

SHB 2197 - H AMD 1670

By Representative Armstrong

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that the
4 department of social and health services has become so large that it:
5 (a) Is difficult to administer; (b) needs to better focus on critical
6 functions, such as protecting children and other vulnerable persons;
7 (c) needs to improve the delivery of the services and programs it is
8 responsible for; and (d) is difficult to measure the performance of the
9 agency in meeting its goals and responsibilities.

10 (2) The legislature finds that these problems are most visible in
11 the delivery of children's services, a functional area that the
12 legislature continues to address in a series of reform directives,
13 including the implementation of performance-based contracts and
14 redesigning the delivery of child welfare services as a result of
15 legislation passed in 2009. The legislature also notes that the
16 experience of best and promising practices strongly points to the
17 importance of delivering social services on an integrated, coordinated
18 basis and that modern information technologies and organizational
19 strategies suggest that smaller functional units can perform better
20 than large traditional hierarchical organizations. The legislature
21 finds that although the effectiveness of the department of social and
22 health services has continued to improve in recent years, further rapid
23 and substantial improvement must be achieved. Two principal factors in
24 this subsection compel this judgment.

25 (a) Cost control. The department now absorbs about one-third of
26 the state's operating budget, a share of state resources that has grown
27 over the past decade despite a stated policy of investing in evidence-
28 based and promising practices, each chosen to reduce net taxpayer
29 costs. Further, both the number and proportion of the state's citizens
30 receiving services from the department has continued to grow, in part

1 because the state is now experiencing a historically severe recession.
2 The legislature assumes that economic recovery will be very slow and
3 that the concomitant demand for services will remain high while
4 revenues remain extremely constrained.

5 (b) Outcomes. Without exception, none of the department's major
6 programs is achieving completely satisfactory outcomes despite a stated
7 policy of employing only evidence-based and promising practices, each
8 chosen to deliver measurable improvement in program effectiveness and
9 to reduce gradually the dependency of the state's citizens on social
10 and health services toward a reasonable, safety net minimum. Noting
11 again that resources are expected to be severely limited for the
12 foreseeable future, the legislature finds that immediate gains in
13 program effectiveness are needed to achieve improvement in outcomes.

14 (3) Therefore, the legislature finds that the state's overall
15 delivery of health and human services through the department of social
16 and health services and allied agencies must be restructured to respond
17 to the current recession, to achieve cost-effectiveness of operations,
18 and to organize the delivery of health and human services through an
19 integrated services model which includes relevant agencies and
20 organizations including those at the local service delivery level.

21 **PART I**

22 **RESTRUCTURING OF THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

23 NEW SECTION. **Sec. 101.** A new section is added to chapter 43.20A
24 RCW to read as follows:

25 (1)(a) The department of social and health services is renamed the
26 social and health care authority. The authority is restructured and,
27 except as otherwise provided in this section, its powers, duties, and
28 functions are transferred to the new departments of mental health and
29 chemical dependency services, long-term care and rehabilitative
30 services, and children and family services as determined by the
31 realignment team established under section 507 of this act. All
32 references to the secretary or the department of social and health
33 services in the Revised Code of Washington shall be construed to mean
34 the director of the social and health care authority or the director of
35 the appropriate department, or the social and health care authority or
36 the appropriate department, created under this act.

1 (b) The social and health care authority shall retain
2 responsibilities described in section 102 of this act.

3 (2)(a) All reports, documents, surveys, books, records, files,
4 papers, or written material in the possession of the department of
5 social and health services pertaining to functions transferred under
6 this section shall be delivered to the custody of the realignment team
7 created under section 507 of this act to be transferred to the
8 appropriate department created under this act. All cabinets,
9 furniture, office equipment, motor vehicles, and other tangible
10 property employed by the department of social and health services in
11 carrying out the powers, duties, and functions transferred shall be
12 made available to the realignment team to be transferred to the
13 appropriate department. All funds, credits, or other assets held by
14 the department of social and health services in connection with the
15 powers, duties, and functions transferred shall be assigned to the
16 appropriate department by the realignment team.

17 (b) Any appropriations made to the department of social and health
18 services in connection with the powers, duties, and functions
19 transferred shall, on the effective date of this section, be
20 transferred and credited to the appropriate department by the
21 realignment team.

22 (3) All employees of the department of social and health services
23 performing the powers, duties, and functions transferred are
24 transferred to the jurisdiction of the realignment team established
25 under section 507 of this act to be transferred to the appropriate
26 department. All employees classified under chapter 41.06 RCW, the
27 state civil service law, are assigned to their respective departments
28 to perform their usual duties upon the same terms as formerly, without
29 any loss of rights, subject to any action that may be appropriate
30 thereafter in accordance with the laws and rules governing state civil
31 service.

32 (4) All rules and all pending business before the department of
33 social and health services pertaining to the powers, duties, and
34 functions transferred shall be continued and acted upon by the
35 appropriate department created under this act. All existing contracts
36 and obligations shall remain in full force and shall be performed by
37 the appropriate department.

1 (5) The transfer of the powers, duties, functions, and personnel of
2 the department of social and health services shall not affect the
3 validity of any act performed before the effective date of this
4 section.

5 (6) If apportionments of budgeted funds are required because of the
6 transfers directed by this section, the director of financial
7 management shall certify the apportionments to the agencies affected,
8 the state auditor, and the state treasurer. Each of these shall make
9 the appropriate transfer and adjustments in funds and appropriation
10 accounts and equipment records in accordance with the certification.

11 (7) Nothing contained in this section may be construed to alter any
12 existing collective bargaining unit or the provisions of any existing
13 collective bargaining agreement until the agreement has expired or
14 until the bargaining unit has been modified by action of the public
15 employment relations commission as provided by law.

16 NEW SECTION. **Sec. 102.** A new section is added to chapter 43.20A
17 RCW to read as follows:

18 The social and health care authority has the following
19 responsibilities that were previously the responsibility of the
20 department of social and health services.

21 (1) Economic services activities. The social and health care
22 authority shall make eligibility determinations for assistance
23 programs; coordinate child support recovery and enforcement activities;
24 manage federal and state food assistance programs; administer federal
25 and state cash assistance programs for needy families and individuals;
26 and administer payment programs that provide child care services.

27 (2) State health care purchasing functions. The social and health
28 care authority shall administer the medical assistance, medical care
29 services, and children's health programs under chapter 74.09 RCW, the
30 basic health plan under chapter 70.47 RCW, and health benefit programs
31 for public employees under chapter 41.05 RCW; coordinate the purchase
32 of health care services under the programs that it administers using
33 cost control and service delivery strategies; and establish common
34 billing, purchasing, and auditing practices, including the development
35 of practices related to pharmacy audits and billing in consultation
36 with the Washington state pharmacy association and other interested
37 parties.

1 (3) Systems oversight functions. The social and health care
2 authority has oversight responsibility for the new departments of
3 mental health and chemical dependency services, children and family
4 services, and long-term care and rehabilitative services pertaining to
5 systems oversight, including performance and quality management;
6 performance and financial audits; investigations and enforcement; and
7 client advocacy. The authority must ensure that quality management
8 plans, including Washington state quality award assessments, are put in
9 place by the new departments.

10 **PART II**

11 **DEPARTMENT OF MENTAL HEALTH AND CHEMICAL DEPENDENCY SERVICES**

12 NEW SECTION. **Sec. 201.** There is created a department of state
13 government to be known as the department of mental health and chemical
14 dependency services. The department is vested with all powers and
15 duties transferred to it under this chapter, section 507 of this act,
16 and such other powers and duties as may be authorized by law.

17 NEW SECTION. **Sec. 202.** The definitions in this section apply
18 throughout this chapter unless the context clearly requires otherwise.

19 (1) "Department" means the department of mental health and chemical
20 dependency services.

21 (2) "Director" means the director of mental health and chemical
22 dependency services.

23 NEW SECTION. **Sec. 203.** The executive head and appointing
24 authority of the department is the director. The director shall be
25 appointed by the governor, with the consent of the senate, and shall
26 serve at the pleasure of the governor. The director shall be paid a
27 salary to be fixed by the governor in accordance with RCW 43.03.040.
28 If a vacancy occurs in the position while the senate is not in session,
29 the governor shall make a temporary appointment until the next meeting
30 of the senate.

31 NEW SECTION. **Sec. 204.** It is the intent of the legislature
32 wherever possible, except as provided in sections 101 and 102 of this
33 act, to place the internal affairs of the department under the control

1 of the director in order that the director may institute therein the
2 flexible, alert, and intelligent management of its business that
3 changing contemporary circumstances require. Therefore, whenever the
4 director's authority is not specifically limited by law, the director
5 has complete charge and supervisory powers over the department. The
6 director may create such administrative structures as the director
7 considers appropriate, except as otherwise specified by law. The
8 director may employ such assistants and personnel as necessary for the
9 general administration of the department. This employment shall be in
10 accordance with the state civil service law, chapter 41.06 RCW, except
11 as otherwise provided.

12 NEW SECTION. **Sec. 205.** The director shall appoint a deputy
13 director and such assistant directors as may be needed to administer
14 the department. The deputy director shall have charge and general
15 supervision of the department in the absence or disability of the
16 director and, in case of a vacancy in the office of director, shall
17 continue in charge of the department until a successor is appointed and
18 qualified, or until the governor appoints an acting director.

19 NEW SECTION. **Sec. 206.** Any power or duty vested in or transferred
20 to the director by law or executive order may be delegated by the
21 director to the deputy director or to any other assistant or
22 subordinate; but the director shall be responsible for the official
23 acts of the officers and employees of the department.

24 NEW SECTION. **Sec. 207.** In furtherance of the policy of the state
25 to cooperate with the federal government in all of the programs under
26 the jurisdiction of the department, such rules as may become necessary
27 to entitle the state to participate in federal funds may be adopted,
28 unless expressly prohibited by law. Any internal reorganization
29 carried out under the terms of this chapter shall meet federal
30 requirements that are a necessary condition to state receipt of federal
31 funds. Any section or provision of law dealing with the department
32 that may be susceptible to more than one construction shall be
33 interpreted in favor of the construction most likely to comply with
34 federal laws entitling this state to receive federal funds for the
35 various programs of the department. If any law dealing with the

1 department is ruled to be in conflict with federal requirements that
2 are a prescribed condition of the allocation of federal funds to the
3 state, or to any departments or agencies thereof, the conflicting part
4 is declared to be inoperative solely to the extent of the conflict.

5 NEW SECTION. **Sec. 208.** A new section is added to chapter 41.06
6 RCW to read as follows:

7 In addition to the exemptions under RCW 41.06.070, the provisions
8 of this chapter shall not apply in the department of mental health and
9 chemical dependency services to the director, the director's personal
10 secretary, the deputy director, all division directors and assistant
11 directors, and one confidential secretary for each of these officers.

12 **PART III**
13 **DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

14 NEW SECTION. **Sec. 301.** There is created a department of state
15 government to be known as the department of children and family
16 services. The department is vested with all powers and duties
17 transferred to it under this chapter, section 507 of this act, and such
18 other powers and duties as may be authorized by law.

19 NEW SECTION. **Sec. 302.** The definitions in this section apply
20 throughout this chapter unless the context clearly requires otherwise.

21 (1) "Department" means the department of children and family
22 services.

23 (2) "Director" means the director of children and family services.

24 NEW SECTION. **Sec. 303.** The executive head and appointing
25 authority of the department is the director. The director shall be
26 appointed by the governor, with the consent of the senate, and shall
27 serve at the pleasure of the governor. The director shall be paid a
28 salary to be fixed by the governor in accordance with RCW 43.03.040.
29 If a vacancy occurs in the position while the senate is not in session,
30 the governor shall make a temporary appointment until the next meeting
31 of the senate.

1 NEW SECTION. **Sec. 304.** It is the intent of the legislature
2 wherever possible, except as provided in sections 101 and 102 of this
3 act, to place the internal affairs of the department under the control
4 of the director in order that the director may institute therein the
5 flexible, alert, and intelligent management of its business that
6 changing contemporary circumstances require. Therefore, whenever the
7 director's authority is not specifically limited by law, the director
8 has complete charge and supervisory powers over the department. The
9 director may create such administrative structures as the director
10 considers appropriate, except as otherwise specified by law. The
11 director may employ such assistants and personnel as necessary for the
12 general administration of the department. This employment shall be in
13 accordance with the state civil service law, chapter 41.06 RCW, except
14 as otherwise provided.

15 NEW SECTION. **Sec. 305.** The director shall appoint a deputy
16 director and such assistant directors as may be needed to administer
17 the department. The deputy director shall have charge and general
18 supervision of the department in the absence or disability of the
19 director and, in case of a vacancy in the office of director, shall
20 continue in charge of the department until a successor is appointed and
21 qualified, or until the governor appoints an acting director.

22 NEW SECTION. **Sec. 306.** Any power or duty vested in or transferred
23 to the director by law or executive order may be delegated by the
24 director to the deputy director or to any other assistant or
25 subordinate; but the director shall be responsible for the official
26 acts of the officers and employees of the department.

27 NEW SECTION. **Sec. 307.** In furtherance of the policy of the state
28 to cooperate with the federal government in all of the programs under
29 the jurisdiction of the department, such rules as may become necessary
30 to entitle the state to participate in federal funds may be adopted,
31 unless expressly prohibited by law. Any internal reorganization
32 carried out under the terms of this chapter shall meet federal
33 requirements that are a necessary condition to state receipt of federal
34 funds. Any section or provision of law dealing with the department
35 that may be susceptible to more than one construction shall be

1 interpreted in favor of the construction most likely to comply with
2 federal laws entitling this state to receive federal funds for the
3 various programs of the department. If any law dealing with the
4 department is ruled to be in conflict with federal requirements that
5 are a prescribed condition of the allocation of federal funds to the
6 state, or to any departments or agencies thereof, the conflicting part
7 is declared to be inoperative solely to the extent of the conflict.

8 NEW SECTION. **Sec. 308.** A new section is added to chapter 41.06
9 RCW to read as follows:

10 In addition to the exemptions under RCW 41.06.070, the provisions
11 of this chapter shall not apply in the department of children and
12 family services to the director, the director's personal secretary, the
13 deputy director, all division directors and assistant directors, and
14 one confidential secretary for each of these officers.

15 **PART IV**

16 **DEPARTMENT OF LONG-TERM CARE AND REHABILITATIVE SERVICES**

17 NEW SECTION. **Sec. 401.** There is created a department of state
18 government to be known as the department of long-term care and
19 rehabilitative services. The department is vested with all powers and
20 duties transferred to it under this chapter, section 507 of this act,
21 and such other powers and duties as may be authorized by law.

22 NEW SECTION. **Sec. 402.** The definitions in this section apply
23 throughout this chapter unless the context clearly requires otherwise.

24 (1) "Department" means the department of long-term care and
25 rehabilitative services.

26 (2) "Director" means the director of long-term care and
27 rehabilitative services.

28 NEW SECTION. **Sec. 403.** The executive head and appointing
29 authority of the department is the director. The director shall be
30 appointed by the governor, with the consent of the senate, and shall
31 serve at the pleasure of the governor. The director shall be paid a
32 salary to be fixed by the governor in accordance with RCW 43.03.040.

1 If a vacancy occurs in the position while the senate is not in session,
2 the governor shall make a temporary appointment until the next meeting
3 of the senate.

4 NEW SECTION. **Sec. 404.** It is the intent of the legislature
5 wherever possible, except as provided in sections 101 and 102 of this
6 act, to place the internal affairs of the department under the control
7 of the director in order that the director may institute therein the
8 flexible, alert, and intelligent management of its business that
9 changing contemporary circumstances require. Therefore, whenever the
10 director's authority is not specifically limited by law, the director
11 has complete charge and supervisory powers over the department. The
12 director may create such administrative structures as the director
13 considers appropriate, except as otherwise specified by law. The
14 director may employ such assistants and personnel as necessary for the
15 general administration of the department. This employment shall be in
16 accordance with the state civil service law, chapter 41.06 RCW, except
17 as otherwise provided.

18 NEW SECTION. **Sec. 405.** The director shall appoint a deputy
19 director and such assistant directors as may be needed to administer
20 the department. The deputy director shall have charge and general
21 supervision of the department in the absence or disability of the
22 director and, in case of a vacancy in the office of director, shall
23 continue in charge of the department until a successor is appointed and
24 qualified, or until the governor appoints an acting director.

25 NEW SECTION. **Sec. 406.** Any power or duty vested in or transferred
26 to the director by law or executive order may be delegated by the
27 director to the deputy director or to any other assistant or
28 subordinate; but the director shall be responsible for the official
29 acts of the officers and employees of the department.

30 NEW SECTION. **Sec. 407.** In furtherance of the policy of the state
31 to cooperate with the federal government in all of the programs under
32 the jurisdiction of the department, such rules as may become necessary
33 to entitle the state to participate in federal funds may be adopted,
34 unless expressly prohibited by law. Any internal reorganization

1 carried out under the terms of this chapter shall meet federal
2 requirements that are a necessary condition to state receipt of federal
3 funds. Any section or provision of law dealing with the department
4 that may be susceptible to more than one construction shall be
5 interpreted in favor of the construction most likely to comply with
6 federal laws entitling this state to receive federal funds for the
7 various programs of the department. If any law dealing with the
8 department is ruled to be in conflict with federal requirements that
9 are a prescribed condition of the allocation of federal funds to the
10 state, or to any departments or agencies thereof, the conflicting part
11 is declared to be inoperative solely to the extent of the conflict.

12 NEW SECTION. **Sec. 408.** A new section is added to chapter 41.06
13 RCW to read as follows:

14 In addition to the exemptions under RCW 41.06.070, the provisions
15 of this chapter shall not apply in the department of long-term care and
16 rehabilitative services to the director, the director's personal
17 secretary, the deputy director, all division directors and assistant
18 directors, and one confidential secretary for each of these officers.

19 **PART V**
20 **MISCELLANEOUS PROVISIONS**

21 **Sec. 501.** RCW 43.17.010 and 2009 c 565 s 25 are each amended to
22 read as follows:

23 There shall be departments of the state government which shall be
24 known as (1) the ~~((department of))~~ social and health ~~((services))~~ care
25 authority, (2) the department of ecology, (3) the department of labor
26 and industries, (4) the department of agriculture, (5) the department
27 of fish and wildlife, (6) the department of transportation, (7) the
28 department of licensing, (8) the department of general administration,
29 (9) the department of commerce, (10) the department of veterans
30 affairs, (11) the department of revenue, (12) the department of
31 retirement systems, (13) the department of corrections, (14) the
32 department of health, (15) the department of financial institutions,
33 (16) the department of archaeology and historic preservation, (17) the
34 department of early learning, ~~((and))~~ (18) the Puget Sound partnership,
35 and (19) the department of children and family services, which shall be

1 charged with the execution, enforcement, and administration of such
2 laws, and invested with such powers and required to perform such
3 duties, as the legislature may provide.

4 **Sec. 502.** RCW 43.17.020 and 2009 c 565 s 26 are each amended to
5 read as follows:

6 There shall be a chief executive officer of each department to be
7 known as: (1) The (~~secretary~~) director of the social and health
8 (~~services~~) care authority, (2) the director of ecology, (3) the
9 director of labor and industries, (4) the director of agriculture, (5)
10 the director of fish and wildlife, (6) the secretary of transportation,
11 (7) the director of licensing, (8) the director of general
12 administration, (9) the director of commerce, (10) the director of
13 veterans affairs, (11) the director of revenue, (12) the director of
14 retirement systems, (13) the secretary of corrections, (14) the
15 secretary of health, (15) the director of financial institutions, (16)
16 the director of the department of archaeology and historic
17 preservation, (17) the director of early learning, (~~and~~) (18) the
18 executive director of the Puget Sound partnership, and (19) the
19 director of children and family services.

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

25 **Sec. 503.** RCW 42.17.2401 and 2009 c 565 s 24 are each amended to
26 read as follows:

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

29 (1) The chief administrative law judge, the director of
30 agriculture, the administrator of the Washington basic health plan, the
31 director of the department of services for the blind, the director of
32 the state system of community and technical colleges, the director of
33 commerce, the secretary of corrections, the director of early learning,
34 the director of ecology, the commissioner of employment security, the
35 chair of the energy facility site evaluation council, the secretary of
36 the state finance committee, the director of financial management, the

1 director of fish and wildlife, the executive secretary of the forest
2 practices appeals board, the director of the gambling commission, the
3 director of general administration, the secretary of health, the
4 administrator of the Washington state health care authority, the
5 executive secretary of the health care facilities authority, the
6 executive secretary of the higher education facilities authority, the
7 executive secretary of the horse racing commission, the executive
8 secretary of the human rights commission, the executive secretary of
9 the indeterminate sentence review board, the director of the department
10 of information services, the executive director of the state investment
11 board, the director of labor and industries, the director of licensing,
12 the director of the lottery commission, the director of the office of
13 minority and women's business enterprises, the director of parks and
14 recreation, the director of personnel, the executive director of the
15 public disclosure commission, the executive director of the Puget Sound
16 partnership, the director of the recreation and conservation office,
17 the director of retirement systems, the director of revenue, the
18 ((secretary)) director of the social and health ((services)) care
19 authority, the chief of the Washington state patrol, the executive
20 secretary of the board of tax appeals, the secretary of transportation,
21 the secretary of the utilities and transportation commission, the
22 director of veterans affairs, the president of each of the regional and
23 state universities and the president of The Evergreen State College,
24 ((and)) each district and each campus president of each state community
25 college, and the director of children and family services;

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

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

28 (4) Central Washington University board of trustees, the boards of
29 trustees of each community college and each technical college, each
30 member of the state board for community and technical colleges, state
31 convention and trade center board of directors, committee for deferred
32 compensation, Eastern Washington University board of trustees,
33 Washington economic development finance authority, The Evergreen State
34 College board of trustees, executive ethics board, forest practices
35 appeals board, forest practices board, gambling commission, life
36 sciences discovery fund authority board of trustees, Washington health
37 care facilities authority, each member of the Washington health
38 services commission, higher education coordinating board, higher

1 education facilities authority, horse racing commission, state housing
2 finance commission, human rights commission, indeterminate sentence
3 review board, board of industrial insurance appeals, information
4 services board, recreation and conservation funding board, state
5 investment board, commission on judicial conduct, legislative ethics
6 board, liquor control board, lottery commission, marine oversight
7 board, Pacific Northwest electric power and conservation planning
8 council, parks and recreation commission, board of pilotage
9 commissioners, pollution control hearings board, public disclosure
10 commission, public pension commission, shorelines hearings board,
11 public employees' benefits board, salmon recovery funding board, board
12 of tax appeals, transportation commission, University of Washington
13 board of regents, utilities and transportation commission, Washington
14 state maritime commission, Washington personnel resources board,
15 Washington public power supply system executive board, Washington State
16 University board of regents, Western Washington University board of
17 trustees, and fish and wildlife commission.

18 **Sec. 504.** RCW 43.17.010 and 2010 c ... s 501 (section 501 of this
19 act) are each amended to read as follows:

20 There shall be departments of the state government which shall be
21 known as (1) the social and health care authority, (2) the department
22 of ecology, (3) the department of labor and industries, (4) the
23 department of agriculture, (5) the department of fish and wildlife, (6)
24 the department of transportation, (7) the department of licensing, (8)
25 the department of general administration, (9) the department of
26 commerce, (10) the department of veterans affairs, (11) the department
27 of revenue, (12) the department of retirement systems, (13) the
28 department of corrections, (14) the department of health, (15) the
29 department of financial institutions, (16) the department of
30 archaeology and historic preservation, (17) the department of early
31 learning, (18) the Puget Sound partnership, (~~and~~) (19) the department
32 of children and family services, (20) the department of mental health
33 and chemical dependency services, and (21) the department of long-term
34 care and rehabilitative services, which shall be charged with the
35 execution, enforcement, and administration of such laws, and invested
36 with such powers and required to perform such duties, as the
37 legislature may provide.

1 **Sec. 505.** RCW 43.17.020 and 2010 c ... s 502 (section 502 of this
2 act) are each amended to read as follows:

3 There shall be a chief executive officer of each department to be
4 known as: (1) The director of the social and health care authority,
5 (2) the director of ecology, (3) the director of labor and industries,
6 (4) the director of agriculture, (5) the director of fish and wildlife,
7 (6) the secretary of transportation, (7) the director of licensing, (8)
8 the director of general administration, (9) the director of commerce,
9 (10) the director of veterans affairs, (11) the director of revenue,
10 (12) the director of retirement systems, (13) the secretary of
11 corrections, (14) the secretary of health, (15) the director of
12 financial institutions, (16) the director of the department of
13 archaeology and historic preservation, (17) the director of early
14 learning, (18) the executive director of the Puget Sound partnership,
15 (~~and~~) (19) the director of children and family services, (20) the
16 director of mental health and chemical dependency services, and (21)
17 the director of long-term care and rehabilitative services.

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

23 **Sec. 506.** RCW 42.17.2401 and 2010 c ... s 503 (section 503 of this
24 act) are each amended to read as follows:

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

27 (1) The chief administrative law judge, the director of
28 agriculture, the administrator of the Washington basic health plan, the
29 director of the department of services for the blind, the director of
30 the state system of community and technical colleges, the director of
31 commerce, the secretary of corrections, the director of early learning,
32 the director of ecology, the commissioner of employment security, the
33 chair of the energy facility site evaluation council, the secretary of
34 the state finance committee, the director of financial management, the
35 director of fish and wildlife, the executive secretary of the forest
36 practices appeals board, the director of the gambling commission, the
37 director of general administration, the secretary of health, the

1 administrator of the Washington state health care authority, the
2 executive secretary of the health care facilities authority, the
3 executive secretary of the higher education facilities authority, the
4 executive secretary of the horse racing commission, the executive
5 secretary of the human rights commission, the executive secretary of
6 the indeterminate sentence review board, the director of the department
7 of information services, the executive director of the state investment
8 board, the director of labor and industries, the director of licensing,
9 the director of the lottery commission, the director of the office of
10 minority and women's business enterprises, the director of parks and
11 recreation, the director of personnel, the executive director of the
12 public disclosure commission, the executive director of the Puget Sound
13 partnership, the director of the recreation and conservation office,
14 the director of retirement systems, the director of revenue, the
15 director of the social and health care authority, the chief of the
16 Washington state patrol, the executive secretary of the board of tax
17 appeals, the secretary of transportation, the secretary of the
18 utilities and transportation commission, the director of veterans
19 affairs, the president of each of the regional and state universities
20 and the president of The Evergreen State College, each district and
21 each campus president of each state community college, ((and)) the
22 director of children and family services, the director of mental health
23 and chemical dependency services, and the director of long-term care
24 and rehabilitative services;

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

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

27 (4) Central Washington University board of trustees, the boards of
28 trustees of each community college and each technical college, each
29 member of the state board for community and technical colleges, state
30 convention and trade center board of directors, committee for deferred
31 compensation, Eastern Washington University board of trustees,
32 Washington economic development finance authority, The Evergreen State
33 College board of trustees, executive ethics board, forest practices
34 appeals board, forest practices board, gambling commission, life
35 sciences discovery fund authority board of trustees, Washington health
36 care facilities authority, each member of the Washington health
37 services commission, higher education coordinating board, higher
38 education facilities authority, horse racing commission, state housing

1 finance commission, human rights commission, indeterminate sentence
2 review board, board of industrial insurance appeals, information
3 services board, recreation and conservation funding board, state
4 investment board, commission on judicial conduct, legislative ethics
5 board, liquor control board, lottery commission, marine oversight
6 board, Pacific Northwest electric power and conservation planning
7 council, parks and recreation commission, board of pilotage
8 commissioners, pollution control hearings board, public disclosure
9 commission, public pension commission, shorelines hearings board,
10 public employees' benefits board, salmon recovery funding board, board
11 of tax appeals, transportation commission, University of Washington
12 board of regents, utilities and transportation commission, Washington
13 state maritime commission, Washington personnel resources board,
14 Washington public power supply system executive board, Washington State
15 University board of regents, Western Washington University board of
16 trustees, and fish and wildlife commission.

17 NEW SECTION. **Sec. 507.** (1) A realignment team shall be formed by
18 July 1, 2010, to direct the details of administration of this act. The
19 governor shall appoint representatives from the office of financial
20 management, the divisions of the department of social and health
21 services, and other agency representatives as warranted. Leadership
22 from each of the two major caucuses in the house of representatives and
23 the senate shall appoint a member to the realignment team.

24 (2) The realignment team shall determine which functions of the
25 department of social and health services shall be transferred into the
26 new departments under this act after the effective date of this
27 section. The realignment team may propose an alternative structural
28 plan if it finds that such a change would be more efficient and
29 effective.

30 (3) The realignment team shall fully involve the office of the
31 state auditor and relevant stakeholders, including local government and
32 community service providers. The realignment team shall consult
33 regularly with the chairs and ranking minority members, or their
34 designees of the relevant policy and fiscal committees in the house of
35 representatives and the senate.

1 NEW_SECTION. **Sec. 508.** (1) The realignment team created in
2 section 507 of this act shall, by December 1, 2010, submit a plan and
3 necessary implementing legislation to the legislature for the
4 restructuring of the department of social and health services. During
5 the development of the plan, consideration shall be given to the
6 restructuring of the state's medical assistance programs pursuant to
7 chapter . . . (House Bill No. 3048), Laws of 2010. The plan shall be
8 designed so that the department of children and family services will be
9 operating by July 1, 2011, and the department of mental health and
10 chemical dependency services and the department of long-term care and
11 rehabilitative services, or similar structure will be operating by July
12 1, 2012.

13 (2) The plan shall include, but is not limited to, the following
14 elements:

15 (a) Strategies for dividing the functions and responsibilities of
16 the department into the appropriate new agencies including a strategic
17 plan for each new agency created in this act that includes
18 implementation steps, performance measures, evaluation measures, and
19 methods for functional collaboration among programs and agencies;

20 (b) Recommendations for changes in existing programs and functions
21 of the department of social and health services; and

22 (c) Implementation steps necessary to bring about operation of the
23 new agencies.

24 NEW_SECTION. **Sec. 509.** Sections 201 through 207 of this act
25 constitute a new chapter in Title 43 RCW.

26 NEW_SECTION. **Sec. 510.** Sections 301 through 307 of this act
27 constitute a new chapter in Title 43 RCW.

28 NEW_SECTION. **Sec. 511.** Sections 401 through 407 of this act
29 constitute a new chapter in Title 43 RCW.

30 NEW_SECTION. **Sec. 512.** Section 507 of this act is necessary for
31 the immediate preservation of the public peace, health, or safety, or
32 support of the state government and its existing public institutions,
33 and takes effect immediately.

1 NEW SECTION. **Sec. 513.** Sections 101, 102, 301 through 308, and
2 501 through 503 of this act take effect July 1, 2011.

3 NEW SECTION. **Sec. 514.** Sections 201 through 208, 401 through 408,
4 and 504 through 506 of this act take effect July 1, 2012.

5 NEW SECTION. **Sec. 515.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected."

9 Correct the title.

EFFECT: Renames the Department of Social and Health Services the
Social and Health Care Authority (Authority); transfers functional
units to the newly created departments of Mental Health and Chemical
Dependency Services, Children and Family Services, and Long-Term Care
and Rehabilitative Services; provides for systems oversight functions
among the newly created departments and the Authority; allows the
realignment team to develop an alternative organizational structure;
transfers authority for administering the Basic Health Plan and public
employee health benefits from the Health Care Authority; and requires
the development of practices related to pharmacy audits and billing.

--- END ---