(SUBSTITUTED FOR - SEE 2ND SUB)

Provides that the legislature intends that: (1) Out-of-the-family home residential services supporting individuals with developmental disabilities should be available in the most integrated setting appropriate to individual needs;

- (2) A person with a developmental disability moving from an institution to a community setting has the services and support arrangements needed to meet the person's assessed health and welfare needs; and
- (3) Children with developmental disabilities be served in home or community settings, not in institutions.

Prohibits admission to a residential habilitation center from being considered a permanent placement.

Requires the department of social and health services to close Frances Haddon Morgan residential rehabilitation center and the Yakima Valley school and relocate current residents.