10 school year and \$401.08 per funded student for the 2010-11 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. For the 2009-10 and 2010-11 school years, the number of funded students shall be a maximum of 2.314 percent of each district's full-time equivalent basic education enrollment.

(3) \$90,000 of the fiscal year 2010 appropriation and \$81,000 of the fiscal year 2011 appropriation are provided for the Washington destination imagination network and future problem-solving programs.

(4) \$170,000 of the fiscal year 2010 appropriation and \$153,000 of the fiscal year 2011 appropriation are provided for the centrum program at Fort Worden state park.

Sec. 1410. 2011 c 5 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
 EDUCATION REFORM PROGRAMS
 General Fund--State Appropriation (FY 2010) \$93,642,000
 General Fund--State Appropriation (FY 2011) ((~~\$85,691,000~~)
 \$83,257,000
 General Fund--Federal Appropriation ((~~\$154,627,000~~)
 \$245,841,000
 Education Legacy Trust Account--State
 Appropriation ((~~\$98,981,000~~)
 \$98,610,000
 TOTAL APPROPRIATION ((~~\$432,941,000~~)
 \$521,350,000

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

(1) \$35,804,000 of the general fund--state appropriation for fiscal year 2010, \$31,850,000 of the general fund--state appropriation for fiscal year 2011, \$1,350,000 of the education legacy trust account--state appropriation, and \$17,869,000 of the general fund--federal appropriation are provided solely for development and implementation of the Washington state assessment system, including: (i) Development and implementation of retake assessments for high school students who are not successful in one or more content areas; and (ii) development and implementation of alternative assessments or appeals procedures to implement the certificate of academic achievement. The superintendent of public instruction shall report quarterly on the progress on development and implementation of alternative assessments or appeals procedures. Within these amounts, the superintendent of public instruction shall contract for the early return of 10th grade student assessment results, on or around June 10th of each year.

(2) \$3,249,000 of the general fund--state appropriation for fiscal year 2010 and \$3,249,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the design of the state assessment system and the implementation of end of course assessments for high school math.

(3) Within amounts provided in subsections (1) and (2) of this section, the superintendent of public instruction, in consultation with the state board of education, shall develop a statewide high school end-of-course assessment measuring student achievement of the state

science standards in biology to be implemented statewide in the 2011-12 school year. By December 1, 2010, the superintendent of public instruction shall recommend whether additional end-of-course assessments in science should be developed and in which content areas. Any recommendation for additional assessments must include an implementation timeline and the projected cost to develop and administer the assessments.

(4) \$1,014,000 of the education legacy trust account appropriation is provided solely for allocations to districts for salaries and benefits for the equivalent of two additional professional development days for fourth and fifth grade teachers during the 2008-2009 school year. The allocations shall be made based on the calculations of certificated instructional staff units for fourth and fifth grade provided in section 502 of this act and on the calculations of compensation provided in sections 503 and 504 of this act. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

(5) \$3,241,000 of the education legacy trust fund appropriation is provided solely for allocations to districts for salaries and benefits for the equivalent of three additional professional development days for middle and high school math and science teachers during the 2008-2009 school year, as well as specialized training for one math and science teacher in each middle school and high school during the 2008-2009 school year. Districts may use the funding to support additional days for professional development as well as job-embedded forms of professional development.

(6) \$3,773,000 of the education legacy trust account--state appropriation is provided solely for a math and science instructional coaches program pursuant to chapter 396, Laws of 2007. Funding shall be used to provide grants to schools and districts to provide salaries, benefits, and professional development activities for up to twenty-five instructional coaches in middle and high school math and twenty-five instructional coaches in middle and high school science in each year of the biennium; and up to \$300,000 may be used by the office of the superintendent of public instruction to administer and coordinate the program.

(7) \$1,740,000 of the general fund--state appropriation for fiscal year 2010 ~~((and \$1,775,000 of the general fund--state appropriation for fiscal year 2011 are))~~ is provided solely to allow approved middle and junior high school career and technical education programs to receive enhanced vocational funding. The office of the superintendent of public instruction shall provide allocations to districts for middle and junior high school students in accordance with the funding formulas provided in section 502 of this act. If Second Substitute Senate Bill No. 5676 is enacted the allocations are formula-driven, otherwise the office of the superintendent shall consider the funding provided in this subsection as a fixed amount, and shall adjust funding to stay within the amounts provided in this subsection. Beginning in school year 2010-11, middle and junior high vocational programs will be funded out of general apportionment.

(8) \$139,000 of the general fund--state appropriation for fiscal year 2010 and \$93,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of \$2,500 to provide twenty middle and high school teachers each year professional development training for implementing integrated math, science, technology, and engineering program in their schools.

(9) \$1,473,000 of the general fund--state appropriation for fiscal year 2010 and \$197,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities coordinated at the Pacific science center, including instructional material purchases, teacher and principal professional development, and school and community

engagement events. Funding shall be distributed to the various LASER activities in a manner proportional to LASER program spending during the 2007-2009 biennium.

(10) ~~(\$88,981,000)~~ \$88,610,000 of the education legacy trust account--state appropriation is provided solely for grants for voluntary full-day kindergarten at the highest poverty schools, as provided in chapter 400, Laws of 2007. The office of the superintendent of public instruction shall provide allocations to districts for recipient schools in accordance with the funding formulas provided in section 502 of this act. Each kindergarten student who enrolls for the voluntary full-day program in a recipient school shall count as one-half of one full-time equivalent student for the purpose of making allocations under this subsection. Although the allocations are formula-driven, the office of the superintendent shall consider the funding provided in this subsection as a fixed amount, and shall limit the number of recipient schools so as to stay within the amounts appropriated each fiscal year in this subsection. The funding provided in this subsection is estimated to provide full-day kindergarten programs for 20 percent of kindergarten enrollment. Funding priority shall be given to schools with the highest poverty levels, as measured by prior year free and reduced priced lunch eligibility rates in each school. Additionally, as a condition of funding, school districts must agree to provide the full-day program to the children of parents who request it in each eligible school. For the purposes of calculating a school district levy base, funding provided in this subsection shall be considered a state block grant program under RCW 84.52.0531.

(a) Of the amounts provided in this subsection, a maximum of \$272,000 may be used for administrative support of the full-day kindergarten program within the office of the superintendent of public instruction.

(b) Student enrollment pursuant to this program shall not be included in the determination of a school district's overall K-12 FTE for the allocation of student achievement programs and other funding formulas unless specifically stated.

(11) \$700,000 of the general fund--state appropriation for fiscal year 2010 and \$450,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to design, field test, and implement a state-of-the-art education leadership academy that will be accessible throughout the state. Initial development of the content of the academy activities shall be supported by private funds. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners, with varying roles, shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(12) \$105,754,000 of the general fund--federal appropriation is provided for preparing, training, and recruiting high quality teachers and principals under Title II of the no child left behind act.

(13) \$1,960,000 of the general fund--state appropriation for fiscal year 2010 and \$761,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to the office of the superintendent of public instruction for focused assistance. The office of the superintendent of public instruction shall conduct educational audits of low-performing schools and enter into performance agreements between school districts and the office to implement the recommendations of the audit and the community. Funding in this subsection shall be used for focused assistance programs for individual schools or school districts. The office of the superintendent of public instruction shall report to the fiscal committees of the legislature by September 1, 2011, providing an

accounting of the uses of focused assistance funds during the 2009-11 fiscal biennium, including a list of schools served and the types of services provided.

(14) \$1,667,000 of the general fund--state appropriation for fiscal year 2010 is provided solely to eliminate the lunch co-pay for students in grades kindergarten through third grade that are eligible for reduced price lunch.

(15) \$5,285,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for: (a) The meals for kids program under RCW 28A.235.145 through 28A.235.155; (b) to eliminate the breakfast co-pay for students eligible for reduced price lunch; and (c) for additional assistance for school districts initiating a summer food service program.

(16) \$1,003,000 of the general fund--state appropriation for fiscal year 2010 and \$528,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to low-performing schools and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs. Grants provided under this section may be used by school districts for expenditures from September 2009 through August 31, 2011.

(17) \$3,269,000 of the general fund--state appropriation for fiscal year 2010 and \$3,594,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible. Grant funds shall be allocated pursuant to RCW 70.190.040.

(18) \$1,861,000 of the general fund--state appropriation for fiscal year 2010 and \$1,836,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW.

(19) \$225,000 of the general fund--state appropriation for fiscal year 2010 and \$150,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the operation of the center for the improvement of student learning pursuant to RCW 28A.300.130.

(20) \$246,000 of the education legacy trust account--state appropriation is provided solely for costs associated with the office of the superintendent of public instruction's statewide director of technology position.

(21)(a) \$28,715,000 of the general fund--state appropriation for fiscal year 2010 and ~~(\$36,168,000)~~ \$35,509,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(i) For national board certified teachers, a bonus of \$5,000 per teacher beginning in the 2007-08 school year and adjusted for inflation in each school year thereafter in which Initiative 732 cost of living adjustments are provided;

(ii) An additional \$5,000 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced price lunch, or (C) elementary schools where at least 70

percent of student headcount enrollment is eligible for federal free or reduced price lunch;

(iii) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (a)(ii) of this subsection for less than one full school year receive bonuses in a pro-rated manner; ~~((and))~~

(iv) During the 2009-10 and 2010-11 school years, and within the available state and federal appropriations, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The assessment fee for national certification is provided in addition to compensation received under a district's salary schedule adopted in accordance with RCW 28A.405.200 and shall not be included in calculations of a district's average salary and associated salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the assessment fee, not including the initial up-front candidacy payment, as set by the national board for professional teaching standards and administered by the office of the superintendent of public instruction. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees; and

(v) To the extent necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(b) Included in the amounts provided in this subsection are amounts for mandatory fringe benefits.

(22) \$2,475,000 of the general fund--state appropriation for fiscal year 2010 and \$456,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. This funding may additionally be used to support FIRST Robotics programs. In fiscal year 2011, if equally matched by private donations, \$300,000 of the appropriation shall be used to support FIRST Robotics programs, including FIRST Robotics professional development.

(23) \$75,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the implementation of House Bill No. 2621 (K-12 school resource programs). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(24) \$300,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the local farms-healthy kids program as described in chapter 215, Laws of 2008. The program is suspended in the 2011 fiscal year, and not eliminated.

(25) \$2,348,000 of the general fund--state appropriation for fiscal year 2010 and \$1,000,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for a beginning educator support program. School districts and/or regional consortia may apply for grant funding beginning in the 2009-10 school year. The superintendent shall implement this program in 5 to 15 school districts and/or regional consortia. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together, and teacher observation time with accomplished peers. \$250,000 may be used to provide state-wide professional development opportunities for mentors and beginning educators. The superintendent of public instruction shall adopt rules to establish and operate a research-based beginning educator support program no later

than August 31, 2009. OSPI must evaluate the program's progress and may contract for this work. A report to the legislature about the beginning educator support program is due November 1, 2010.

(26) \$390,000 of the education legacy trust account--state appropriation is provided solely for the development and implementation of diagnostic assessments, consistent with the recommendations of the Washington assessment of student learning work group.

(27) Funding within this section is provided for implementation of Engrossed Substitute Senate Bill No. 5414 (statewide assessments and curricula).

(28) \$530,000 of the general fund--state appropriation for fiscal year 2010 and \$265,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(29) Funding for the community learning center program, established in RCW 28A.215.060, and providing grant funding for the 21st century after-school program, is suspended and not eliminated.

(30) \$2,357,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6696 (education reform). Of the amount provided, \$142,000 is provided to the professional educators' standards board and \$120,000 is provided to the system of the educational service districts, to fulfill their respective duties under the bill.

Sec. 1411. 2010 1st sp.s. c 37 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund--State Appropriation (FY 2010)	\$76,419,000
General Fund--State Appropriation (FY 2011)	(\$77,672,000)
	\$79,912,000
General Fund--Federal Appropriation	\$65,263,000
TOTAL APPROPRIATION	(\$219,354,000)
	\$221,594,000

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

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

(2) The superintendent shall distribute a maximum of \$901.46 per eligible bilingual student in the 2009-10 school year and \$901.46 in the 2010-11 school year, exclusive of salary and benefit adjustments provided in section 504 of this act.

(3) The superintendent may withhold up to 1.5 percent of the school year allocations to school districts in subsection (2) of this section, and adjust the per eligible pupil rates in subsection (2) of this section accordingly, solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2).

(4) \$70,000 of the amounts appropriated in this section are provided solely to track current and former transitional bilingual program students.

(5) The general fund--federal appropriation in this section is provided for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

Sec. 1412. 2010 1st sp.s. c 37 s 515 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
FOR THE LEARNING ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 2010)	\$103,865,000
General Fund--State Appropriation (FY 2011)	(\$110,312,000)
	\$114,240,000
General Fund--Federal Appropriation	(\$553,925,000)

\$580,425,000	
Education Legacy Trust Account--State Appropriation	
\$47,980,000	
TOTAL APPROPRIATION	(\$816,082,000)
\$846,510,000	

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

(1) The general fund--state appropriations in this section are subject to the following conditions and limitations:

(a) The appropriations include such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b) Funding for school district learning assistance programs shall be allocated at maximum rates of \$281.71 per funded student for the 2009-10 school year and \$283.00 per funded student for the 2010-11 school year exclusive of salary and benefit adjustments provided under section 504 of this act.

(c) A school district's funded students for the learning assistance program shall be the sum of the following as appropriate:

(i) The district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch in the prior school year; and

(ii) If, in the prior school year, the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced price lunch exceeded forty percent, subtract forty percent from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the prior school year.

(d) In addition to the amounts allocated in (b) and (c) of this subsection, an additional amount shall be allocated to school districts with high concentrations of poverty and English language learner students, subject to the following rules and conditions:

(i) To qualify for additional funding under this subsection, a district's October headcount enrollment in grades kindergarten through grade twelve must have at least twenty percent enrolled in the transitional bilingual instruction program based on an average of the program headcount taken in October and May of the prior school year; and must also have at least forty percent eligible for free or reduced price lunch based on October headcount enrollment in grades kindergarten through twelve in the prior school year.

(ii) Districts meeting the specifications in (d)(i) of this subsection shall receive additional funded students for the learning assistance program at the rates specified in subsection (1)(b) of this section. The number of additional funded student units shall be calculated by subtracting twenty percent from the district's percent transitional bilingual instruction program enrollment as defined in (d)(i) of this subsection, and the resulting percent shall be multiplied by the district's kindergarten through twelve annual average full-time equivalent enrollment for the prior school year.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund--federal appropriation in this section is provided for Title I Part A allocations of the no child left behind act of 2001.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund--state or education legacy trust funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

(5) School districts are encouraged to coordinate the use of these funds with other federal, state, and local sources to serve students who are below grade level and to make efficient use of resources in meeting the needs of students with the greatest academic deficits.

(6) Within amounts appropriated in this section, funding is provided for the implementation of extended learning programs required in chapter 328, Laws of 2008.

Sec. 1413. 2010 1st sp.s. c 37 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--
FOR STUDENT ACHIEVEMENT PROGRAMS

General Fund--State Appropriation (FY 2010)	\$19,000
General Fund--State Appropriation (FY 2011)	(\$25,730,000)
	\$25,417,000
General Fund--Federal Appropriation	\$200,295,000
TOTAL APPROPRIATION	(\$226,044,000)
	\$225,731,000

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

(1) Funding for school district student achievement programs shall be allocated at a maximum rate of \$131.16 per FTE student for the 2009- 10 school year and \$0 per FTE student for the 2010-11 school year. For the purposes of this section, FTE student refers to the annual average full-time equivalent enrollment of the school district in grades kindergarten through twelve for the prior school year, as reported to the office of the superintendent of public instruction by August 31st of the previous school year.

(2) The appropriation is allocated for the following uses as specified in RCW 28A.505.210:

- (a) To reduce class size by hiring certificated elementary classroom teachers in grades K-4 and paying nonemployee-related costs associated with those new teachers;
- (b) To make selected reductions in class size in grades 5-12, such as small high school writing classes;
- (c) To provide extended learning opportunities to improve student academic achievement in grades K-12, including, but not limited to, extended school year, extended school day, before-and-after-school programs, special tutoring programs, weekend school programs, summer school, and all-day kindergarten;
- (d) To provide additional professional development for educators including additional paid time for curriculum and lesson redesign and alignment, training to ensure that instruction is aligned with state standards and student needs, reimbursement for higher education costs related to enhancing teaching skills and knowledge, and mentoring programs to match teachers with skilled, master teachers. The funding shall not be used for salary increases or additional compensation for existing teaching duties, but may be used for extended year and extended day teaching contracts;
- (e) To provide early assistance for children who need prekindergarten support in order to be successful in school; or
- (f) To provide improvements or additions to school building facilities which are directly related to the class size reductions and extended learning opportunities under (a) through (c) of this subsection (2).

(3) The superintendent of public instruction shall distribute the school year allocation according to the monthly apportionment schedule defined in RCW 28A.510.250.

(4) \$200,295,000 of the general fund--federal appropriation for fiscal year 2010 is provided solely for American recovery and reinvestment act of 2009 (ARRA) fiscal stabilization funds to restore state reductions for the student achievement program.

Sec. 1414. 2010 1st sp.s. c 37 s 517 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act, except as expressly provided in subsection (2) of this section.

(2) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, ~~((2010)) 2011~~, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund appropriations for fiscal year ~~((2010)) 2011~~ among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; and student achievement and learning assistance programs.

(3) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

(End of part)

PART XV

HIGHER EDUCATION

Sec. 1501. 2011 c 5 s 607 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 2010)	\$631,804,000
General Fund--State Appropriation (FY 2011)	(\$603,296,000)
	\$603,878,000
General Fund--Federal Appropriation	\$17,171,000
Education Legacy Trust Account--State Appropriation	\$95,035,000
Opportunity Express Account--State Appropriation	\$18,556,000
TOTAL APPROPRIATION	(\$1,365,862,000)
	\$1,366,444,000

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

(1) \$28,761,000 of the general fund--state appropriation for fiscal year 2010, \$28,761,000 of the general fund--state appropriation for fiscal year 2011, and \$17,556,000 of the opportunity express account - state appropriation are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 6,200 full-time equivalent students in fiscal year 2010 and at least 9,984 full-time equivalent students in fiscal year 2011.

(2) \$2,725,000 of the general fund--state appropriation for fiscal year 2010 and \$2,725,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) Of the amounts appropriated in this section, \$3,500,000 is provided solely for the student achievement initiative.

(4) When implementing the appropriations in this section, the state board and the trustees of the individual community and technical colleges shall minimize impact on academic programs, maximize reductions in administration, and shall at least maintain, and endeavor to increase, enrollment opportunities and degree and certificate

production in high employer-demand fields of study at their academic year 2008-09 levels.

(5) Within the board's 2009-11 biennial budget allocation to Bellevue College, and pursuant to RCW 28B.50.810, the college may implement, on a tuition and fee basis, an additional applied baccalaureate degree in interior design. This program is intended to provide students with additional opportunities to earn baccalaureate degrees and to respond to emerging job and economic growth opportunities. The program reviews and approval decisions required by RCW 28B.50.810 (3) and (4) shall be completed by July 31, 2009, so that the degree may be offered during the 2009-10 academic year.

(6) In accordance with the recommendations of the higher education coordinating board's 2008 *Kitsap region higher education center study*, the state board shall facilitate development of university centers by allocating thirty 2-year and 4-year partnership full-time enrollment equivalencies to Olympic College and ten 2-year and 4-year partnership full-time enrollment equivalencies to Peninsula College. The colleges shall use the allocations to establish a partnership with a baccalaureate university or universities for delivery of upper division degree programs in the Kitsap region. The Olympic and Peninsula Community College districts shall additionally work together to ensure coordinated development of these and other future baccalaureate opportunities through coordinated needs assessment, planning, and scheduling.

(7) By September 1, 2009, the state board for community and technical colleges, the higher education coordinating board, and the office of financial management shall review and to the extent necessary revise current 2009-11 performance measures and targets based on the level of state, tuition, and other resources appropriated or authorized in this act and in the omnibus 2009-11 omnibus capital budget act. The boards and the office of financial management shall additionally develop new performance targets for the 2011-13 and the 2013-15 biennia that will guide and measure the community and technical college system's contributions to achievement of the state's higher education master plan goals.

(8) \$2,250,000 of the general fund--state appropriation for fiscal year 2010 and \$2,250,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the hospital employee education and training program under which labor, management, and college partnerships develop or expand and evaluate training programs for incumbent hospital workers that lead to careers in nursing and other high-demand health care occupations. The board shall report student progress, outcomes, and costs to the relevant fiscal and policy committees of the legislature by November 2009 and November 2010.

(9) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

(10) \$1,112,000 of the general fund--state appropriation for fiscal year 2010 and \$1,113,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the state board to enhance online distance learning and open courseware technology. Funds shall be used to support open courseware, open textbooks, open licenses to increase access, affordability and quality of courses in higher education. The state board for community and technical colleges shall select the most appropriate courses to support open courseware based solely upon criteria of maximizing the value of instruction and reducing costs of textbooks and other instructional materials for the greatest number of students in higher education, regardless of the type of institution those students attend.

(11) \$158,000 of the general fund--state appropriation for fiscal year 2011 is provided solely to implement House Bill No. 2694 (B.S.

in nursing/university center). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(12)(a) The labor education and research center is transferred from The Evergreen State College to south Seattle community college and shall begin operations on July 1, 2010.

(b) At least \$164,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the labor education and research center to provide outreach programs and direct educational and research services to labor unions and worker-centered organizations.

(13) \$1,000,000 of the opportunity express account--state appropriation is provided solely for the opportunity grant program as specified in RCW 28B.50.271.

(14) \$1,750,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the state board for community and technical colleges to contract with the aerospace training and research center on Paine field in Everett, Washington to support industry-identified training in the aerospace sector.

(15) Sufficient amounts are provided in this section to implement the food stamp employment and training program under Second Substitute House Bill No. 2782 (security lifeline act).

(16) Appropriations in section 609 of this act reflect reductions to the state need grant. The state board for community and technical colleges shall use locally held funds to provide a commensurate amount of aid to eligible students who would have received state need grant payments through the appropriations in section 609 of this act.

By September 1, 2011, the state board for community and technical colleges shall report to the appropriate legislative fiscal and policy committees regarding the implementation of this section. The report shall provide detail on the number of students provided aid under this subsection and the amount of aid provided to each student.

Sec. 1502. 2011 c 5 s 608 (uncodified) is amended to read as follows:

FOR THE HIGHER EDUCATION COORDINATING BOARD-- POLICY COORDINATION AND ADMINISTRATION	
General Fund--State Appropriation (FY 2010)	\$6,402,000
General Fund--State Appropriation (FY 2011)	(\$5,183,000)
	\$5,339,000
General Fund--Federal Appropriation	\$4,332,000
TOTAL APPROPRIATION	(\$15,917,000)
	\$16,073,000

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

(1) Within the funds appropriated in this section, the higher education coordinating board shall complete a system design planning project that defines how the current higher education delivery system can be shaped and expanded over the next ten years to best meet the needs of Washington citizens and businesses for high quality and accessible post-secondary education. The board shall propose policies and specific, fiscally feasible implementation recommendations to accomplish the goals established in the 2008 *strategic master plan for higher education*. The project shall specifically address the roles, missions, and instructional delivery systems both of the existing and of proposed new components of the higher education system; the extent to which specific academic programs should be expanded, consolidated, or discontinued and how that would be accomplished; the utilization of innovative instructional delivery systems and pedagogies to reach both traditional and nontraditional students; and opportunities to consolidate institutional administrative functions. The study recommendations shall also address the proposed location, role, mission, academic program, and governance of any recommended new campus, institution, or university center. During the planning process, the board shall inform and actively involve the chairs from the senate and house of representatives committees on higher education, or their designees.

The board shall report the findings and recommendations of this system design planning project to the governor and the appropriate committees of the legislature by December 1, 2009.

(2) \$146,000 of the general fund--state appropriation for fiscal year 2010 and \$65,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the higher education coordinating board to administer Engrossed Second Substitute House Bill No. 2021 (revitalizing student financial aid). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(3) \$167,000 of the general fund--state appropriation for fiscal year 2010 and \$67,000 of the general fund--state appropriation for fiscal year 2011 are provided solely to implement Engrossed Second Substitute House Bill No. 1946 (regarding higher education online technology). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(4) \$350,000 of the general fund--state appropriation for fiscal year 2010 and \$200,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the higher education coordinating board to contract with the Pacific Northwest university of health sciences to conduct training and education of health care professionals to promote osteopathic physician services in rural and underserved areas of the state.

Sec. 1503. 2011 c 5 s 609 (uncodified) is amended to read as follows:

**FOR THE HIGHER EDUCATION COORDINATING BOARD--
FINANCIAL AID AND GRANT PROGRAMS**

General Fund--State Appropriation (FY 2010)	\$188,332,000
General Fund--State Appropriation (FY 2011)	(\$96,833,000)
	\$182,683,000
General Fund--Federal Appropriation	\$13,129,000
Education Legacy Trust Account--State Appropriation	(\$116,060,000)
	\$30,210,000
Opportunity Pathways Account--State Appropriation	\$73,500,000
TOTAL APPROPRIATION	\$487,854,000

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

(1) \$178,726,000 of the general fund--state appropriation for fiscal year 2010, \$95,187,000 of the general fund--state appropriation for fiscal year 2011, \$109,188,000 of the education legacy trust account appropriation, \$73,500,000 of the opportunity pathways appropriation, and \$2,545,000 of the general fund--federal appropriation are provided solely for student financial aid payments under the state need grant; the state work study program including up to a four percent administrative allowance; the Washington scholars program; and the Washington award for vocational excellence. State need grant and the Washington award for vocational excellence shall be adjusted to offset the cost of the resident undergraduate tuition increases, limited to those tuition increases authorized under this act. The Washington scholars program shall provide awards sufficient to offset ninety percent of the total tuition and fee award.

(2)(a) Within the funds appropriated in this section, eligibility for the state need grant shall include students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size. Awards for all students shall be adjusted by the estimated amount by which Pell grant increases exceed projected increases in the noninstructional costs of attendance. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61

and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(b) Grant awards for students at private four-year colleges shall be set at the same level as the student would receive if attending one of the public research universities.

(3) To the maximum extent practicable, the board shall provide state work study subsidies only to resident students during the 2010-11 academic year. Additionally, in order to provide work opportunities to as many resident students as possible, the board is encouraged to increase the proportion of student wages that is to be paid by both proprietary and nonprofit, public, and private employers.

(4) \$3,872,000 of the education legacy trust account--state appropriation is provided solely for the passport to college scholarship program pursuant to chapter 28B.117 RCW. The higher education coordinating board shall contract with a college scholarship organization with expertise in managing scholarships for low-income, high-potential students and foster care children and young adults to administer the program. Of the amount in this subsection, \$39,000 is provided solely for the higher education coordinating board for administration of the contract and the remaining shall be contracted out to the organization for the following purposes:

(a) \$384,000 is provided solely for program administration, and

(b) \$3,449,000 is provided solely for student financial aid for up to 151 students and to fund student support services. Funds are provided for student scholarships, provider training, and for incentive payments to the colleges they attend for individualized student support services which may include, but are not limited to, college and career advising, counseling, tutoring, costs incurred for students while school is not in session, personal expenses, health insurance, and emergency services.

(5) \$1,250,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for the health professional scholarship and loan program. The funds provided in this subsection shall be: (a) Prioritized for health care deliver sites demonstrating a commitment to serving the uninsured; and (b) allocated between loan repayments and scholarships proportional to current program allocations.

(6) For fiscal year 2010 and fiscal year 2011, the board shall defer loan or conditional scholarship repayments to the future teachers conditional scholarship and loan repayment program for up to one year for each participant if the participant has shown evidence of efforts to find a teaching job but has been unable to secure a teaching job per the requirements of the program.

(7) \$246,000 of the general fund--state appropriation for fiscal year 2010 and \$246,000 of the general fund--state appropriation for fiscal year 2011 are for community scholarship matching grants and its administration. To be eligible for the matching grant, nonprofit groups organized under section 501(c)(3) of the federal internal revenue code must demonstrate they have raised at least \$2,000 in new moneys for college scholarships after the effective date of this section. Groups may receive no more than one \$2,000 matching grant per year and preference shall be given to groups affiliated with scholarship America. Up to a total of \$46,000 per year of the amount appropriated in this section may be awarded to a nonprofit community organization to administer scholarship matching grants, with preference given to an organization affiliated with scholarship America.

(8) \$500,000 of the general fund--state appropriation for fiscal year 2010 and \$500,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for state need grants provided to students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Total state expenditures on this program shall not exceed the amounts provided in this subsection.

(9) \$2,500,000 of the education legacy trust account--state appropriation is provided solely for the gaining early awareness and readiness for undergraduate programs project.

(10) \$75,000 of the general fund--state appropriation for fiscal year 2010 is provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(11) \$200,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for continuation of the leadership 1000 scholarship sponsorship and matching program.

(12) In 2010 and 2011, the board shall continue to designate Washington scholars and scholar-alternates and to recognize them at award ceremonies as provided in RCW 28A.600.150, but state funding is provided for award of only one scholarship per legislative district during the 2010-11 academic year. After the 2010-11 academic year, and as provided in RCW 28B.76.660, the board may distribute grants to these eligible students to the extent that funds are appropriated for this purpose.

(13) Fiscal year 2011 appropriations in this section reflect general fund-state reductions to the state need grant. In implementing these reductions, the board shall reduce state need grant payments to each of the following institutions in the following amounts:

University of Washington	\$5,658,000
Washington State University	\$3,718,000
Eastern Washington University	\$765,000
Central Washington University	\$705,000
The Evergreen State College	\$386,000
Western Washington University	\$1,010,000
State Board for Community and Technical Colleges	\$13,143,000

If any of these institutions has received state need grant payments in excess of the amount to which it is entitled after application of the reductions in this section, that institution shall remit to the board the amount of the overpayment.

Sec. 1504. 2010 1st sp.s. c 37 s 612 (uncodified) is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund--State Appropriation (FY 2010)	\$1,465,000
General Fund--State Appropriation (FY 2011)	(\$1,444,000)
	\$1,358,000
General Fund--Federal Appropriation	(\$54,020,000)
	\$54,022,000
TOTAL APPROPRIATION	(\$56,929,000)
	\$56,845,000

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

(1) \$60,000 of the general fund--state appropriation for fiscal year 2010 and \$60,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 2227 (evergreen jobs act). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

(2) In 2010 and 2011, the board shall continue to designate recipients of the Washington award for vocational excellence and to recognize them at award ceremonies as provided in RCW 28C.04.535, but state funding is provided for award of only one scholarship per legislative district during the 2010-11 academic year. After the 2010- 11 academic year, and as provided in RCW 28B.76.670, the board may distribute grants to these eligible students to the extent that funds are appropriated for this purpose.

Sec. 1505. 2011 c 5 s 612 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund--State Appropriation (FY 2010)	\$60,400,000
General Fund--State Appropriation (FY 2011)	(\$19,335,000)
	\$19,302,000
General Fund--Federal Appropriation	\$266,004,000

Opportunity Pathways Account--State Appropriation	\$40,000,000
TOTAL APPROPRIATION	(\$385,739,000)
	\$385,706,000

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

(1) \$54,878,000 of the general fund--state appropriation for fiscal year 2010 and \$14,405,000 of the general fund--state appropriation for fiscal year 2011, and \$40,000,000 of the opportunity pathways account appropriation are provided solely for early childhood education and assistance program services. This appropriation temporarily reduces the number of slots for the 2009-11 fiscal biennium for the early childhood education and assistance program. The department shall reduce slots where providers serve both federal headstart and early childhood education and assistance program children, to the greatest extent possible, in order to achieve no reduction of slots across the state. The amounts in this subsection also reflect reductions to the administrative expenditures for the early childhood education and assistance program. The department shall reduce administrative expenditures, to the greatest extent possible, prior to reducing early childhood education and assistance program slots. Of these amounts, \$10,284,000 is a portion of the biennial amount of state matching dollars required to receive federal child care and development fund grant dollars.

(2) \$1,000,000 of the general fund--federal appropriation is provided to the department to contract with Thrive by Five, Washington for a pilot project for a quality rating and improvement system to provide parents with information they need to choose quality child care and education programs and to improve the quality of early care and education programs. The department in collaboration with Thrive by Five shall operate the pilot projects in King, Yakima, Clark, Spokane, and Kitsap counties. The department shall use child care development fund quality money for this purpose.

(3) \$425,000 of the general fund--state appropriation for fiscal year 2010, \$213,000 of the general fund--state appropriation for fiscal year 2011, and \$850,000 of the general fund--federal appropriation are provided solely for child care resource and referral network services. The general fund--federal funding represents moneys from the American recovery and reinvestment act of 2009 (child care development block grant).

(4) \$750,000 of the general fund--state appropriation for fiscal year 2010 and \$1,500,000 of the general fund--federal appropriation are provided solely for the career and wage ladder program created by chapter 507, Laws of 2005. The general fund--federal funding represents moneys from the American recovery and reinvestment act of 2009 (child care development block grant).

(5) \$50,000 of the general fund--state appropriation for fiscal year 2010 and \$50,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for the department to work with stakeholders and the office of the superintendent of public instruction to identify and test a kindergarten assessment process and tools in geographically diverse school districts. School districts may participate in testing the kindergarten assessment process on a voluntary basis. The department shall report to the legislature on the kindergarten assessment process not later than January 15, 2011. Expenditure of amounts provided in this subsection is contingent on receipt of an equal match from private sources. As matching funds are made available, the department may expend the amounts provided in this subsection.

(6) \$1,600,000 of the general fund--federal appropriation is provided solely for the department to fund programs to improve the quality of infant and toddler child care through training, technical assistance, and child care consultation.

(7) \$200,000 of the general fund--state appropriation for fiscal year 2010 and \$200,000 of the general fund--state appropriation for

fiscal year 2011 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(8) The legislature notes that the department of early learning is developing a plan for improving child care licensing and is consulting, as practicable, with parents, licensed child care providers, and stakeholders from the child care community. The plan shall outline the processes and specify the resources necessary for improvements such as continuing licenses, child care licensing technology, and weighted child care regulations, including development of risk-based decision making models and inclusive, evidence-based rule making. The department shall submit to the appropriate committees of the legislature a plan by January 15, 2011.

(9) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to partially fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(10) The department shall use child care development fund money to satisfy the federal audit requirement of the improper payments act (IPIA) of 2002. In accordance with the IPIA's rules, the money spent on the audits will not count against the five percent state limit on administrative expenditures.

(11) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report quarterly enrollments and active caseload for the working connections child care program to the legislative fiscal committees. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care.

(12) The appropriations in this section reflect reductions in the appropriations for the department's administrative expenses. It is the intent of the legislature that these reductions shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or program.

(13) \$500,000 of the general fund--state appropriation for fiscal year 2011 is provided solely for the department to contract with the private-public partnership established in chapter 43.215 RCW for home visitation programs. Of this amount, \$200,000 of the general fund-- state appropriation for fiscal year 2011 is provided solely for expenditure into the home visiting services account created in Part IX of this act to be used for contracts for home visitation with the private-public partnership.

(14) In accordance to RCW 43.215.255(2) and 43.135.055, the department is authorized to increase child care center licensure fees by fifty-two dollars for the first twelve children and an additional four dollars per additional child in fiscal year 2011 for costs to the department for the licensure activity, including costs of necessary inspection.

(15) In accordance with RCW 43.135.055, the department of early learning is authorized to adopt and increase the fees set forth in and previously authorized in section 3, chapter 231, Laws of 2010.

(16) As of January 31, 2011, the department may not adopt, enforce, or implement any rules or policies restricting the eligibility of consumers for child care subsidy benefits to a countable income level below one hundred seventy-five percent of the federal poverty guidelines.

Sec. 1506. 2011 c 5 s 613 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND
 General Fund--State Appropriation (FY 2010) \$5,902,000
 General Fund--State Appropriation (FY 2011) ((~~\$5,509,000~~))
 \$5,506,000
 General Fund--Private/Local Appropriation \$1,942,000

TOTAL APPROPRIATION ((~~\$13,353,000~~))
 \$13,350,000

The appropriations in this section are subject to the following conditions and limitations: \$271,000 of the general fund--private/local appropriation is provided solely for the school for the blind to offer short course programs, allowing students the opportunity to leave their home schools for short periods and receive intensive training. The school for the blind shall provide this service to the extent that it is funded by contracts with school districts and educational services districts.

Sec. 1507. 2011 c 5 s 614 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS
 General Fund--State Appropriation (FY 2010) \$8,593,000
 General Fund--State Appropriation (FY 2011) ((~~\$8,230,000~~))
 \$8,226,000
 General Fund--Private/Local Appropriation \$526,000
 TOTAL APPROPRIATION ((~~\$17,349,000~~))
 \$17,345,000

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

(1) \$210,000 of the general fund--private/local appropriation is provided solely for the operation of the shared reading video outreach program. The school for the deaf shall provide this service to the extent it is funded by contracts with school districts and educational service districts.

(2) \$25,000 of the general fund--state appropriation for fiscal year 2010 and \$25,000 of the general fund--state appropriation for fiscal year 2011 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1879 (deaf and hard of hearing). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

Sec. 1508. 2011 c 5 s 615 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION
 General Fund--State Appropriation (FY 2010) \$1,844,000
 General Fund--State Appropriation (FY 2011) ((~~\$1,230,000~~))
 \$1,228,000
 General Fund--Federal Appropriation ((~~\$1,944,000~~))
 \$2,107,000
 General Fund--Private/Local Appropriation \$1,052,000
 TOTAL APPROPRIATION ((~~\$6,070,000~~))
 \$6,231,000

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

Sec. 1509. 2011 c 5 s 616 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY
 General Fund--State Appropriation (FY 2010) \$2,592,000
 General Fund--State Appropriation (FY 2011) ((~~\$2,381,000~~))
 \$2,379,000
 TOTAL APPROPRIATION ((~~\$4,973,000~~))
 \$4,971,000

The appropriations in this section are subject to the following conditions and limitations: It is the intent of the legislature that the

reductions in appropriations in this section shall be achieved, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs. The agency shall, to the greatest extent possible, reduce spending in those areas that shall have the least impact on implementing its mission.

Sec. 1510. 2011 c 5 s 617 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY
 General Fund--State Appropriation (FY 2010) \$1,612,000
 General Fund--State Appropriation (FY 2011) ~~(((\$1,490,000))~~
 \$1,489,000
 TOTAL APPROPRIATION ~~(((\$3,102,000))~~
 \$3,101,000

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

(End of part)

PART XVI

SPECIAL APPROPRIATIONS

Sec. 1601. 2010 1st sp.s. c 37 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2010) \$842,590,000
 General Fund--State Appropriation (FY 2011) ~~(((\$894,284,000))~~
 \$878,400,000
 State Building Construction Account--State
 Appropriation \$11,707,000
 Columbia River Basin Water Supply Development Account--
 State Appropriation \$117,000
 Hood Canal Aquatic Rehabilitation Bond Account--State
 Appropriation \$11,000
 State Taxable Building Construction Account--State
 Appropriation \$1,136,000
 Gardner-Evans Higher Education Construction Account--
 State Appropriation \$260,000
 Debt-Limit Reimbursable Bond Retirement Account--State
 Appropriation \$2,612,000
 TOTAL APPROPRIATION ~~(((\$1,752,717,000))~~
 \$1,736,833,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2010 shall be expended into the debt-limit general fund bond retirement account by June 30, 2010.

Sec. 1602. 2010 1st sp.s. c 37 s 702 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE
 General Fund--State Appropriation (FY 2010) \$26,436,000
 General Fund--State Appropriation (FY 2011) ~~(((\$27,773,000))~~
 \$27,709,000

School Construction and Skill Centers Building
 Account--State Appropriation \$477,000
 Nondebt-Limit Reimbursable Bond Retirement Account--
 State Appropriation ~~(((\$140,872,000))~~
 \$135,872,000
 TOTAL APPROPRIATION ~~(((\$195,558,000))~~
 \$190,494,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for expenditure into the nondebt-limit general fund bond retirement account. The entire general fund--state appropriation for fiscal year 2010 shall be expended into the nondebt-limit general fund bond retirement account by June 30, 2010.

Sec. 1603. 2010 1st sp.s. c 37 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund--State Appropriation (FY 2010) \$1,357,000
 General Fund--State Appropriation (FY 2011) \$1,357,000

State Building Construction Account--State
 Appropriation \$1,273,000
 Columbia River Basin Water Supply Development
 Account--State Appropriation ~~(((\$9,000))~~
 \$13,000

Hood Canal Aquatic Rehabilitation Bond Account--
 State Appropriation \$1,000

State Taxable Building Construction Account--State
 Appropriation ~~(((\$72,000))~~
 \$131,000

Gardner-Evans Higher Education Construction
 Account--State Appropriation \$18,000

School Construction and Skill Centers Building
 Account--State Appropriation ~~(((\$30,000))~~
 \$51,000

TOTAL APPROPRIATION ~~(((\$4,117,000))~~
 \$4,201,000

Sec. 1604. 2010 1st sp.s. c 37 s 709 (uncodified) is amended to read as follows:

FOR SUNDRY CLAIMS. The following sums, or so much thereof as may be necessary, are appropriated from the general fund, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of financial management, except as otherwise provided, as follows:

(1) Reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110:

(a) Gerald S. Morrow, claim number 99970006	\$20,567
(b) Darrell R. Baumgart, claim number 99970007	\$4,528
(c) William Davis, claim number 99970008	\$8,093
(d) Gene T. Strader, claim number 99970009	\$33,875
(e) Cecilio Cortez, claim number 99970012	\$17,055
(f) Alexander D. Coble, claim number 99970013	\$302,110
(g) James W. Jolly, claim number 99970017	\$28,884
(h) James Jay Olsen, claim number 99970018	\$97,220
(i) Todd E. Miller, claim number 99970019	\$6,957
(j) Sean S. DeHart, claim number 99970021	\$52,062

- (k) Thomas L. Raglin, Jr., claim number 99970022 \$4,360
- (l) Matthew Smitham, claim number 99970016 \$8,100
- (m) John R. Frederick, claim number 99970020 \$7,719
- (n) Justin C. Federmeier, claim number 99970023 \$29,728
- (o) David R. Palmer, claim number 99970024 \$4,250
- (p) Ian K. Berghoffer, claim number 99970026 \$33,455
- (q) Darryl L. Koenen, claim number 99970027 \$23,077
- (r) Lee J. Stites, claim number 99970028 \$7,502
- (s) Bobby G. Ewing, claim number 99970029 \$51,093
- (t) Dylan Friesz, claim number 99970030 \$10,200
- (u) Kevin L. Lund, claim number 99970031 \$11,402
- (v) Rodney C. Price, claim number 99970033 \$11,250
- (w) Matthew S. Lovacs, claim number 99970034 \$25,700
- (x) Christopher A. Peeler, claim number 99970035 \$47,923
- (y) Dwayne Myatt-Perez, claim number 99970036 \$70,000
- (z) Roland L. Savage, claim number 99970037 \$48,752
- (aa) Horace G. Graham, claim number 99970038 \$7,674
- (bb) Kenneth L. Werner, claim number 99900039 \$33,162
- (cc) Mark A. Peterson, claim number 99970040 \$61,940
- (dd) Phillip C. Sly, claim number 99970042 \$3,349
- (ee) Sandra Colebourn, claim number 99970043 \$10,615
- (ff) Joseph B. Wiggins, claim number 99970044 \$3,500
- (2) Payment of death benefit, pursuant to RCW 41.04.017: Estate of Erik Anderson, claim number 99970014 \$150,000

Sec. 1605. 2010 1st sp.s. c 37 s 710 (uncodified) is amended to read as follows:

STRATEGIC PRINTING STRATEGY. (1) The office of financial management shall work with the appropriate state agencies to generate savings of \$1,500,000 from the state general fund that can arise from a strategic printing strategy. ~~((From appropriations in this act, the office of financial management shall reduce general fund--state allotments by \$1,500,000 for fiscal year 2011 to reflect the savings from the strategic printing strategy. The allotment reductions shall be placed in unallotted status and remain unexpended.))~~

(2) The office of financial management, with the assistance of the department of information services and the department of printing, shall conduct an analysis of the state's printing processes to identify the most reasonable strategies of attaining a statewide savings target of \$1,500,000 without affecting direct program activities. The strategies shall include, but not be limited to, standardizing envelopes, utilizing print management, and streamlining processes. Pursuant to RCW 41.06.142(3), the strategies shall also include, on the approval of the office of financial management, pilot projects to authorize state agencies and institutions to directly acquire printing services. The analysis shall identify savings by agency and fund that will result from the implementation of a strategic printing strategy. The results of this analysis shall then be provided to the director of financial management and appropriate legislative committees by July 1, 2010. The director shall use the analysis as the basis to achieve the savings identified in subsection (1) of this section.

Sec. 1606. 2011 c 5 s 703 (uncodified) is amended to read as follows:

INFORMATION TECHNOLOGY

Pursuant to section 11, chapter 282, Laws of 2010 (state government technology use), the office of financial management shall work with the appropriate state agencies to generate savings of \$30,000,000 from technology efficiencies from the state general fund. From appropriations in this act, the office of financial management shall reduce general fund--state allotments by ~~(\$24,841,000)~~ \$16,209,000 for fiscal year 2011. The office of financial management shall, utilizing existing fund balance, reduce the data processing revolving account rates in an amount to reflect up to half of the

reductions identified in this section. The office of financial management may use savings or existing fund balances from information technology accounts to achieve savings in this section. The allotment reductions shall be placed in unallotted status and remain unexpended. Nothing in this section is intended to impact revenue collection efforts by the department of revenue.

Sec. 1607. 2009 c 564 s 719 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT--O'BRIEN BUILDING IMPROVEMENT

General Fund--State Appropriation (FY 2010)	\$1,435,000
General Fund--State Appropriation (FY 2011)	(\$1,435,000)
	\$1,884,000
TOTAL APPROPRIATION	(\$2,870,000)
	\$3,319,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the general administration services account for payment of principal, interest, and financing expenses associated with the certificate of participation for the O'Brien building improvement, project number 20081007.

NEW SECTION. Sec. 1608. A new section is added to 2009 c 564 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT-- WASHINGTON COMMUNITY TECHNOLOGY OPPORTUNITY ACCOUNT

General Fund--State Appropriation (FY 2011)	\$213,000
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The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the Washington community technology opportunity account.

(End of part)

PART XVII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 1701. 2010 1st sp.s. c 37 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	(\$7,572,000)
	\$7,888,000
General Fund Appropriation for public utility district excise tax distributions	(\$47,342,000)
	\$45,125,000
General Fund Appropriation for prosecuting attorney distributions	(\$6,281,000)
	\$5,804,000
General Fund Appropriation for boating safety and education distributions	(\$4,854,000)
	\$3,954,000
General Fund Appropriation for other tax distributions	(\$50,000)
	\$55,000
General Fund Appropriation for habitat conservation program distributions	(\$3,000,000)
	\$2,642,000
Death Investigations Account Appropriation for distribution to counties for publicly funded	

autopsies \$2,544,000

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution \$170,000

Timber Tax Distribution Account Appropriation for distribution to "timber" counties ~~((36,651,000))~~

\$31,519,000

County Criminal Justice Assistance Appropriation ~~((68,528,000))~~

\$66,216,000

Municipal Criminal Justice Assistance Appropriation ~~((27,175,000))~~

\$25,510,000

City-County Assistance Account Appropriation for local government financial assistance distribution ~~((27,366,000))~~

\$23,845,000

Liquor Excise Tax Account Appropriation for liquor excise tax distribution ~~((58,268,000))~~

\$58,822,000

Streamline Sales and Use Tax Account Appropriation for distribution to local taxing jurisdictions to mitigate the unintended revenue redistribution effect of the sourcing law changes ~~((50,056,000))~~

\$51,535,000

Columbia River Water Delivery Account Appropriation for the Confederated Tribes of the Colville Reservation ~~((7,315,000))~~

\$7,257,000

Columbia River Water Delivery Account Appropriation for the Spokane Tribe of Indians ~~((4,644,000))~~

\$4,704,000

Liquor Revolving Account Appropriation for liquor profits distribution ~~((68,741,000))~~

\$64,670,000

Liquor Revolving Account Appropriation for additional liquor profits distribution to local governments \$18,677,000

TOTAL APPROPRIATION ~~((439,234,000))~~

\$420,937,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 1702. 2009 c 564 s 802 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--FOR THE COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation ~~((2,351,000))~~

\$2,467,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2009-11 biennium in accordance with RCW 82.14.310. This funding is provided to counties for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

Sec. 1703. 2009 c 564 s 803 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--FOR THE MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

Impaired Driver Safety Account Appropriation ~~((1,543,000))~~

\$1,645,000

The appropriation in this section is subject to the following conditions and limitations: The amount appropriated in this section shall be distributed quarterly during the 2009-11 biennium to all cities ratably based on population as last determined by the office of financial management. The distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located. This funding is provided to cities for the costs of implementing criminal justice legislation including, but not limited to: Chapter 206, Laws of 1998 (drunk driving penalties); chapter 207, Laws of 1998 (DUI penalties); chapter 208, Laws of 1998 (deferred prosecution); chapter 209, Laws of 1998 (DUI/license suspension); chapter 210, Laws of 1998 (ignition interlock violations); chapter 211, Laws of 1998 (DUI penalties); chapter 212, Laws of 1998 (DUI penalties); chapter 213, Laws of 1998 (intoxication levels lowered); chapter 214, Laws of 1998 (DUI penalties); and chapter 215, Laws of 1998 (DUI provisions).

NEW SECTION. Sec. 1704. 2010 1st sp.s. c 37 s 802 (uncodified) is repealed.

Sec. 1705. 2011 c 5 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

State Treasurer's Service Account: For transfer to the state general fund, \$16,400,000 for fiscal year 2010 and \$29,400,000 for fiscal year 2011 \$45,800,000

Waste Reduction, Recycling and Litter Control Account: For transfer to the state general fund, \$3,000,000 for fiscal year 2010 and \$3,000,000 for fiscal year 2011 \$6,000,000

State Toxics Control Account: For transfer to the state general fund, \$15,340,000 for fiscal year 2010 and \$37,780,000 for fiscal year 2011 \$53,120,000

Local Toxics Control Account: For transfer to the state general fund, \$37,060,000 for fiscal year 2010 and \$65,759,000 for fiscal year 2011 \$102,819,000

Education Construction Account: For transfer to the state general fund, \$105,228,000 for fiscal year 2010 and \$106,451,000 for fiscal year 2011 \$211,679,000

Aquatics Lands Enhancement Account: For transfer to the state general fund, \$8,520,000 for fiscal year 2010 and \$12,550,000 for fiscal year 2011 \$21,070,000

Drinking Water Assistance Account: For transfer to the drinking water assistance repayment account \$28,600,000

Economic Development Strategic Reserve Account: For transfer to the state general fund, \$2,500,000 for fiscal year 2010 and \$3,900,000 for fiscal year 2011 \$6,400,000

Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed by more than \$26,000,000 the actual amount of the annual payment to the tobacco settlement account \$204,098,000

Tobacco Settlement Account: For transfer to the life sciences discovery fund, in an amount not to exceed \$26,000,000 less than the actual amount of the strategic contribution supplemental payment to the tobacco settlement account \$39,170,000

General Fund: For transfer to the streamline sales and use tax account, \$24,274,000 for fiscal year 2010 and ~~((24,182,000))~~ \$25,803,000 for fiscal year 2011 ~~((48,456,000))~~ \$50,077,000

State Convention and Trade Center Account: For transfer to the state convention and trade center

operations account, \$1,000,000 for fiscal year 2010 (and \$3,100,000 for fiscal year 2011 \$4,100,000)) \$1,000,000

Tobacco Prevention and Control Account: For transfer to the state general fund, \$1,961,000 for fiscal year 2010 and \$3,000,000 for fiscal year 2011 \$4,961,000

Nisqually Earthquake Account: For transfer to the disaster response account for fiscal year 2010 \$500,000

Judicial Information Systems Account: For transfer to the state general fund, \$3,250,000 for fiscal year 2010 and \$3,250,000 for fiscal year 2011 \$6,500,000

Department of Retirement Systems Expense Account: For transfer to the state general fund, \$1,000,000 for fiscal year 2010 and \$1,500,000 for fiscal year 2011 \$2,500,000

State Emergency Water Projects Account: For transfer to the state general fund, \$390,000 for fiscal year 2011 \$390,000

The Charitable, Educational, Penal, and Reformatory Institutions Account: For transfer to the state general fund, \$5,550,000 for fiscal year 2010 and \$4,450,000 for fiscal year 2011 \$10,000,000

Energy Freedom Account: For transfer to the state general fund, \$4,038,000 for fiscal year 2010 and \$2,978,000 for fiscal year 2011 \$7,016,000

Thurston County Capital Facilities Account: For transfer to the state general fund, \$8,604,000 for fiscal year 2010 and \$5,156,000 for fiscal year 2011 \$13,760,000

Public Works Assistance Account: For transfer to the state general fund, \$279,640,000 for fiscal year 2010 and \$229,560,000 for fiscal year 2011 \$509,200,000

Budget Stabilization Account: For transfer to the state general fund for fiscal year 2010 \$45,130,000

Liquor Revolving Account: For transfer to the state general fund, \$31,000,000 for fiscal year 2010 and \$31,000,000 for fiscal year 2011 \$62,000,000

Public Works Assistance Account: For transfer to the city-county assistance account, \$5,000,000 on July 1, 2009, and \$5,000,000 on July 1, 2010 \$10,000,000

Public Works Assistance Account: For transfer to the drinking water assistance account, \$6,930,000 for fiscal year 2010 ((and \$4,000,000 for fiscal year 2011)) (((\$10,930,000)) \$6,930,000

Shared Game Lottery Account: For transfer to the education legacy trust account, \$3,600,000 for fiscal year 2010 and \$2,400,000 for fiscal year 2011 \$6,000,000

State Lottery Account: For transfer to the education legacy trust account, \$9,500,000 for fiscal year 2010 and \$9,500,000 for fiscal year 2011 \$19,000,000

College Faculty Awards Trust Fund: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and \$1,957,000 for fiscal year 2011 \$5,957,000

Washington Distinguished Professorship Trust Fund: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and \$2,966,000 for fiscal year 2011 \$8,966,000

Washington Graduate Fellowship Trust Account: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance of the fund and \$1,008,000 for fiscal year

2011 \$3,008,000

GET Ready for Math and Science Scholarship Account: For transfer to the state general fund for fiscal year 2010, an amount not to exceed the actual cash balance not comprised of or needed to match private contributions \$1,800,000

Financial Services Regulation Account: For transfer to the state general fund, \$2,000,000 for fiscal year 2010 and \$7,000,000 for fiscal year 2011 \$9,000,000

Data Processing Revolving Fund: For transfer to the state general fund, \$5,632,000 for fiscal year 2010 and \$4,159,000 for fiscal year 2011 \$9,791,000

Public Service Revolving Account: For transfer to the state general fund, \$8,000,000 for fiscal year 2010 and \$7,000,000 for fiscal year 2011 \$15,000,000

Water Quality Capital Account: For transfer to the state general fund, \$278,000 for fiscal year 2011 \$278,000

Performance Audits of Government Account: For transfer to the state general fund, \$10,000,000 for fiscal year 2010 and \$7,000,000 for fiscal year 2011 \$17,000,000

Job Development Account: For transfer to the state general fund, \$20,930,000 for fiscal year 2010 \$20,930,000

Savings Incentive Account: For transfer to the state general fund, \$10,117,000 for fiscal year 2010 and \$32,075,000 for fiscal year 2011 \$42,192,000

Education Savings Account: For transfer to the state general fund, \$90,690,000 for fiscal year 2010 and \$53,384,000 for fiscal year 2011 \$144,074,000

Cleanup Settlement Account: For transfer to the state efficiency and restructuring account for fiscal year 2011 \$39,480,000

Disaster Response Account: For transfer to the state drought preparedness account, \$4,000,000 for fiscal year 2010 \$4,000,000

Washington State Convention and Trade Center Account: For transfer to the state general fund, \$10,000,000 for fiscal year 2011. The transfer in this section shall occur on June 30, 2011, only if by that date the Washington state convention and trade center is not transferred to a public facilities district pursuant to Substitute Senate Bill No. 6889 (convention and trade center) \$10,000,000

Institutional Welfare/Betterment Account: For transfer to the state general fund, \$2,000,000 for fiscal year 2010 and \$2,000,000 for fiscal year 2011 \$4,000,000

Future Teacher Conditional Scholarship Account: For transfer to the state general fund, \$2,150,000 for fiscal year 2010 and \$2,150,000 for fiscal year 2011 \$4,300,000

Fingerprint Identification Account: For transfer to the state general fund, \$800,000 for fiscal year 2011 \$800,000

Prevent or Reduce Owner-Occupied Foreclosure Program Account: For transfer to the financial education public-private partnership account for fiscal year 2010, an amount not to exceed the actual cash balance of the fund as of June 30, 2010 \$300,000

Nisqually Earthquake Account: For transfer to the state general fund for fiscal year 2011 \$696,000

Disaster Response Account: For transfer to the state general fund for fiscal year 2011 \$14,500,000

Washington Auto Theft Prevention Account: For

transfer to the state general fund, \$1,500,000
for fiscal year 2011 \$1,500,000

Tourism Enterprise Account: For transfer to the
state general fund, \$590,000 for fiscal year
2011 \$590,000

Tourism Development and Promotion Account: For
transfer to the state general fund, \$205,000
for fiscal year 2011 \$205,000

Life Sciences Discovery Fund: For transfer to
the basic health plan stabilization account \$6,000,000

Life Sciences Discovery Fund: For transfer to
the state general fund for fiscal year 2011 \$2,200,000

Industrial Insurance Premium Refund Account: For
transfer to the state general fund, \$4,500,000
for fiscal year 2011 \$4,500,000

Distressed County Assistance Account: For transfer
to the state general fund, \$205,000 for
fiscal year 2011 \$205,000

State Drought Preparedness Account: For transfer to
the state general fund, \$4,000,000 for fiscal
year 2011 \$4,000,000

Freshwater Aquatic Algae Control Account: For
transfer to the state general fund, \$400,000 for
fiscal year 2011 \$400,000

Freshwater Aquatic Weeds Account: For transfer to
the state general fund, \$300,000 for fiscal
year 2011 \$300,000

Liquor Control Board Construction and Maintenance
Account: For transfer to the state general fund
for fiscal year 2011 \$3,000,000

(End of part)

PART XVIII MISCELLANEOUS

NEW SECTION. Sec. 1801. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 1802. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately, except for section 951 of this act which takes effect June 30, 2011.

Representative Hunter moved the adoption of amendment (845) to amendment (821).

0)

On page 6, line 26, strike "2009-11" and insert "2011-13"

On page 12, line 19, increase the performance audits of government account appropriation by \$337,000

On page 12, line 20, correct the total

On page 119, after line 14, insert the following:

"(1) \$166,000 of the general fund--state appropriation for fiscal year 2012 is provided solely for the implementation of chapter 192, Laws of 2011 (school district insolvency). Funding is provided to develop a clear legal framework and process for dissolution of a school district."

On page 119, strike all material on lines 18 through 22

On page 158, at the beginning of line 34, strike "ten" and insert "twelve"

On page 168, line 3, increase the general fund--state appropriation for fiscal year 2012 by \$2,500,000

On page 168, line 6, correct the total.

On page 169, line 36, decrease the general fund--state appropriation for fiscal year 2013 by \$2,500,000

On page 170, line 4, correct the total.

Representatives Hunter and Alexander spoke in favor of the adoption of the amendment.

Amendment (845) was adopted.

Representative Appleton moved the adoption of amendment (841) to amendment (821).

0)

On page 54, after line 29, insert the following:

"(d) No resident shall be moved from either Frances Haddon Morgan Center or Yakima Valley School unless and until the department has the appropriate and suitable community option and services available as specified in the client's individual habilitation plan."

Representatives Appleton, Hunter and Ryu spoke in favor of the adoption of the amendment.

Amendment (841) was adopted.

Representative Van De Wege moved the adoption of amendment (835) to amendment (821).

0)

On page 102, beginning on line 19, after "to" strike all material through "of" on line 20 and insert "operate and maintain state parks as the commission implements"

Representatives Van De Wege and Hunter spoke in favor of the adoption of the amendment.

Amendment (835) was adopted.

Representative Hunter moved the adoption of amendment (846) to amendment (821).

0)

On page 110, beginning on line 6, strike all of subsection 11

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

Amendment (846) was adopted.

Representative Reykdal moved the adoption of amendment (839) to amendment (821).

0)

On page 159, line 36, decrease the general fund--state appropriation for fiscal year 2012 by \$33,479,000

On page 159, line 37, increase the general fund--state appropriation for fiscal year 2013 by \$33,479,000

Representatives Reykdal and Hunter spoke in favor of the adoption of the amendment.

Amendment (839) was adopted.

Representative Ross moved the adoption of amendment (847) to amendment (821).

0)

On page 188, after line 5, insert the following:

"**NEW SECTION. Sec. 727. AGENCY EXPENDITURES FOR COMMUNTE TRIP REDUCTION.**"

The office of financial management shall reduce allotments for all agencies by \$416,000 from general fund--state appropriations for fiscal year 2012, by \$416,000 from general fund--state appropriations for fiscal year 2013, and by \$3,919,000 from appropriations from other funds to reflect elimination of funding for the commute trip reduction program. These allotment reductions shall be placed in unallotted status and remain unexpended."

Representatives Ross, Parker and Hinkle spoke in favor of the adoption of the amendment.

Representative Liias spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (847) to amendment (821) and the amendment was not adopted by the following vote: Yeas, 46; Nays, 50; Absent, 0; Excused, 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Asay, Bailey, Buys, Chandler, Condotta, Crouse, Dahlquist, Dammeier, DeBolt, Fagan, Haler, Hargrove, Harris, Hinkle, Hope, Hurst, Johnson, Kelley, Klippert, Kretz, Kristiansen, Nealey, Orcutt, Overstreet, Parker, Pearson, Probst, Rivers, Rodne, Ross, Schmick, Seaquist, Shea, Short, Smith, Taylor, Tharinger, Walsh, Warnick, Wilcox, Wylie and Zeiger.

Voting nay: Representatives Appleton, Billig, Blake, Carlyle, Clibborn, Cody, Darneille, Dickerson, Dunshee, Eddy, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jinkins, Kagi, Kenney, Kirby, Ladenburg, Liias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Ormsby, Orwall, Pedersen, Pettigrew, Reykdal, Roberts, Rolfes, Ryu, Santos, Sells, Springer, Stanford, Sullivan, Takko, Upthegrove, Van De Wege and Mr. Speaker.

Excused: Representatives Angel and McCune.

Amendment (847) was not adopted.

Representative Hunter spoke in favor of the adoption of amendment (821) as amended.

Amendment (821) was adopted as amended.

The bill was ordered engrossed.

Representatives Hunter, Darneille, Haigh, Dickerson, Seaquist, Hasegawa and Sullivan spoke in favor of the passage of the bill.

Representatives Alexander, Dammeier, Bailey, Rivers, Orcutt, Schmick, Hinkle, Ahern, Buys, Parker and Shea spoke against the passage of the bill.

The Speaker stated the question before the House to be the final passage of Second Engrossed Substitute House Bill No. 1087.

ROLL CALL

The Clerk called the roll on the final passage of Second Engrossed Substitute House Bill No. 1087, and the bill passed the House by the following vote: Yeas, 54; Nays, 42; Absent, 0; Excused, 2.

Voting yea: Representatives Appleton, Billig, Blake, Carlyle, Clibborn, Cody, Darneille, Dickerson, Dunshee, Eddy, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Hurst, Jinkins, Kagi, Kelley, Kenney, Kirby,

Ladenburg, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Ormsby, Orwall, Pedersen, Pettigrew, Probst, Reykdal, Roberts, Rolfes, Ryu, Santos, Seaquist, Sells, Springer, Stanford, Sullivan, Takko, Tharinger, Upthegrove, Van De Wege and Mr. Speaker.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Asay, Bailey, Buys, Chandler, Condotta, Crouse, Dahlquist, Dammeier, DeBolt, Fagan, Haler, Hargrove, Harris, Hinkle, Hope, Johnson, Klippert, Kretz, Kristiansen, Liias, Nealey, Orcutt, Overstreet, Parker, Pearson, Rivers, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh, Warnick, Wilcox, Wylie and Zeiger.

Excused: Representatives Angel and McCune.

SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1087, having received the necessary constitutional majority, was declared passed.

THIRD READING

There being no objection, the rules were suspended, and ENGROSSED SUBSTITUTE HOUSE BILL NO. 1365 was returned to second reading for the purpose of amendment.

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

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1365, by House Committee on Environment (originally sponsored by Representatives Eddy, Warnick, Morris and Hinkle)

Modifying the definition of "distributed generation" for the purposes of chapter 19.285 RCW, the energy independence act. Revised for 1st Substitute: Modifying the definition of "distributed generation" for the purposes of chapter 19.285 RCW, the energy independence act. (REVISED FOR ENGROSSED: Concerning distributed generation.)

Representative Fitzgibbon moved the adoption of amendment (843).

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that distributing generation from new solar energy systems broadly throughout the state advances state energy policy.

Sec. 2. RCW 19.285.030 and 2009 c 565 s 20 are each amended to read as follows:

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

(1) "Attorney general" means the Washington state office of the attorney general.

(2) "Auditor" means: (a) The Washington state auditor's office or its designee for qualifying utilities under its jurisdiction that are not investor-owned utilities; or (b) an independent auditor selected by a qualifying utility that is not under the jurisdiction of the state auditor and is not an investor-owned utility.

(3) "Commission" means the Washington state utilities and transportation commission.

(4) "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution.

(5) "Cost-effective" has the same meaning as defined in RCW 80.52.030.

(6) "Council" means the Washington state apprenticeship and training council within the department of labor and industries.

(7) "Customer" means a person or entity that purchases electricity for ultimate consumption and not for resale.

(8) "Department" means the department of commerce or its successor.

(9) "Distributed generation" means an eligible renewable resource where the generation facility or any integrated cluster of such facilities has a generating capacity of not more than five megawatts.

(10) "Eligible renewable resource" means:

(a) Electricity from a generation facility powered by a renewable resource other than fresh water that commences operation after March 31, 1999, where: (i) The facility is located in the Pacific Northwest; or (ii) the electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services; or

(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments.

(11) "Investor-owned utility" has the same meaning as defined in RCW 19.29A.010.

(12) "Load" means the amount of kilowatt-hours of electricity delivered in the most recently completed year by a qualifying utility to its Washington retail customers.

(13) "Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity from a renewable resource, including but not limited to the facility's fuel type, geographic location, vintage, qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases.

(14) "Pacific Northwest" has the same meaning as defined for the Bonneville power administration in section 3 of the Pacific Northwest electric power planning and conservation act (94 Stat. 2698; 16 U.S.C. Sec. 839a).

(15) "Public facility" has the same meaning as defined in RCW 39.35C.010.

(16) "Qualifying utility" means an electric utility, as the term "electric utility" is defined in RCW 19.29A.010, that serves more than twenty-five thousand customers in the state of Washington. The number of customers served may be based on data reported by a utility in form 861, "annual electric utility report," filed with the energy information administration, United States department of energy.

(17) "Renewable energy credit" means a tradable certificate of proof of at least one megawatt-hour of an eligible renewable resource where the generation facility is not powered by fresh water, the certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity, and the certificate is verified by a renewable energy credit tracking system selected by the department.

(18) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or tidal power; (g) gas from sewage treatment facilities; (h) biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; and (i) biomass energy based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include (i) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) black

liquor by- product from paper production; (iii) wood from old growth forests; or (iv) municipal solid waste.

(19) "Rule" means rules adopted by an agency or other entity of Washington state government to carry out the intent and purposes of this chapter.

(20) "Year" means the twelve-month period commencing January 1st and ending December 31st.

(21) "Solar energy system" means any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity.

NEW SECTION. Sec. 3. A new section is added to chapter 19.285 RCW to read as follows:

(1) A qualifying utility may count the output from a solar energy system at double the system's electrical output if at least one-half of the system is manufactured in Washington and the system:

(a) Is located in Washington;

(b) Is capable of generating not more than twenty average megawatts in a calendar year; and

(c) Has by July 31, 2012, either:

(i) A site certification from the energy facility site evaluation council; or

(ii) A land use permit from a local government.

(2) A solar energy system under subsection (1) of this section may not be counted at double its electrical output under RCW 19.285.040(2)(b).

NEW SECTION. Sec. 4. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

Correct the title.

Representatives Fitzgibbon and Warnick spoke in favor of the adoption of the amendment.

Amendment (843) was adopted.

The bill was ordered engrossed

Representatives Uptegrove, Hinkle and Hinkle (again) spoke in favor of the passage of the bill.

MOTION

On motion of Representative Hinkle, Representatives Anderson and Crouse were excused.

The Speaker stated the question before the House to be the final passage of Second Engrossed Substitute House Bill No. 1365.

ROLL CALL

The Clerk called the roll on the final passage of Second Engrossed Substitute House Bill No. 1365, and the bill passed the House by the following vote: Yeas, 91; Nays, 3; Absent, 0; Excused, 4.

Voting yea: Representatives Ahern, Alexander, Appleton, Armstrong, Asay, Bailey, Billig, Blake, Buys, Carlyle, Clibborn, Cody, Dahlquist, Dammeier, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Haler, Hargrove, Harris, Hasegawa, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kelley, Kenney, Kirby, Klippert, Kretz, Kristiansen, Ladenburg, Lias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Orcutt, Ormsby, Orwall, Overstreet, Parker, Pearson, Pedersen, Pettigrew, Probst, Reykdal, Roberts, Rodne, Rolfes, Ross, Ryu, Santos, Schmick, Seaquist, Sells, Shea, Short, Smith,

Springer, Stanford, Sullivan, Takko, Taylor, Tharinger, Uptegrove, Van De Wege, Walsh, Warnick, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Chandler, Condotta and Rivers.

Excused: Representatives Anderson, Angel, Crouse and McCune.

SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1365, having received the necessary constitutional majority, was declared passed.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5846, by Senate Committee on Ways & Means (originally sponsored by Senators Brown, McAuliffe, Tom, Fraser, Hobbs, Conway, Harper, Nelson, Rockefeller, Keiser, Kilmer, Litzow, Hatfield, Prentice, Shin, Kohl-Welles and White)

Offering health benefit subsidies for certain retired public employees.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Ways & Means was adopted. (For Committee amendment, see Journal, Day 29, May 23, 2011.)

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

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

The Speaker stated the question before the House to be the final passage of Substitute Senate Bill No. 5846, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5846, as amended by the House, and the bill passed the House by the following vote: Yeas, 69; Nays, 25; Absent, 0; Excused, 4.

Voting yea: Representatives Alexander, Appleton, Asay, Billig, Blake, Carlyle, Clibborn, Cody, Dahlquist, Dammeier, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fagan, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Hargrove, Harris, Hasegawa, Hope, Hudgins, Hunt, Hunter, Hurst, Jinkins, Kagi, Kelley, Kenney, Kirby, Ladenburg, Lias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Morris, Moscoso, Nealey, Orcutt, Ormsby, Orwall, Pedersen, Pettigrew, Probst, Reykdal, Roberts, Rolfes, Ryu, Santos, Seaquist, Sells, Springer, Stanford, Sullivan, Takko, Tharinger, Uptegrove, Van De Wege, Wilcox, Wylie, Zeiger and Mr. Speaker.

Voting nay: Representatives Ahern, Armstrong, Bailey, Buys, Chandler, Condotta, Haler, Hinkle, Johnson, Klippert, Kretz, Kristiansen, Overstreet, Parker, Pearson, Rivers, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh and Warnick.

Excused: Representatives Anderson, Angel, Crouse and McCune.

SUBSTITUTE SENATE BILL NO. 5846, as amended by the House, having received the constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5942, by Senate Committee on Ways & Means (originally sponsored by Senators Hewitt and Zarelli)

Warehousing and distribution of spirits, including the lease and modernization of the state's spirits warehousing and distribution facilities and related operations. Revised for 1st Substitute: Concerning the warehousing and distribution of liquor, including the lease and modernization of the state's liquor warehousing and distribution facilities.

The bill was read the second time.

With the consent of the house, amendment (851) was withdrawn.

Representative Ormsby moved the adoption of amendment (850).

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. FINDINGS. The legislature finds that it is in the public interest to seek revenue opportunities through leasing and modernizing the state's liquor warehousing and distribution facilities and related operations. The legislature finds that it is also in the public interest to conduct a competitive process to select a private sector lessee for this purpose. Nothing in this act is intended to affect the private distribution or sale of beer or wine, the operation by the state of state liquor stores, or the authority of the Washington state liquor control board to oversee, manage, and enforce state liquor sales.

NEW SECTION. Sec. 2. COMPETITIVE PROCUREMENT.
(1) Within one hundred twenty days after the effective date of this section, the office of financial management, in consultation with the Washington state liquor control board and the liquor distribution advisory committee, must establish and conduct a competitive process for the selection of a private sector entity to lease and modernize the state's liquor warehousing and distribution facilities and related operations. The competitive process must assume that the Washington state liquor control board retains its existing exclusive retail spirits sales business, be designed to encourage the participation of private sector entities with previous wholesale distribution experience with a public partner excluding licensees engaged in the manufacture of liquor or the retail sale of liquor in the state, and be designed to encourage competition among such entities.

(2)(a) To implement the competitive process required under subsection (1) of this section, the office of financial management must, after consultation with the Washington state liquor control board and the liquor distribution advisory committee, request proposals for:

(i) The lease of or other contract for the entire state liquor warehousing and distribution business, including the facilities, operations, and other assets associated with the warehousing of liquor and the distribution of liquor; and

(ii) The exclusive right to warehouse spirits and to distribute spirits in the state.

(b) The request for proposals must include without limitation:

(i) A requirement that proposals demonstrate to the satisfaction of the office of financial management relevant previous experience as well as the financial capacity to perform obligations under the contract;

(ii) A requirement that proposals demonstrate, to the satisfaction of the office of financial management, a net positive financial benefit to the state and local government over the term of the proposed lease or contract taking into account: An initial up-front payment to the

state during the 2011-2013 biennium; proposed profit sharing payments to the state; projected business and occupation and liquor tax revenues; and changes to retail profits generated as a result of the lease or contract. The office of financial management, in consultation with the liquor distribution advisory committee and interested stakeholders, must develop a definition and criteria on how to determine "positive financial benefit to the state and local government";

(iii) A requirement that the prevailing proponent deposit into an escrow account, within fifteen business days after the announcement of selection of that proposal and definitive resolution of any appeals to such selection, the full amount of the initial up-front payment offered in the proponent's response to the request for proposals, pending and subject to successful negotiation of a mutually acceptable lease or other contract;

(iv) A requirement that proposals include a quantified commitment to invest in capital improvements to warehousing and distribution facilities and a mechanism to ensure that such investments are timely made, consistent with requirements in a mutually acceptable lease or contract;

(v) A requirement that proposals include a commitment to assume responsibility for the costs associated with the operation of liquor warehousing and distribution;

(vi) A requirement that proposals demonstrate to the satisfaction of the office of financial management a commitment to improved distribution including without limitation logistics and delivery improvements to improve margins, ensure regularity of deliveries to state or contract liquor stores to reduce out-of-stock problems, improve service to stores located in geographically remote areas of the state, expand liquor selection, provide for bottle rather than minimum case purchasing and stocking of state or contract liquor stores, if practicable, and enable electronic funds transfer of payments;

(vii) A requirement that proposals include a commitment to offer employment to the state employees currently in positions relating to the wholesale distribution of liquor and to recognize and bargain with any existing bargaining representative of such employees with respect to terms and conditions of employment;

(viii) A requirement that the variety of brands and types of liquor available to licensees, contract liquor stores, and state liquor stores must be equal to or greater than what is being distributed by the Washington state liquor control board; and

(ix) Measurable standards for the performance of the contract.

(c) Prior to conducting the competitive process outlined in this section, the request for proposals developed by the office of financial management must be reviewed by the house and senate fiscal committees. Opportunity for public comment regarding the request for proposal must be provided. The review must be completed within fourteen days of the office of financial management providing the request for proposals to the house and senate fiscal committees.

(d) The office of financial management must publicly disclose an analysis of the fiscal impacts to state and local government of each of the offers in the procurement process.

(e) After consultation with the Washington state liquor control board, local government, and the liquor distribution advisory committee, the office of financial management is authorized to recommend to the Washington state liquor control board the proposal that in the determination of the office of financial management best meets the criteria required under this subsection (2), in the best interests of the state. If, in the determination of the office of financial management, there is no proposal that meets the best interest of the state, the office of financial management must notify the Washington state liquor control board to not accept any of the proposals.

(3) Any challenge to or protest of the recommendation of the office of financial management and the acceptance by the liquor control board of the recommended proposal must be filed by a

respondent that submitted a proposal with the office of financial management within five days after such recommendation and acceptance. The grounds for such challenge or protest are limited to claims that the recommendation and acceptance were arbitrary and capricious. The office of financial management must, within five days, render its decision on the protest. The respondent that filed the protest may, within five days after such decision, appeal to the superior court of Thurston county by petition setting forth objections to the decision. A copy of the petition on appeal together with a notice that an appeal has been taken must be served upon the secretary of state, the attorney general, the office of financial management, the liquor control board, and the respondent that submitted the recommended and accepted proposal. The court must accord first priority to examining the objections, may hear arguments, and must, within ten days, render its decision. The decision of the superior court is final.

NEW SECTION. Sec. 3. CONTRACT. (1) Within sixty days after the recommendation of a proposal under section 2 of this act, the Washington state liquor control board may accept that proposal and enter into a long-term contract with that entity for the lease of the business, facilities, and assets associated with the warehousing and distribution of liquor in the state. The contract must grant the exclusive right to distribute spirits in the state for the period of the contract. The contract must include enforceable performance standards and minimum financial returns to the state. The contract must provide a provision that allows the state to terminate the contract should specific performance standards or financial returns to the state not be realized. The contract must provide for a reasonable termination notification process as well as financial terms of termination should termination of contract take place.

(2) If the state receives an up-front payment of one hundred million dollars or more as a result of accepting a proposal from the procurement process in section 2 of this act, the contract must provide that the private entity place the up-front payment into irrevocable trust with the state being the beneficiary. The contract must provide that the trust be created in a manner that the state may not receive more than one-sixth of the up-front payment placed into the trust in any fiscal year.

(3) The contract must contain provisions that the Washington state liquor control board maintains the exclusive authority to select products and determine which products will be carried in state and contract liquor stores.

(4) The contract must contain provisions that the Washington state liquor control board must set the prices of liquor for sales in state and contract liquor stores as well as sales to licensees.

(5) The contract must contain a provision that any financial deficiencies or losses of the private entity contracting for the warehousing and distribution of liquor in the state must not be compensated for in any way by the state, contract stores, consumers, or licensees.

NEW SECTION. Sec. 4. (1) The director of the office of financial management must appoint a liquor distribution advisory committee. The purpose of the committee is to assist and make recommendations to the office of financial management and the Washington state liquor control board regarding the provisions of this act including, but not limited to, setting requirements for the competitive procurement process, selection of a private entity or recommendation that no entity be selected, and creating the terms of a contract with a selected private entity. The advisory committee's recommendations and assistance to the office of financial management and Washington state liquor control board in regards to the provisions of this act are advisory in nature and do not prohibit the office of financial management and Washington state liquor control board from performing their duties under this act as they deem fit.

(2) The liquor distribution advisory committee is composed of the Washington state treasurer or his or her designee, a designee from

each of the two largest caucuses of the senate determined by the leaders of each caucus, and a designee from each of the two largest caucuses of the house of representatives determined by the leaders of each caucus.

NEW SECTION. Sec. 5. Contracting for services under this chapter is not subject to the processes of RCW 41.06.142 (1), (4), and (5).

NEW SECTION. Sec. 6. DEFINITIONS. For the purposes of this chapter, unless the context clearly requires otherwise:

(1) "Liquor" has the same meaning as provided in RCW 66.04.010.

(2) "Spirits" has the same meaning as provided in RCW 66.04.010.

(3) "State liquor stores" includes "stores" and "contract liquor stores" as those terms are defined in RCW 66.04.010.

Sec. 7. RCW 66.08.050 and 2005 c 151 s 3 are each amended to read as follows:

The board, subject to the provisions of this title and the rules, shall:

(1) Determine the localities within which state liquor stores shall be established throughout the state, and the number and situation of the stores within each locality;

(2) Appoint in cities and towns and other communities, in which no state liquor store is located, contract liquor stores. In addition, the board may appoint, in its discretion, a manufacturer that also manufactures liquor products other than wine under a license under this title, as a contract liquor store for the purpose of sale of liquor products of its own manufacture on the licensed premises only. Such contract liquor stores shall be authorized to sell liquor under the guidelines provided by law, rule, or contract, and such contract liquor stores shall be subject to such additional rules and regulations consistent with this title as the board may require;

(3) If a contract under section 3 of this act is not then in effect, establish all necessary warehouses for the storing and bottling, diluting and rectifying of stocks of liquors for the purposes of this title;

(4) Provide for the leasing for periods not to exceed ten years of all premises required for the conduct of the business (other than premises subject to a lease or other contract under section 3 of this act); and for remodeling the same, and the procuring of their furnishings, fixtures, and supplies; and for obtaining options of renewal of such leases by the lessee. The terms of such leases in all other respects ~~((shall be))~~ is subject to the direction of the board;

(5) Determine the nature, form and capacity of all packages to be used for containing liquor kept for sale under this title;

(6) Execute or cause to be executed, all contracts, papers, and documents in the name of the board, under such regulations as the board may fix;

(7) Pay all customs, duties, excises, charges and obligations whatsoever relating to the business of the board (other than obligations assumed by the lessee through a contract under section 3 of this act);

(8) Require bonds from all employees in the discretion of the board, and to determine the amount of fidelity bond of each such employee;

(9) Perform services for the state lottery commission to such extent, and for such compensation, as may be mutually agreed upon between the board and the commission;

(10) Accept and deposit into the general fund-local account and disburse, subject to appropriation, federal grants or other funds or donations from any source for the purpose of improving public awareness of the health risks associated with alcohol consumption by youth and the abuse of alcohol by adults in Washington state. The board's alcohol awareness program shall cooperate with federal and state agencies, interested organizations, and individuals to effect an active public beverage alcohol awareness program;

(11) Perform all other matters and things, whether similar to the foregoing or not, to carry out the provisions of this title, and shall have full power to do each and every act necessary to the conduct of its business, including all buying, selling, preparation and approval of forms, and every other function of the business whatsoever, subject only to audit by the state auditor ~~((PROVIDED, That))~~. However, the board ~~((shall have))~~ has no authority to regulate the content of spoken language on licensed premises where wine and other liquors are served and where there is not a clear and present danger of disorderly conduct being provoked by such language.

Sec. 8. RCW 66.08.070 and 1985 c 226 s 2 are each amended to read as follows:

(1) Every order for the purchase of liquor ~~((shall))~~ must be authorized by the board, and no order for liquor ~~((shall be))~~ is valid or binding unless it is so authorized and signed by the board or its authorized designee.

(2) A duplicate of every such order ~~((shall))~~ must be kept on file in the office of the board.

(3) All cancellations of such orders made by the board ~~((shall))~~ must be signed in the same manner and duplicates thereof kept on file in the office of the board. Nothing in this title ~~((shall))~~ may be construed as preventing the board from accepting liquor on consignment.

(4) In the purchase of wine or malt beverages the board ~~((shall))~~ may not require, as a term or condition of purchase, any warranty or affirmation with respect to the relationship of the price charged the board to any price charged any other buyer.

(5) This section does not apply to a contract entered into under section 3 of this act.

NEW SECTION. Sec. 9. Sections 1 through 6 of this act constitute a new chapter in Title 66 RCW.

NEW SECTION. Sec. 10. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Representative Ormsby and Ormsby (again) spoke in favor of the adoption of the amendment.

Representatives Condotta, Springer and Shea spoke against the adoption of the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Moeller presiding) divided the House. The result was 51 - YEAS; 43 - NAYS.

Amendment (850) was adopted.

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

Representative Ormsby spoke in favor of the passage of the bill.

Representatives Wilcox, Condotta and Hunter spoke against the passage of the bill.

The Speaker stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5942, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5942, as amended by the House, and the bill passed the House by the following vote: Yeas, 52; Nays, 42; Absent, 0; Excused, 4.

Voting yea: Representatives Appleton, Billig, Blake, Chandler, Cody, Darneille, DeBolt, Dickerson, Dunshee, Eddy, Fitzgibbon, Frockt, Green, Haigh, Haler, Harris, Hasegawa, Hinkle, Hope, Hudgins, Hunt, Jinkins, Johnson, Kagi, Kenney, Kirby, Kretz, Ladenburg, Lytton, McCoy, Miloscia, Moeller, Ormsby, Orwall, Pedersen, Pettigrew, Probst, Reykdal, Rivers, Roberts, Ross, Ryu, Santos, Sells, Stanford, Sullivan, Tharinger, Upthegrove, Van De Wege, Warnick, Wylie and Mr. Speaker.

Voting nay: Representatives Ahern, Alexander, Armstrong, Asay, Bailey, Buys, Carlyle, Clibborn, Condotta, Dahlquist, Dammeier, Fagan, Finn, Goodman, Hargrove, Hunter, Hurst, Kelley, Klippert, Kristiansen, Lias, Maxwell, Morris, Moscoso, Nealey, Orcutt, Overstreet, Parker, Pearson, Rodne, Rolfes, Schmick, Seaquist, Shea, Short, Smith, Springer, Takko, Taylor, Walsh, Wilcox and Zeiger.

Excused: Representatives Anderson, Angel, Crouse and McCune.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5942, as amended by the House, having received the necessary constitutional majority, was declared passed.

SECOND READING

HOUSE BILL NO. 2078, by Representatives Jinkins, Reykdal, Lytton, Billig, Frockt, Moscoso, Fitzgibbon, Tharinger, Ryu, Ladenburg, Stanford, Sullivan, Green, Van De Wege, Moeller, Springer, Pettigrew, Maxwell, Dickerson, Kagi, Ormsby, Upthegrove, Hasegawa, Appleton, Rolfes, McCoy, Carlyle, Lias, Kenney, Eddy, Darneille, Pedersen, Orwall, Hunt, Cody, Kirby, Roberts, Takko, Blake, Seaquist, Goodman, Haigh, Hudgins, Dunshee, Sells, Finn, Clibborn and Morris

Funding K-3 class size reductions by narrowing and repealing certain tax exemptions.

The bill was read the second time.

There being no objection, Substitute House Bill No. 2078 was substituted for House Bill No. 2078 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 2078 was read the second time.

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

POINT OF PARLIAMENTARY INQUIRY

Representative Jinkins rose for a point of parliamentary inquiry and was recognized by the Speaker: "Mr. Speaker, what is the number of votes required for final passage of Substitute House Bill No. 2078?"

SPEAKER'S RULING

Mr. Speaker: "Article 2, section 22 of the Washington State Constitution requires the affirmative vote of a constitutional majority of the membership of the House, or 50 votes for final

passage of bills. Separate constitutional provisions provide for higher voting requirements in certain cases not relevant here, such as for constitutional amendments. RCW 43.135.034 imposes a supermajority requirement of 2/3 of the members for final passage of a measure that "raises taxes". Subsection (6) of that section defines "raises taxes" as "any action or combination of actions by the legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund." In determining whether a measure raises taxes as defined by the statute, the Speaker considers whether the money raised is revenue for general government purposes, which would be a tax, or a charge to a specific class of payors to provide a specific service or program related to that class, which would be a fee. Substitute House Bill No. 2078 repeals a business and occupation tax exemption on interest from first mortgages and directs the proceeds to class size reduction in kindergarten through third grade of our public schools, as contemplated by Initiative 728. The fiscal note for the bill indicates that its passage would result in an increase in state business and occupation tax revenues deposited in the state's education legacy trust fund account. The funds would benefit the general public as a whole, and are properly characterized as a tax. RCW 43.135.034 therefore requires the affirmative vote of 2/3 of the members, or 66 votes for final passage."

POINT OF PARLIAMENTARY INQUIRY

Representative Pedersen rose for a point of parliamentary inquiry and was recognized by the Speaker: "Mr. Speaker, your previous ruling referenced the different vote requirements of Article 2, section 22 of the Washington State Constitution and RCW 43.135.034. Mr. Speaker, do you, as presiding officer of the House of Representatives, have the authority to determine whether the supermajority requirement of the statute violates the constitutional majority requirement of Article 2, section 22?"

SPEAKER'S RULING

Mr. Speaker: "Under long standing precedent in this body, the Speaker does not have the authority to rule on the constitutionality of any statutory requirement. This institutional precedent is supported by centuries of American legal jurisprudence holding that only the courts may determine the constitutionality of a statute. In addition, if the Speaker were on his own authority to disregard a statute that has not been declared unconstitutional by the courts, doing so might constitute malfeasance for purposes of RCW 29A.56.110, potentially subjecting the Speaker to recall. Having personally faced this ambiguity for thirteen years, the Speaker would welcome clarification from the courts about how to resolve the differences between the provisions of the constitution and the statute."

POINT OF PARLIAMENTARY INQUIRY

Representative Frockt rose for a point of parliamentary inquiry and was recognized by the Speaker: "Mr. Speaker, would an appeal under House Rule 22 authorize the members of this body to overturn the ruling you issued and determine that the supermajority requirement of RCW 43.35.034 is unconstitutional?"

SPEAKER'S RULING

Mr. Speaker: "No. House Rule 22 provides that any member of the House may appeal the ruling of the presiding officer to the body, which may sustain or overrule the Speaker's ruling by a simple majority vote. However, neither House Rule 22 nor any

other parliamentary device would authorize the members of this body to determine the constitutionality of the statutory supermajority requirement. The Speaker is aware of only one instance in Washington legislative history where the members of a legislative body have appealed and overturned the ruling of the presiding officer. In that instance, the President of the Senate ruled that a measure embraced multiple subjects in violation of Senate Rule 59. The members of the Senate appealed the ruling and overturned it. In Power, Inc. v. Huntley, 39 Washington Second 191, decided in 1951, the Washington Supreme Court found the measure to embrace multiple subjects in violation of Article 2, Section 19 of the Washington State Constitution and voided it in its entirety. The Supreme Court considered this issue de novo, without any deference to the previous procedural history in the Senate. This case illustrates a fundamental precept of the doctrine of a separation of powers, that is, that determinations of constitutionality are solely within the province of the courts. While the Speaker and the members of this body have sworn an oath to uphold our state constitution, only the courts have the power to enforce its provisions.”

Representatives Jinkins, Billig, Ladenburg, Reykdal, Ryu, Eddy, Springer, Frockt, Dickerson and Sullivan spoke in favor of the passage of the bill.

Representatives DeBolt, Orcutt, Chandler, Parker, Armstrong, Hinkle, Alexander, Klippert and Ross spoke against the passage of the bill.

The Speaker stated the question before the House to be the final passage of Substitute House Bill No. 2078.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2078, and the bill passed the House by the following vote: Yeas, 52; Nays, 42; Absent, 0; Excused, 4.

Voting yea: Representatives Appleton, Billig, Blake, Carlyle, Clibborn, Cody, Darneille, Dickerson, Dunshee, Eddy, Finn, Fitzgibbon, Frockt, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jinkins, Kagi, Kenney, Kirby, Ladenburg, Liias, Lyton, Maxwell, McCoy, Moeller, Morris, Moscoso, Ormsby, Orwall, Pedersen, Pettigrew, Probst, Reykdal, Roberts, Rolfes, Ryu, Santos, Seaquist, Sells, Springer, Stanford, Sullivan, Takko, Tharinger, Upthegrove, Van De Wege and Mr. Speaker.

Voting nay: Representatives Ahern, Alexander, Armstrong, Asay, Bailey, Buys, Chandler, Condotta, Dahlquist, Dammeier, DeBolt, Fagan, Haler, Hargrove, Harris, Hinkle, Hope, Hurst, Johnson, Kelley, Klippert, Kretz, Kristiansen, Miloscia, Nealey, Orcutt, Overstreet, Parker, Pearson, Rivers, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh, Warnick, Wilcox, Wylie and Zeiger.

Excused: Representatives Anderson, Angel, Crouse and McCune.

SUBSTITUTE HOUSE BILL NO. 2078, having received a constitutional majority, but having failed to receive a 2/3 supermajority as required by RCW 43.135.034, Substitute House Bill 2078 was declared failed..

The Speaker called upon Representative Moeller to preside.

There being no objection, House Rule 13 (C) was suspended allowing the House to work past 10:00 p.m.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5891, by Senate Committee on Ways & Means (originally sponsored by Senator Murray)

Relating to criminal justice. Revised for 1st Substitute: Addressing criminal justice cost savings.

The bill was read the second time.

With the consent of the house, amendment (842) was withdrawn.

Representative Probst moved the adoption of amendment (849).

0)

On page 3, beginning on line 1, strike all of section 2 and insert the following:

"**Sec. 2.** RCW 9.94A.501 and 2010 c 267 s 10 and 2010 c 224 s 3 are each reenacted and amended to read as follows:

(1) The department shall supervise ~~((every offender convicted of a misdemeanor or gross misdemeanor offense who is))~~ the following offenders who are sentenced to probation in superior court, pursuant to RCW 9.92.060, 9.95.204, or 9.95.210 ~~((, for an offense included in (a) and (b) of this subsection. The superior court shall order probation for:~~

~~(a) Offenders convicted of fourth degree assault, violation of a domestic violence court order pursuant to RCW 10.99.040, 10.99.050, 26.09.300, 26.10.220, 26.26.138, 26.50.110, 26.52.070, or 74.34.145, and who also have a prior conviction for one or more of the following:~~

~~(i) A violent offense;~~

~~(ii) A sex offense;~~

~~(iii) A crime against a person as provided in RCW 9.94A.411;~~

~~(iv) Fourth degree assault; or~~

~~(v) Violation of a domestic violence court order; and~~

~~(b));~~

(a) Offenders convicted of:

(i) Sexual misconduct with a minor second degree;

(ii) Custodial sexual misconduct second degree;

(iii) Communication with a minor for immoral purposes; and

(iv) Violation of RCW 9A.44.132(2) (failure to register); and

(b) Offenders who have:

(i) A current conviction for a repetitive domestic violence offense where domestic violence has been plead and proven after August 1, 2011; and

(ii) A prior conviction for a repetitive domestic violence offense or domestic violence felony offense where domestic violence has been plead and proven after August 1, 2011.

(2) Misdemeanor and gross misdemeanor offenders supervised by the department pursuant to this section shall be placed on community custody.

(3) The department shall supervise every felony offender sentenced to community custody pursuant to RCW 9.94A.701 or 9.94A.702 whose risk assessment ~~((, conducted pursuant to subsection (6) of this section,))~~ classifies the offender as one who is at a high risk to reoffend.

(4) Notwithstanding any other provision of this section, the department shall supervise an offender sentenced to community custody regardless of risk classification if the offender:

(a) Has a current conviction for a sex offense or a serious violent offense ~~((as defined in RCW 9.94A.030))~~ and was sentenced to a term of community custody pursuant to RCW 9.94A.701, 9.94A.702, or 9.94A.507;

(b) Has been identified by the department as a dangerous mentally ill offender pursuant to RCW 72.09.370;

(c) Has an indeterminate sentence and is subject to parole pursuant to RCW 9.95.017;

(d) Has a current conviction for violating RCW 9A.44.132(1) (failure to register) and was sentenced to a term of community custody pursuant to RCW 9.94A.701;

(e) Has a current conviction for a domestic violence felony offense where domestic violence has been plead and proven after August 1, 2011, and a prior conviction for a repetitive domestic violence offense or domestic violence felony offense where domestic violence has been plead and proven after August 1, 2011;

(f) Was sentenced under RCW 9.94A.650, 9.94A.655, 9.94A.660, or 9.94A.670; or

~~((f))~~ (g) Is subject to supervision pursuant to RCW 9.94A.745.

(5) The department is not authorized to, and may not, supervise any offender sentenced to a term of community custody or any probationer unless the offender or probationer is one for whom supervision is required under ~~((subsection (1), (2), (3), or (4) of))~~ this section or section 3 of this act.

(6) The department shall conduct a risk assessment for every felony offender sentenced to a term of community custody who may be subject to supervision under this section or section 3 of this act."

Representatives Probst and Pearson spoke in favor of the adoption of the amendment.

Amendment (849) was adopted.

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

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

Representative Pearson spoke against the passage of the bill.

MOTION

On motion of Representative Van De Wege, Representative Morris was excused.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5891, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5891, as amended by the House, and the

bill passed the House by the following vote: Yeas, 50; Nays, 43; Absent, 0; Excused, 5.

Voting yea: Representatives Appleton, Billig, Blake, Carlyle, Clibborn, Cody, Darneille, Dickerson, Dunshee, Eddy, Fitzgibbon, Frockt, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jinkins, Kagi, Kelley, Kenney, Kirby, Ladenburg, Lias, Lytton, Maxwell, McCoy, Miloscia, Moeller, Moscoso, Ormsby, Pedersen, Pettigrew, Reykdal, Roberts, Rolfes, Ryu, Seaquist, Sells, Springer, Stanford, Sullivan, Takko, Tharinger, Upthegrove, Van De Wege, Wylie and Mr. Speaker.

Voting nay: Representatives Ahern, Alexander, Armstrong, Asay, Bailey, Buys, Chandler, Condotta, Dahlquist, Dammeier, DeBolt, Fagan, Finn, Haler, Hargrove, Harris, Hinkle, Hope, Hurst, Johnson, Klippert, Kretz, Kristiansen, Nealey, Orcutt, Orwall, Overstreet, Parker, Pearson, Probst, Rivers, Rodne, Ross, Santos, Schmick, Shea, Short, Smith, Taylor, Walsh, Warnick, Wilcox and Zeiger.

Excused: Representatives Anderson, Angel, Crouse, McCune and Morris.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5891, as amended by the House, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

May 23, 2011

MR. SPEAKER:

The President has signed:

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5182
SENATE BILL 5289
SECOND ENGROSSED SENATE BILL 5638
SUBSTITUTE SENATE BILL 5912
SENATE BILL 5941
SENATE JOINT RESOLUTION 8206

and the same are herewith transmitted.

Thomas Hoemann, Secretary

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

There being no objection, the House adjourned until 9:00 a.m., May 25, 2011, the 30th Day of the 1st Special Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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