

CERTIFICATION OF ENROLLMENT

HOUSE BILL 3225

Chapter 1, Laws of 2010

61st Legislature
2010 2nd Special Session

OPERATING BUDGET--SECOND SPECIAL SESSION AMENDMENTS

EFFECTIVE DATE: 12/11/10

Passed by the House December 11, 2010
Yeas 86 Nays 6

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate December 11, 2010
Yeas 30 Nays 9

BRAD OWEN

President of the Senate

Approved December 11, 2010, 4:50 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 3225** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

December 13, 2010

**Secretary of State
State of Washington**

HOUSE BILL 3225

Passed Legislature - 2010 2nd Special Session

State of Washington 61st Legislature 2010 2nd Special Session

By Representatives Sullivan and Alexander

1 AN ACT Relating to fiscal matters; amending RCW 38.52.105,
2 38.52.106, 41.26.030, 41.32.010, 41.37.010, 41.40.010, and 43.43.120;
3 amending 2010 sp.s. c 37 ss 101, 102, 104, 105, 108, 110, 111, 113,
4 114, 115, 116, 117, 119, 125, 129, 136, 152, 202, 203, 204, 205, 206,
5 207, 208, 209, 210, 211, 212, 214, 221, 223, 301, 302, 303, 304, 305,
6 306, 307, 308, 309, 311, 501, 502, 513, 603, 604, 605, 606, 607, 608,
7 609, and 803 (uncodified); amending 2009 c 564 s 110 (uncodified); and
8 declaring an emergency.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

PART I

GENERAL GOVERNMENT

12 **Sec. 101.** 2010 sp.s. c 37 s 101 (uncodified) is amended to read as
13 follows:

14 **FOR THE HOUSE OF REPRESENTATIVES**

15	General Fund--State Appropriation (FY 2010)	\$33,505,000
16	General Fund--State Appropriation (FY 2011)	((\$32,146,000))
17		<u>\$30,934,000</u>
18	TOTAL APPROPRIATION	((\$65,651,000))

1 \$64,439,000

2 **Sec. 102.** 2010 sp.s. c 37 s 102 (uncodified) is amended to read as
3 follows:

4 **FOR THE SENATE**

General Fund--State Appropriation (FY 2010)	\$24,960,000
General Fund--State Appropriation (FY 2011)	((\$25,631,000))
	<u>\$24,020,000</u>
TOTAL APPROPRIATION	((\$50,591,000))
	<u>\$48,980,000</u>

10 **Sec. 103.** 2010 sp.s. c 37 s 104 (uncodified) is amended to read as
11 follows:

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

General Fund--State Appropriation (FY 2010)	\$1,748,000
General Fund--State Appropriation (FY 2011)	((\$1,916,000))
	<u>\$1,796,000</u>
TOTAL APPROPRIATION	((\$3,664,000))
	<u>\$3,544,000</u>

18 **Sec. 104.** 2010 sp.s. c 37 s 105 (uncodified) is amended to read as
19 follows:

20 **FOR THE OFFICE OF THE STATE ACTUARY**

General Fund--State Appropriation (FY 2010)	\$200,000
General Fund--State Appropriation (FY 2011)	((\$20,000))
	<u>\$19,000</u>
Department of Retirement Systems Expense	
Account--State Appropriation	\$3,305,000
TOTAL APPROPRIATION	((\$3,525,000))
	<u>\$3,524,000</u>

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

30 (1) \$25,000 of the department of retirement systems--state
31 appropriation is provided solely for the continued study of local
32 government liabilities for postretirement medical benefits for members
33 of plan 1 of the law enforcement officers' and firefighters' retirement
34 system.

1 (2) \$51,000 of the department of retirement systems expense
2 account--state appropriation is provided solely for the state actuary
3 to contract with the Washington state institute for public policy for
4 a study of the disability benefits provided to the plan 2 and plan 3
5 members of the public employees' retirement system, the teachers'
6 retirement system, and the school employees' retirement system. Among
7 the options the institute shall examine include statutory changes to
8 the retirement systems and insurance products. The institute shall
9 report its findings and recommendations to the select committee on
10 pension policy by November 1, 2009.

11 (3) \$30,000 of the department of retirement systems expense
12 account--state appropriation is provided solely for the state actuary
13 to contract with the Washington state institute for public policy to
14 continue the study of long-term disability benefits for public
15 employees as authorized by subsection (2) of this section during the
16 2010 legislative interim. The purpose of the study is to develop the
17 options identified in the 2009 legislative interim disability benefit
18 study, including options related to the public employees' benefits
19 board programs, other long-term disability insurance programs, and
20 public employee retirement system benefits. The institute shall report
21 no later than November 17, 2010, new findings and any additional
22 recommendations on the options to the select committee on pension
23 policy, the senate committee on ways and means, and the house committee
24 on ways and means. The Washington state institute for public policy
25 shall work with the health care authority to coordinate analysis and
26 recommendations with its contracted disability vendor and appropriate
27 stakeholders.

28 (4) \$175,000 of the general fund--state appropriation for fiscal
29 year 2010 is provided solely for the office of the state actuary to
30 conduct an independent assessment of alternatives for assuring the
31 long-term financial solvency of the guaranteed education tuition
32 program including suspension of the program. In conducting this
33 review, the office may contract for assistance, and shall consult with
34 the higher education coordinating board, the operating budget
35 committees of the legislature, the office of financial management, and
36 the state's public colleges and universities. The office shall report
37 findings, an assessment of the major alternatives, and suggested

1 actions to the governor and to the relevant legislative committees by
2 November 15, 2009.

3 **Sec. 105.** 2010 sp.s. c 37 s 108 (uncodified) is amended to read as
4 follows:

5 **FOR THE REDISTRICTING COMMISSION**

6 General Fund--State Appropriation (FY 2011) ((~~\$1,115,000~~))
7 \$992,000

8 The appropriations in this section are subject to the following
9 conditions and limitations: \$505,000 of the general fund--state
10 appropriation for fiscal year 2011 is provided solely for the support
11 of legislative redistricting efforts. Prior to the appointment of the
12 redistricting commission, the secretary of the senate and chief clerk
13 of the house of representatives may jointly authorize the expenditure
14 of these funds to facilitate preparations for the 2012 redistricting
15 effort. Following the appointment of the commission, the house of
16 representatives and senate shall enter into an interagency agreement
17 with the commission authorizing the continued expenditure of these
18 funds for legislative redistricting support.

19 **Sec. 106.** 2009 c 564 s 110 (uncodified) is amended to read as
20 follows:

21 **FOR THE SUPREME COURT**

22 General Fund--State Appropriation (FY 2010) \$6,912,000
23 General Fund--State Appropriation (FY 2011) ((~~\$6,948,000~~))
24 \$6,844,000
25 TOTAL APPROPRIATION ((~~\$13,860,000~~))
26 \$13,756,000

27 The appropriations in this section are subject to the following
28 conditions and limitations: It is the intent of the legislature that
29 the reductions in appropriations in this section shall be achieved, to
30 the greatest extent possible, by reducing those state government
31 administrative costs that do not affect direct client services or
32 direct service delivery or programs. The agency shall, to the greatest
33 extent possible, reduce spending in those areas that shall have the
34 least impact on implementing its mission.

1 General Fund--State Appropriation (FY 2011) (~~(\$52,562,000)~~)
 2 \$49,760,000
 3 General Fund--Federal Appropriation \$979,000
 4 Judicial Information Systems Account--State
 5 Appropriation \$33,406,000
 6 Judicial Stabilization Trust Account--State
 7 Appropriation \$6,598,000
 8 TOTAL APPROPRIATION (~~(\$146,189,000)~~)
 9 \$143,387,000

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

12 (1) \$1,800,000 of the general fund--state appropriation for fiscal
 13 year 2010 and (~~(\$1,800,000)~~) \$1,687,000 of the general fund--state
 14 appropriation for fiscal year 2011 are provided solely for school
 15 districts for petitions to juvenile court for truant students as
 16 provided in RCW 28A.225.030 and 28A.225.035. The office of the
 17 administrator for the courts shall develop an interagency agreement
 18 with the superintendent of public instruction to allocate the funding
 19 provided in this subsection. Allocation of this money to school
 20 districts shall be based on the number of petitions filed. This
 21 funding includes amounts school districts may expend on the cost of
 22 serving petitions filed under RCW 28A.225.030 by certified mail or by
 23 personal service or for the performance of service of process for any
 24 hearing associated with RCW 28A.225.030.

25 (2)(a) \$8,252,000 of the general fund--state appropriation for
 26 fiscal year 2010 and (~~(\$8,253,000)~~) \$7,734,000 of the general fund--
 27 state appropriation for fiscal year 2011 are provided solely for
 28 distribution to county juvenile court administrators to fund the costs
 29 of processing truancy, children in need of services, and at-risk youth
 30 petitions. The administrator for the courts, in conjunction with the
 31 juvenile court administrators, shall develop an equitable funding
 32 distribution formula. The formula shall neither reward counties with
 33 higher than average per-petition processing costs nor shall it penalize
 34 counties with lower than average per-petition processing costs.

35 (b) Each fiscal year during the 2009-11 fiscal biennium, each
 36 county shall report the number of petitions processed and the total
 37 actual costs of processing truancy, children in need of services, and
 38 at-risk youth petitions. Counties shall submit the reports to the

1 administrator for the courts no later than 45 days after the end of the
2 fiscal year. The administrator for the courts shall electronically
3 transmit this information to the chairs and ranking minority members of
4 the house of representatives appropriations committee and the senate
5 ways and means committee no later than 60 days after a fiscal year
6 ends. These reports are deemed informational in nature and are not for
7 the purpose of distributing funds.

8 (3) The distributions made under this subsection and distributions
9 from the county criminal justice assistance account made pursuant to
10 section 801 of this act constitute appropriate reimbursement for costs
11 for any new programs or increased level of service for purposes of RCW
12 43.135.060.

13 (4) \$5,700,000 of the judicial information systems account--state
14 appropriation is provided solely for modernization and integration of
15 the judicial information system.

16 (a) Of this amount, \$1,700,000 is for the development of a
17 comprehensive enterprise-level information technology strategy and
18 detailed business and operational plans in support of that strategy,
19 and \$4,000,000 is to continue to modernize and integrate current
20 systems and enhance case management functionality on an incremental
21 basis.

22 (b) The amount provided in this subsection may not be expended
23 without prior approval by the judicial information system committee.
24 The administrator shall regularly submit project plan updates for
25 approval to the judicial information system committee.

26 (c) The judicial information system committee shall review project
27 progress on a regular basis and may require quality assurance plans.
28 The judicial information systems committee shall provide a report to
29 the appropriate committees of the legislature no later than November 1,
30 2011, on the status of the judicial information system modernization
31 and integration, and the consistency of the project with the state's
32 architecture, infrastructure and statewide enterprise view of service
33 delivery.

34 (d) \$100,000 of the judicial information systems account--state
35 appropriation is provided solely for the administrative office of the
36 courts, in coordination with the judicial information system committee,
37 to conduct an independent third-party executive-level review of the
38 judicial information system. This review shall examine, at a minimum,

1 the scope of the current project plan, governance structure, and
2 organizational change management procedures. The review will also
3 benchmark the system plans against similarly sized projects in other
4 states or localities, review the large scale program risks, and
5 estimate life cycle costs, including capital and on-going operational
6 expenditures.

7 (5) \$3,000,000 of the judicial information systems account--state
8 appropriation is provided solely for replacing computer equipment at
9 state courts, and at state judicial agencies. The administrator for
10 the courts shall prioritize equipment replacement purchasing and shall
11 fund those items that are most essential or critical. By October 1,
12 2010, the administrative office of the courts shall report to the
13 appropriate legislative fiscal committees on expenditures for equipment
14 under this subsection.

15 (6) \$12,000 of the judicial information systems account--state
16 appropriation is provided solely to implement Engrossed Substitute
17 House Bill No. 1954 (sealing juvenile records). If the bill is not
18 enacted by June 30, 2009, the amount provided in this subsection shall
19 lapse.

20 (7) \$106,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$106,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely for the twenty-third superior
23 court judge position in Pierce county. The funds appropriated in this
24 subsection shall be expended only if the judge is appointed and serving
25 on the bench.

26 (8) It is the intent of the legislature that the reductions in
27 appropriations in this section shall be achieved, to the greatest
28 extent possible, by reducing those state government administrative
29 costs that do not affect direct client services or direct service
30 delivery or programs. The agency shall, to the greatest extent
31 possible, reduce spending in those areas that shall have the least
32 impact on implementing its mission.

33 (9) \$44,000 of the judicial information systems account--state
34 appropriation is provided solely to implement chapter 272, Laws of 2010
35 (SHB 2680; guardianship).

36 (10) \$274,000 of the general fund--state appropriation for fiscal
37 year 2011 is provided solely for the office of public guardianship to
38 provide guardianship services for low-income incapacitated persons.

1 (11) \$3,797,000 of the judicial information systems account--state
2 appropriation is provided solely for continued planning and
3 implementation of improvements to the court case management system.

4 **Sec. 110.** 2010 sp.s. c 37 s 114 (uncodified) is amended to read as
5 follows:

6 **FOR THE OFFICE OF PUBLIC DEFENSE**

7	General Fund--State Appropriation (FY 2010)	\$25,385,000
8	General Fund--State Appropriation (FY 2011)	(\$24,591,000)
9		<u>\$24,288,000</u>
10	Judicial Stabilization Trust Account--State	
11	Appropriation	\$2,923,000
12	TOTAL APPROPRIATION	(\$52,899,000)
13		<u>\$52,596,000</u>

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

16 (1) It is the intent of the legislature that the reductions in
17 appropriations in this section shall be achieved, to the greatest
18 extent possible, by reducing those state government administrative
19 costs that do not affect direct client services or direct service
20 delivery or programs. The agency shall, to the greatest extent
21 possible, reduce spending in those areas that shall have the least
22 impact on implementing its mission.

23 (2) The amounts provided include funding for expert and
24 investigative services in death penalty personal restraint petitions.

25 **Sec. 111.** 2010 sp.s. c 37 s 115 (uncodified) is amended to read as
26 follows:

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

28	General Fund--State Appropriation (FY 2010)	\$11,175,000
29	General Fund--State Appropriation (FY 2011)	(\$10,984,000)
30		<u>\$10,446,000</u>
31	Judicial Stabilization Trust Account--State	
32	Appropriation	\$1,155,000
33	TOTAL APPROPRIATION	(\$23,314,000)
34		<u>\$22,776,000</u>

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

1 (1) An amount not to exceed \$40,000 of the general fund--state
2 appropriation for fiscal year 2010 and an amount not to exceed \$40,000
3 of the general fund--state appropriation for fiscal year 2011 may be
4 used to provide telephonic legal advice and assistance to otherwise
5 eligible persons who are sixty years of age or older on matters
6 authorized by RCW 2.53.030(2) (a) through (k) regardless of household
7 income or asset level.

8 (2) It is the intent of the legislature that the reductions in
9 appropriations in this section shall be achieved, to the greatest
10 extent possible, by reducing those state government administrative
11 costs that do not affect direct client services or direct service
12 delivery or programs. The agency shall, to the greatest extent
13 possible, reduce spending in those areas that shall have the least
14 impact on implementing its mission.

15 **Sec. 112.** 2010 sp.s. c 37 s 116 (uncodified) is amended to read as
16 follows:

17 **FOR THE OFFICE OF THE GOVERNOR**

18	General Fund--State Appropriation (FY 2010)	\$5,836,000
19	General Fund--State Appropriation (FY 2011)	(\$5,705,000)
20		<u>\$5,346,000</u>
21	Economic Development Strategic Reserve Account--State	
22	Appropriation	\$1,500,000
23	TOTAL APPROPRIATION	(\$13,041,000)
24		<u>\$12,682,000</u>

25 The appropriations in this section are subject to the following
26 conditions and limitations: \$1,500,000 of the economic development
27 strategic reserve account appropriation is provided solely for efforts
28 to assist with currently active industrial recruitment efforts that
29 will bring new jobs to the state or will retain headquarter locations
30 of major companies currently housed in the state.

31 **Sec. 113.** 2010 sp.s. c 37 s 117 (uncodified) is amended to read as
32 follows:

33 **FOR THE LIEUTENANT GOVERNOR**

34	General Fund--State Appropriation (FY 2010)	\$752,000
35	General Fund--State Appropriation (FY 2011)	(\$765,000)
36		<u>\$682,000</u>

1 General Fund--Private/Local Appropriation \$90,000
 2 TOTAL APPROPRIATION ((~~\$1,605,000~~))
 3 \$1,524,000

4 **Sec. 114.** 2010 sp.s. c 37 s 119 (uncodified) is amended to read as
 5 follows:

6 **FOR THE SECRETARY OF STATE**

7 General Fund--State Appropriation (FY 2010) \$21,105,000
 8 General Fund--State Appropriation (FY 2011) ((~~\$14,869,000~~))
 9 \$13,535,000
 10 General Fund--Federal Appropriation \$8,082,000
 11 Archives and Records Management Account--State
 12 Appropriation \$8,990,000
 13 Charitable Organization Education Account--State
 14 Appropriation \$76,000
 15 Department of Personnel Service Account--State
 16 Appropriation \$757,000
 17 Election Account--State Appropriation \$77,000
 18 Local Government Archives Account--State
 19 Appropriation \$11,515,000
 20 Election Account--Federal Appropriation \$31,163,000
 21 TOTAL APPROPRIATION ((~~\$96,634,000~~))
 22 \$95,300,000

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

25 (1) \$4,101,000 of the general fund--state appropriation for fiscal
 26 year 2010 is provided solely to reimburse counties for the state's
 27 share of primary and general election costs and the costs of conducting
 28 mandatory recounts on state measures. Counties shall be reimbursed
 29 only for those odd-year election costs that the secretary of state
 30 validates as eligible for reimbursement.

31 (2)(a) \$1,897,000 of the general fund--state appropriation for
 32 fiscal year 2010 and ((~~\$2,076,000~~)) \$1,845,000 of the general fund--
 33 state appropriation for fiscal year 2011 are provided solely for
 34 contracting with a nonprofit organization to produce gavel-to-gavel
 35 television coverage of state government deliberations and other events
 36 of statewide significance during the 2009-2011 biennium. The funding
 37 level for each year of the contract shall be based on the amount

1 provided in this subsection. The nonprofit organization shall be
2 required to raise contributions or commitments to make contributions,
3 in cash or in kind, in an amount equal to forty percent of the state
4 contribution. The office of the secretary of state may make full or
5 partial payment once all criteria in this subsection have been
6 satisfactorily documented.

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

12 (c) The nonprofit organization shall prepare an annual independent
13 audit, an annual financial statement, and an annual report, including
14 benchmarks that measure the success of the nonprofit organization in
15 meeting the intent of the program.

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

18 (i) Attempting to influence the passage or defeat of any
19 legislation by the legislature of the state of Washington, by any
20 county, city, town, or other political subdivision of the state of
21 Washington, or by the congress, or the adoption or rejection of any
22 rule, standard, rate, or other legislative enactment of any state
23 agency;

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

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

27 (3) The appropriations in this section are based upon savings
28 assumed from the implementation of Senate Bill No. 6122 (election
29 costs).

30 (4) In implementing budget reductions, the office of the secretary
31 of state must make its first priority to maintain funding for the
32 elections division.

33 (5) \$76,000 of the charitable organization education account--state
34 appropriation for fiscal year 2011 is provided solely to implement
35 Second Substitute House Bill No. 2576 (corporation and charity fees).
36 If the bill is not enacted by June 30, 2010, the amount provided in
37 this subsection shall lapse.

1 (6) \$77,000 of the general fund--state appropriation for fiscal
2 year 2010 is provided solely for deposit to the election account.

3 **Sec. 115.** 2010 sp.s. c 37 s 125 (uncodified) is amended to read as
4 follows:

5 **FOR THE ATTORNEY GENERAL**

6	General Fund--State Appropriation (FY 2010)	\$5,732,000
7	General Fund--State Appropriation (FY 2011)	(\$5,848,000)
8		<u>\$5,272,000</u>
9	General Fund--Federal Appropriation	\$4,026,000
10	New Motor Vehicle Arbitration Account--State	
11	Appropriation	\$1,350,000
12	Legal Services Revolving Account--State	
13	Appropriation	\$220,909,000
14	Tobacco Prevention and Control Account--State	
15	Appropriation	\$270,000
16	TOTAL APPROPRIATION	(\$238,135,000)
17		<u>\$237,559,000</u>

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

20 (1) The attorney general shall report each fiscal year on actual
21 legal services expenditures and actual attorney staffing levels for
22 each agency receiving legal services. The report shall be submitted to
23 the office of financial management and the fiscal committees of the
24 senate and house of representatives no later than ninety days after the
25 end of each fiscal year. As part of its by agency report to the
26 legislative fiscal committees and the office of financial management,
27 the office of the attorney general shall include information detailing
28 the agency's expenditures for its agency-wide overhead and a breakdown
29 by division of division administration expenses.

30 (2) Prior to entering into any negotiated settlement of a claim
31 against the state that exceeds five million dollars, the attorney
32 general shall notify the director of financial management and the
33 chairs of the senate committee on ways and means and the house of
34 representatives committee on ways and means.

35 (3) The office of the attorney general is authorized to expend
36 \$2,100,000 from the Zyprexa and other cy pres awards towards consumer

1 protection costs in accordance with uses authorized in the court
2 orders.

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

10 (5) The executive ethics board must produce a report by the end of
11 the calendar year for the legislature regarding performance measures on
12 the efficiency and effectiveness of the board, as well as on
13 performance measures to measure and monitor the ethics and integrity of
14 all state agencies.

15 (6) \$53,000 of the legal services revolving account--state
16 appropriation is provided solely to implement Engrossed Second
17 Substitute House Bill No. 3026 (school district compliance with state
18 and federal civil rights laws).

19 **Sec. 116.** 2010 sp.s. c 37 s 129 (uncodified) is amended to read as
20 follows:

21 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

22	General Fund--State Appropriation (FY 2010)	((\$21,189,000))
23		<u>\$21,089,000</u>
24	General Fund--State Appropriation (FY 2011)	((\$20,152,000))
25		<u>\$18,285,000</u>
26	General Fund--Federal Appropriation	\$27,103,000
27	General Fund--Private/Local Appropriation	\$1,270,000
28	State Auditing Services Revolving	
29	Account--State Appropriation	\$25,000
30	Economic Development Strategic Reserve Account--	
31	State Appropriation	\$278,000
32	TOTAL APPROPRIATION	((\$70,017,000))
33		<u>\$68,050,000</u>

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

36 (1) \$188,000 of the general fund--state appropriation for fiscal
37 year 2010 is provided solely for the implementation of Second

1 Substitute Senate Bill No. 5945 (Washington health partnership plan).
2 If the bill is not enacted by June 30, 2009, the amount provided in
3 this subsection shall lapse.

4 (2) The office of financial management shall conduct a study on
5 alternatives for consolidating or transferring activities and
6 responsibilities of the state lottery commission, state horse racing
7 commission, state liquor control board, and the state gambling
8 commission to achieve cost savings and regulatory efficiencies. In
9 conducting the study, the office of financial management shall consult
10 with the legislative fiscal committees. Further, the office of
11 financial management shall establish an advisory group to include, but
12 not be limited to, representatives of affected businesses, state
13 agencies or entities, local governments, and stakeholder groups. The
14 office of financial management shall submit a final report to the
15 governor and the legislative fiscal committees by November 15, 2009.

16 ~~((+4))~~ (3) \$110,000 of the general fund--state appropriation for
17 fiscal year 2011 is provided solely to implement Second Substitute
18 Senate Bill No. 6578 (multiagency permitting teams). If the bill is
19 not enacted by June 30, 2010, the amount provided in this subsection
20 shall lapse.

21 ~~((+5))~~ (4) The office of financial management shall, with the
22 assistance of the natural resources cabinet as created in executive
23 order 09-07, reduce the number of facilities being leased by the state
24 by consolidating, wherever possible, regional offices and storage
25 facilities of the natural resource agencies. The office of financial
26 management and the natural resources cabinet shall submit a report on
27 the progress of this effort and the associated savings to the
28 appropriate fiscal committees of the legislature no later than December
29 1, 2010.

30 ~~((+7))~~ (5)(a) \$50,000 of the general fund--state appropriation for
31 fiscal year 2010 and \$150,000 of the general fund--state appropriation
32 for fiscal year 2011 are provided solely for the purposes of the office
33 of financial management:

34 (i) Conducting a technical and financial analysis of the state's
35 plan for the consolidated state data center and office building; and

36 (ii) Developing a strategic business plan outlining the various
37 options for use of the site that maximize taxpayer value consistent
38 with the terms of the finance lease and related agreements.

1 (b) The analysis required in (a)(i) of this subsection must consist
2 of, at a minimum, an assessment of the following issues:

3 (i) The total capital and operational costs for the proposed data
4 center and office building;

5 (ii) The occupancy rate for the consolidated state data center, as
6 compared to total capacity, that will result in revenue exceeding total
7 capital and operating expenses;

8 (iii) The potential reallocation of resources that could result
9 from the consolidation of state data centers and office space; and

10 (iv) The potential return on investment for the consolidated state
11 data center and office building that may be realized without impairing
12 any existing contractual rights under the terms of the financing lease
13 and related agreements.

14 (c) This review must build upon the analysis and migration strategy
15 for the consolidated state data center being prepared for the
16 department of information services.

17 (d) The strategic plan must be submitted to the governor and the
18 legislature by December 1, 2010.

19 ((+8)) (6) Appropriations in this section include amounts
20 sufficient to implement Engrossed Substitute House Bill No. 3178
21 (technology efficiencies).

22 **Sec. 117.** 2010 sp.s. c 37 s 136 (uncodified) is amended to read as
23 follows:

24 **FOR THE DEPARTMENT OF REVENUE**

25	General Fund--State Appropriation (FY 2010)	\$109,472,000
26	General Fund--State Appropriation (FY 2011)	((\$112,319,000))
27		<u>\$113,279,000</u>
28	Timber Tax Distribution Account--State	
29	Appropriation	\$5,933,000
30	Waste Reduction/Recycling/Litter	
31	Control--State Appropriation	\$130,000
32	Waste Tire Removal Account--State Appropriation	\$2,000
33	Real Estate Excise Tax Grant Account--State	
34	Appropriation	\$3,429,000
35	State Toxics Control Account--State Appropriation	\$87,000
36	Oil Spill Prevention Account--State Appropriation	\$19,000
37	TOTAL APPROPRIATION	((\$231,391,000))

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) \$1,200,000 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. 118. 2010 sp.s. c 37 s 152 (uncodified) is amended to read as follows:

1 **FOR THE GROWTH MANAGEMENT HEARINGS BOARD**

2	General Fund--State Appropriation (FY 2010)	\$1,642,000
3	General Fund--State Appropriation (FY 2011)	((\$1,424,000))
4		<u>\$1,334,000</u>
5	TOTAL APPROPRIATION	((\$3,066,000))
6		<u>\$2,976,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations: \$13,000 of the general fund--state
9 appropriation for fiscal year 2011 is provided solely for Substitute
10 House Bill No. 2935 (hearings boards/environment and land use). If the
11 bill is not enacted by June 30, 2010, the amount provided in this
12 subsection shall lapse.

(End of part)

PART II
HUMAN SERVICES

Sec. 201. 2010 sp.s. c 37 s 202 (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)	(\$306,947,000)
	<u>\$293,707,000</u>
General Fund--Federal Appropriation	(\$506,248,000)
	<u>\$497,964,000</u>
General Fund--Private/Local Appropriation	\$3,320,000
Home Security Fund Appropriation	(\$10,183,000)
	<u>\$9,983,000</u>
Domestic Violence Prevention Account--State	
Appropriation	\$1,154,000
Education Legacy Trust Account--State Appropriation	\$725,000
TOTAL APPROPRIATION	(\$1,143,579,000)
	<u>\$1,121,855,000</u>

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 ~~(\$742,000)~~ \$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.

1 (2) \$369,000 of the general fund--state appropriation for fiscal
2 year 2010, \$366,000 of the general fund--state appropriation for fiscal
3 year 2011, and \$316,000 of the general fund--federal appropriation are
4 provided solely for up to three nonfacility-based programs for the
5 training, consultation, support, and recruitment of biological, foster,
6 and adoptive parents of children through age three in need of special
7 care as a result of substance abuse by their mothers, except that each
8 program may serve up to three medically fragile nonsubstance-abuse-
9 affected children. In selecting nonfacility-based programs, preference
10 shall be given to programs whose federal or private funding sources
11 have expired or that have successfully performed under the existing
12 pediatric interim care program.

13 (3) \$2,500,000 of the general fund--state appropriation for fiscal
14 year 2010 and (~~(\$93,000)~~) \$88,000 of the general fund--state
15 appropriation for fiscal year 2011, and (~~(\$2,407,000)~~) \$2,256,000 of
16 the home security fund--state appropriation are provided solely for
17 secure crisis residential centers. Within appropriated amounts, the
18 department shall collaborate with providers to maintain no less than
19 forty-five beds that are geographically representative of the state.
20 The department shall examine current secure crisis residential staffing
21 requirements, flexible payment options, center specific waivers, and
22 other appropriate methods to accomplish this outcome.

23 (4) A maximum of \$73,209,000 of the general fund--state
24 appropriations and \$54,596,000 of the general fund--federal
25 appropriations for the 2009-11 biennium shall be expended for
26 behavioral rehabilitative services and these amounts are provided
27 solely for this purpose. The department shall work with behavioral
28 rehabilitative service providers to safely keep youth with emotional,
29 behavioral, or medical needs at home, with relatives, or with other
30 permanent placement resources and decrease the length of service
31 through improved emotional, behavioral, or medical outcomes for
32 children in behavioral rehabilitative services in order to achieve the
33 appropriated levels.

34 (a) Contracted providers shall act in good faith and accept the
35 hardest to serve children, to the greatest extent possible, in order to
36 improve their emotional, behavioral, or medical conditions.

37 (b) The department and the contracted provider shall mutually agree
38 and establish an exit date for when the child is to exit the behavioral

1 rehabilitative service provider. The department and the contracted
2 provider should mutually agree, to the greatest extent possible, on a
3 viable placement for the child to go to once the child's treatment
4 process has been completed. The child shall exit only when the
5 emotional, behavioral, or medical condition has improved or if the
6 provider has not shown progress toward the outcomes specified in the
7 signed contract at the time of exit. This subsection (b) does not
8 prevent or eliminate the department's responsibility for removing the
9 child from the provider if the child's emotional, behavioral, or
10 medical condition worsens or is threatened.

11 (c) The department is encouraged to use performance-based contracts
12 with incentives directly tied to outcomes described in this section.
13 The contracts should incentivize contracted providers to accept the
14 hardest to serve children and incentivize improvement in children's
15 emotional, mental, and medical well-being within the established exit
16 date. The department is further encouraged to increase the use of
17 behavioral rehabilitative service group homes, wrap around services to
18 facilitate and support placement of youth at home with relatives, or
19 other permanent resources, and other means to control expenditures.

20 (d) The total foster care per capita amount shall not increase more
21 than four percent in the 2009-11 biennium and shall not include
22 behavioral rehabilitative service.

23 (5) Within amounts provided for the foster care and adoption
24 support programs, the department shall control reimbursement decisions
25 for foster care and adoption support cases such that the aggregate
26 average cost per case for foster care and for adoption support does not
27 exceed the amounts assumed in the projected caseload expenditures.

28 (6) (~~(\$14,460,000)~~) \$14,187,000 of the general fund--state
29 appropriation for fiscal year 2011 and \$6,231,000 of the general fund--
30 federal appropriation are provided solely for the department to provide
31 contracted prevention and early intervention services. The legislature
32 recognizes the need for flexibility as the department transitions to
33 performance-based contracts. The following services are included in
34 the prevention and early intervention block grant: Crisis family
35 intervention services, family preservation services, intensive family
36 preservation services, evidence-based programs, public health nurses,
37 and early family support services. The legislature intends for the
38 department to maintain and build on existing evidence-based and

1 research-based programs with the goal of utilizing contracted
2 prevention and intervention services to keep children safe at home and
3 to safely reunify families. Priority shall be given to proven
4 intervention models, including evidence-based prevention and early
5 intervention programs identified by the Washington state institute for
6 public policy and the department. The department shall include
7 information on the number, type, and outcomes of the evidence-based
8 programs being implemented in its reports on child welfare reform
9 efforts and shall provide the legislature and governor a report
10 regarding the allocation of resources in this subsection by September
11 30, 2010. The department shall expend federal funds under this
12 subsection in compliance with federal regulations.

13 (7) \$36,000 of the general fund--state appropriation for fiscal
14 year 2010, (~~(\$36,000)~~) \$34,000 of the general fund--state appropriation
15 for fiscal year 2011, and (~~(\$31,000)~~) \$29,000 of the general fund--
16 federal appropriation are provided solely for the implementation of
17 chapter 465, Laws of 2007 (child welfare).

18 (8) \$125,000 of the general fund--state appropriation for fiscal
19 year 2010 and (~~(\$125,000)~~) \$118,000 of the general fund--state
20 appropriation for fiscal year 2011 are provided solely for continuum of
21 care services. \$100,000 of this amount is for Casey family partners
22 and \$25,000 of this amount is for volunteers of America crosswalk in
23 fiscal year 2010. (~~(\$100,000)~~) \$95,000 of this amount is for Casey
24 family partners and (~~(\$25,000)~~) \$23,000 of this amount is for
25 volunteers of America crosswalk in fiscal year 2011.

26 (9) \$1,904,000 of the general fund--state appropriation for fiscal
27 year 2010, (~~(\$1,832,000)~~) \$1,717,000 of the general fund--state
28 appropriation for fiscal year 2011, and (~~(\$357,000)~~) \$335,000 of the
29 general fund--federal appropriation are provided solely to contract
30 with medical professionals for comprehensive safety assessments of
31 high-risk families and for foster care assessments. The safety
32 assessments will use validated assessment tools to guide intervention
33 decisions through the identification of additional safety and risk
34 factors. The department will maintain the availability of
35 comprehensive foster care assessments and follow up services for
36 children in out-of-home care who do not have permanent plans,
37 comprehensive safety assessments for families receiving in-home child
38 protective services or family voluntary services, and comprehensive

1 safety assessments for families with an infant age birth to fifteen
2 days where the infant was, at birth, diagnosed as substance exposed and
3 the department received an intake referral related to the infant due to
4 the substance exposure. The department must consolidate contracts,
5 streamline administration, and explore efficiencies to achieve savings.

6 (10) \$7,679,000 of the general fund--state appropriation for fiscal
7 year 2010, (~~(\$6,643,000)~~) \$6,226,000 of the general fund--state
8 appropriation for fiscal year 2011, and (~~(\$4,971,000)~~) \$4,658,000 of
9 the general fund--federal appropriation are provided solely for court-
10 ordered supervised visits between parents and dependent children and
11 for sibling visits. The department shall work collaboratively with the
12 juvenile dependency courts and revise the supervised visit
13 reimbursement procedures to stay within appropriations without impeding
14 reunification outcomes between parents and dependent children. The
15 department shall report to the legislative fiscal committees on
16 September 30, 2010, and December 30, 2010, the number of children in
17 foster care who receive supervised visits, their frequency, length of
18 time of each visit, and whether reunification is attained.

19 (11) \$145,000 of the general fund--state appropriation for fiscal
20 year 2010, (~~(\$871,000)~~) \$817,000 of the general fund--state
21 appropriation for fiscal year 2011, and (~~(\$773,000)~~) \$724,000 of the
22 home security fund--state appropriation is provided solely for street
23 youth program services.

24 (12) \$1,522,000 of the general fund--state appropriation for fiscal
25 year 2010, (~~(\$1,340,000)~~) \$1,256,000 of the general fund--state
26 appropriation for fiscal year 2011, and (~~(\$1,464,000)~~) \$1,372,000 of
27 the general fund--federal appropriation are provided solely for the
28 department to recruit foster parents. The recruitment efforts shall
29 include collaborating with community-based organizations and current or
30 former foster parents to recruit foster parents.

31 (13) \$493,000 of the general fund--state appropriation for fiscal
32 year 2010, (~~(\$303,000)~~) \$284,000 of the general fund--state
33 appropriation for fiscal year 2011, \$466,000 of the general fund--
34 private/local appropriation, and \$725,000 of the education legacy trust
35 account--state appropriation are provided solely for children's
36 administration to contract with an educational advocacy provider with
37 expertise in foster care educational outreach. Funding is provided
38 solely for contracted education coordinators to assist foster children

1 in succeeding in K-12 and higher education systems. Funding shall be
2 prioritized to regions with high numbers of foster care youth and/or
3 regions where backlogs of youth that have formerly requested
4 educational outreach services exist. The department shall utilize
5 private matching funds to maintain educational advocacy services.

6 (14) \$1,677,000 of the home security fund account--state
7 appropriation is provided solely for HOPE beds.

8 (15) \$5,193,000 of the home security fund account--state
9 appropriation is provided solely for the crisis residential centers.

10 (16) The appropriations in this section reflect reductions in the
11 appropriations for the children's administration administrative
12 expenses. It is the intent of the legislature that these reductions
13 shall be achieved, to the greatest extent possible, by reducing those
14 administrative costs that do not affect direct client services or
15 direct service delivery or programs.

16 (17) Within the amounts appropriated in this section, the
17 department shall contract for a pilot project with family and community
18 networks in Whatcom county and up to four additional counties to
19 provide services. The pilot project shall be designed to provide a
20 continuum of services that reduce out-of-home placements and the
21 lengths of stay for children in out-of-home placement. The department
22 and the community networks shall collaboratively select the additional
23 counties for the pilot project and shall collaboratively design the
24 contract. Within the framework of the pilot project, the contract
25 shall seek to maximize federal funds. The pilot project in each county
26 shall include the creation of advisory and management teams which
27 include members from neighborhood-based family advisory committees,
28 residents, parents, youth, providers, and local and regional department
29 staff. The Whatcom county team shall facilitate the development of
30 outcome-based protocols and policies for the pilot project and develop
31 a structure to oversee, monitor, and evaluate the results of the pilot
32 projects. The department shall report the costs and savings of the
33 pilot project to the appropriate committees of the legislature by
34 November 1 of each year.

35 (18) \$157,000 of the general fund--state appropriation for fiscal
36 year 2010 and (~~(\$157,000)~~) \$148,000 of the general fund--state
37 appropriation for fiscal year 2011 are provided solely for the
38 department to contract with a nonprofit entity for a reunification

1 pilot project in Whatcom and Skagit counties. The contract for the
2 reunification pilot project shall include a rate of \$46.16 per hour for
3 evidence-based interventions, in combination with supervised visits, to
4 provide 3,564 hours of services to reduce the length of stay for
5 children in the child welfare system. The contract shall also include
6 evidence-based intensive parenting skills building services and family
7 support case management services for 38 families participating in the
8 reunification pilot project. The contract shall include the
9 flexibility for the nonprofit entity to subcontract with trained
10 providers.

11 (19) \$303,000 of the general fund--state appropriation for fiscal
12 year 2010, (~~(\$418,000)~~) \$392,000 of the general fund--state
13 appropriation for fiscal year 2011, and (~~(\$257,000)~~) \$241,000 of the
14 general fund--federal appropriation are provided solely to implement
15 Engrossed Substitute House Bill No. 1961 (increasing adoptions act).
16 If the bill is not enacted by June 30, 2009, the amounts provided in
17 this subsection shall lapse.

18 (20) \$98,000 of the general fund--state appropriation for fiscal
19 year 2010 and (~~(\$98,000)~~) \$92,000 of the general fund--state
20 appropriation for fiscal year 2011 are provided solely for the
21 department to contract with an agency that is working in partnership
22 with, and has been evaluated by, the University of Washington school of
23 social work to implement promising practice constellation hub models of
24 foster care support.

25 (21) The legislature intends for the department to reduce the time
26 a child remains in the child welfare system. The department shall
27 establish a measurable goal and report progress toward meeting that
28 goal to the legislature by January 15 of each fiscal year of the 2009-
29 11 fiscal biennium. To the extent that actual caseloads exceed those
30 assumed in this section, it is the intent of the legislature to address
31 those issues in a manner similar to all other caseload programs.

32 (22) \$715,000 of the general fund--state appropriation for fiscal
33 year 2010 and (~~(\$715,000)~~) \$671,000 of the general fund--state
34 appropriation for fiscal year 2011 are provided solely for services
35 provided through children's advocacy centers.

36 (23) (~~(\$11,000)~~) \$10,000 of the general fund--state appropriation
37 for fiscal year 2011 and \$3,000 of the general fund--federal

1 appropriation are provided solely for implementation of chapter 224,
2 Laws of 2010 (confinement alternatives). If the bill is not enacted by
3 June 30, 2010, the amounts provided in this subsection shall lapse.

4 (24) \$1,867,000 of the general fund--state appropriation for fiscal
5 year 2010, (~~(\$1,790,000)~~) \$1,677,000 of the general fund--state
6 appropriation for fiscal year 2011, and (~~(\$4,673,000)~~) \$4,379,000 of
7 the general fund--federal appropriation are provided solely for the
8 department to contract for medicaid treatment child care (MTCC)
9 services. Children's administration case workers, local public health
10 nurses and case workers from the temporary assistance for needy
11 families program shall refer children to MTCC services, as long as the
12 children meet the eligibility requirements as outlined in the
13 Washington state plan for the MTCC services.

14 (25) The department shall contract for at least one pilot project
15 with adolescent services providers to deliver a continuum of short-term
16 crisis stabilization services. The pilot project shall include
17 adolescent services provided through secure crisis residential centers,
18 crisis residential centers, and hope beds. The department shall work
19 with adolescent service providers to maintain availability of
20 adolescent services and maintain the delivery of services in a
21 geographically representative manner. The department shall examine
22 current staffing requirements, flexible payment options, center-
23 specific licensing waivers, and other appropriate methods to achieve
24 savings and streamline the delivery of services. The legislature
25 intends for the pilot project to provide flexibility to the department
26 to improve outcomes and to achieve more efficient utilization of
27 existing resources, while meeting the statutory goals of the adolescent
28 services programs. The department shall provide an update to the
29 appropriate legislative committees and governor on the status of the
30 pilot project implementation by December 1, 2010.

31 (26) To ensure expenditures remain within available funds
32 appropriated in this section as required by RCW 74.13A.005 and
33 74.13A.020, the secretary shall not set the amount of any adoption
34 assistance payment or payments, made pursuant to RCW 26.33.320 and
35 74.13A.005 through 74.13A.080, to more than ninety percent of the
36 foster care maintenance payment for that child had he or she remained
37 in a foster family home during the same period. This subsection does

1 not apply to adoption assistance agreements in existence on the
2 effective date of this section.

3 (27) Receipts from fees per chapter 289, Laws of 2010, as deposited
4 into the prostitution prevention and intervention account for services
5 provided to sexually exploited children as defined in RCW 13.32A.030 in
6 secure and semi-secure crisis residential centers with access to staff
7 trained to meet their specific needs shall be used to expand capacity
8 for secure crisis residential centers and not supplant existing
9 funding.

10 (28) The appropriations in this section reflect reductions to the
11 foster care maintenance payment rates during fiscal year 2011.

12 **Sec. 202.** 2010 sp.s. c 37 s 203 (uncodified) is amended to read as
13 follows:

14 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**
15 **REHABILITATION PROGRAM**

16	General Fund--State Appropriation (FY 2010)	\$103,437,000
17	General Fund--State Appropriation (FY 2011)	(\$97,761,000)
18		<u>\$96,167,000</u>
19	General Fund--Federal Appropriation	\$1,715,000
20	General Fund--Private/Local Appropriation	\$1,899,000
21	Washington Auto Theft Prevention Authority Account--	
22	State Appropriation	\$3,896,000
23	Juvenile Accountability Incentive Account--Federal	
24	Appropriation	\$2,805,000
25	State Efficiency and Restructuring Account--State	
26	Appropriation	\$4,958,000
27	TOTAL APPROPRIATION	(\$216,471,000)
28		<u>\$214,877,000</u>

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

31 (1) \$353,000 of the general fund--state appropriation for fiscal
32 year 2010 and \$353,000 of the general fund--state appropriation for
33 fiscal year 2011 are provided solely for deposit in the county criminal
34 justice assistance account for costs to the criminal justice system
35 associated with the implementation of chapter 338, Laws of 1997
36 (juvenile code revisions). The amounts provided in this subsection are

1 intended to provide funding for county adult court costs associated
2 with the implementation of chapter 338, Laws of 1997 and shall be
3 distributed in accordance with RCW 82.14.310.

4 (2) \$3,408,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$2,898,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for the implementation of chapter
7 338, Laws of 1997 (juvenile code revisions). The amounts provided in
8 this subsection are intended to provide funding for county impacts
9 associated with the implementation of chapter 338, Laws of 1997 and
10 shall be distributed to counties as prescribed in the current
11 consolidated juvenile services (CJS) formula.

12 (3) \$3,716,000 of the general fund--state appropriation for fiscal
13 year 2010 and \$3,716,000 of the general fund--state appropriation for
14 fiscal year 2011 are provided solely to implement community juvenile
15 accountability grants pursuant to chapter 338, Laws of 1997 (juvenile
16 code revisions). Funds provided in this subsection may be used solely
17 for community juvenile accountability grants, administration of the
18 grants, and evaluations of programs funded by the grants.

19 (4) \$1,427,000 of the general fund--state appropriation for fiscal
20 year 2010 and \$1,206,000 of the general fund--state appropriation for
21 fiscal year 2011 are provided solely to implement alcohol and substance
22 abuse treatment programs for locally committed offenders. The juvenile
23 rehabilitation administration shall award these moneys on a competitive
24 basis to counties that submitted a plan for the provision of services
25 approved by the division of alcohol and substance abuse. The juvenile
26 rehabilitation administration shall develop criteria for evaluation of
27 plans submitted and a timeline for awarding funding and shall assist
28 counties in creating and submitting plans for evaluation.

29 (5) \$3,066,000 of the general fund--state appropriation for fiscal
30 year 2010 and \$3,066,000 of the general fund--state appropriation for
31 fiscal year 2011 are provided solely for grants to county juvenile
32 courts for the following programs identified by the Washington state
33 institute for public policy (institute) in its October 2006 report:
34 "Evidence-Based Public Policy Options to Reduce Future Prison
35 Construction, Criminal Justice Costs and Crime Rates": Functional
36 family therapy, multi-systemic therapy, aggression replacement training
37 and interagency coordination programs, or other programs with a
38 positive benefit-cost finding in the institute's report. County

1 juvenile courts shall apply to the juvenile rehabilitation
2 administration for funding for program-specific participation and the
3 administration shall provide grants to the courts consistent with the
4 per-participant treatment costs identified by the institute.

5 (6) \$1,287,000 of the general fund--state appropriation for fiscal
6 year 2010 and \$1,287,000 of the general fund--state appropriation for
7 fiscal year 2011 are provided solely for expansion of the following
8 treatments and therapies in juvenile rehabilitation administration
9 programs identified by the Washington state institute for public policy
10 in its October 2006 report: "Evidence-Based Public Policy Options to
11 Reduce Future Prison Construction, Criminal Justice Costs and Crime
12 Rates": Multidimensional treatment foster care, family integrated
13 transitions, and aggression replacement training. The administration
14 may concentrate delivery of these treatments and therapies at a limited
15 number of programs to deliver the treatments in a cost-effective
16 manner.

17 (7)(a) For the fiscal year ending June 30, 2011, the juvenile
18 rehabilitation administration shall administer a block grant, rather
19 than categorical funding, of consolidated juvenile service funds,
20 community juvenile accountability act grants, the chemical dependency
21 disposition alternative funds, the mental health disposition
22 alternative, and the sentencing disposition alternative for the purpose
23 of serving youth adjudicated in the juvenile justice system. In making
24 the block grant, the juvenile rehabilitation administration shall
25 follow the following formula and will prioritize evidence-based
26 programs and disposition alternatives and take into account juvenile
27 courts program-eligible youth in conjunction with the number of youth
28 served in each approved evidence-based program or disposition
29 alternative: (i) Thirty-seven and one-half percent for the at-risk
30 population of youth ten to seventeen years old; (ii) fifteen percent
31 for moderate and high-risk youth; (iii) twenty-five percent for
32 evidence-based program participation; (iv) seventeen and one-half
33 percent for minority populations; (v) three percent for the chemical
34 dependency disposition alternative; and (vi) two percent for the mental
35 health and sentencing dispositional alternatives. Funding for the
36 special sex offender disposition alternative (SSODA) shall not be
37 included in the block grant, but allocated on the average daily
38 population in juvenile courts. Funding for the evidence-based

1 expansion grants shall be excluded from the block grant formula. Funds
2 may be used for promising practices when approved by the juvenile
3 rehabilitation administration and juvenile courts, through the
4 community juvenile accountability act committee, based on the criteria
5 established in consultation with Washington state institute for public
6 policy and the juvenile courts.

7 (b) It is the intent of the legislature that the juvenile
8 rehabilitation administration phase the implementation of the formula
9 provided in subsection (1) of this section by including a stop-loss
10 formula of three percent in fiscal year 2011, five percent in fiscal
11 year 2012, and five percent in fiscal year 2013. It is further the
12 intent of the legislature that the evidence-based expansion grants be
13 incorporated into the block grant formula by fiscal year 2013 and SSODA
14 remain separate unless changes would result in increasing the cost
15 benefit savings to the state as identified in (c) of this subsection.

16 (c) The juvenile rehabilitation administration and the juvenile
17 courts shall establish a block grant funding formula oversight
18 committee with equal representation from the juvenile rehabilitation
19 administration and the juvenile courts. The purpose of this committee
20 is to assess the ongoing implementation of the block grant funding
21 formula, utilizing data-driven decision making and the most current
22 available information. The committee will be cochaired by the juvenile
23 rehabilitation administration and the juvenile courts, who will also
24 have the ability to change members of the committee as needed to
25 achieve its purpose. Initial members will include one juvenile court
26 representative from the finance committee, the community juvenile
27 accountability act committee, the risk assessment quality assurance
28 committee, the executive board of the Washington association of
29 juvenile court administrators, the Washington state center for court
30 research, and a representative of the superior court judges
31 association; two representatives from the juvenile rehabilitation
32 administration headquarters program oversight staff, two
33 representatives of the juvenile rehabilitation administration regional
34 office staff, one representative of the juvenile rehabilitation
35 administration fiscal staff and a juvenile rehabilitation
36 administration division director. The committee may make changes to
37 the formula categories other than the evidence-based program and
38 disposition alternative categories if it is determined the changes will

1 increase statewide service delivery or effectiveness of evidence-based
2 program or disposition alternative resulting in increased cost benefit
3 savings to the state. Long-term cost benefit must be considered.
4 Percentage changes may occur in the evidence-based program or
5 disposition alternative categories of the formula should it be
6 determined the changes will increase evidence-based program or
7 disposition alternative delivery and increase the cost benefit to the
8 state. These outcomes will also be considered in determining when
9 evidence-based expansion or special sex offender disposition
10 alternative funds should be included in the block grant or left
11 separate.

12 (d) The juvenile courts and administrative office of the courts
13 shall be responsible for collecting and distributing information and
14 providing access to the data systems to the juvenile rehabilitation
15 administration and the Washington state institute for public policy
16 related to program and outcome data. The juvenile rehabilitation
17 administration and the juvenile courts will work collaboratively to
18 develop program outcomes that reinforce the greatest cost benefit to
19 the state in the implementation of evidence-based practices and
20 disposition alternatives.

21 (e) By December 1, 2010, the Washington state institute for public
22 policy shall report to the office of financial management and
23 appropriate committees of the legislature on the administration of the
24 block grant authorized in this subsection. The report shall include
25 the criteria used for allocating the funding as a block grant and the
26 participation targets and actual participation in the programs subject
27 to the block grant.

28 (8) \$3,700,000 of the Washington auto theft prevention authority
29 account--state appropriation is provided solely for competitive grants
30 to community-based organizations to provide at-risk youth intervention
31 services, including but not limited to, case management, employment
32 services, educational services, and street outreach intervention
33 programs. Projects funded should focus on preventing, intervening, and
34 suppressing behavioral problems and violence while linking at-risk
35 youth to pro-social activities. The department may not expend more
36 than \$1,850,000 per fiscal year. The costs of administration must not
37 exceed four percent of appropriated funding for each grant recipient.
38 Each entity receiving funds must report to the juvenile rehabilitation

1 administration on the number and types of youth served, the services
2 provided, and the impact of those services upon the youth and the
3 community.

4 (9) The appropriations in this section assume savings associated
5 with the transfer of youthful offenders age eighteen or older whose
6 sentences extend beyond age twenty-one to the department of corrections
7 to complete their sentences. Prior to transferring an offender to the
8 department of corrections, the juvenile rehabilitation administration
9 shall evaluate the offender to determine the offender's physical and
10 emotional suitability for transfer.

11 **Sec. 203.** 2010 sp.s. c 37 s 204 (uncodified) is amended to read as
12 follows:

13 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
14 **PROGRAM**

15 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

16	General Fund--State Appropriation (FY 2010)	\$273,648,000
17	General Fund--State Appropriation (FY 2011)	\$278,530,000
18	General Fund--Federal Appropriation	\$519,456,000
19	General Fund--Private/Local Appropriation	\$16,674,000
20	Hospital Safety Net Assessment Fund--State	
21	Appropriation	\$3,476,000
22	TOTAL APPROPRIATION	\$1,091,784,000

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

25 (a) \$113,689,000 of the general fund--state appropriation for
26 fiscal year 2010 and \$113,689,000 of the general fund--state
27 appropriation for fiscal year 2011 are provided solely for persons and
28 services not covered by the medicaid program. This is a reduction of
29 \$11,606,000 each fiscal year from the nonmedicaid funding that was
30 allocated for expenditure by regional support networks during fiscal
31 year 2009 prior to supplemental budget reductions. This \$11,606,000
32 reduction shall be distributed among regional support networks
33 proportional to each network's share of the total state population. To
34 the extent possible, levels of regional support network spending shall
35 be maintained in the following priority order: (i) Crisis and
36 commitment services; (ii) community inpatient services; and (iii)

1 residential care services, including personal care and emergency
2 housing assistance.

3 (b) \$10,400,000 of the general fund--state appropriation for fiscal
4 year 2010, \$9,100,000 of the general fund--state appropriation for
5 fiscal year 2011, and \$1,300,000 of the general fund--federal
6 appropriation are provided solely for the department and regional
7 support networks to contract for implementation of high-intensity
8 program for active community treatment (PACT) teams. The department
9 shall work with regional support networks and the center for medicare
10 and medicaid services to integrate eligible components of the PACT
11 service delivery model into medicaid capitation rates no later than
12 January 2011, while maintaining consistency with all essential elements
13 of the PACT evidence-based practice model.

14 (c) \$6,500,000 of the general fund--state appropriation for fiscal
15 year 2010 and \$6,500,000 of the general fund--state appropriation for
16 fiscal year 2011 are provided solely for the western Washington
17 regional support networks to provide either community- or hospital
18 campus-based services for persons who require the level of care
19 provided by the program for adaptive living skills (PALS) at western
20 state hospital.

21 (d) The number of nonforensic beds allocated for use by regional
22 support networks at eastern state hospital shall be 192 per day. The
23 number of nonforensic beds allocated for use by regional support
24 networks at western state hospital shall be 617 per day during the
25 first quarter of fiscal year 2010, and 587 per day thereafter. Beds in
26 the program for adaptive living skills (PALS) are not included in the
27 preceding bed allocations. The department shall separately charge
28 regional support networks for persons served in the PALS program.

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

35 (f) \$4,582,000 of the general fund--state appropriation for fiscal
36 year 2010 and \$4,582,000 of the general fund--state appropriation for
37 fiscal year 2011 are provided solely for mental health services for

1 mentally ill offenders while confined in a county or city jail and for
2 facilitating access to programs that offer mental health services upon
3 release from confinement.

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

7 (h) \$750,000 of the general fund--state appropriation for fiscal
8 year 2010 and \$750,000 of the general fund--state appropriation for
9 fiscal year 2011 are provided solely to continue performance-based
10 incentive contracts to provide appropriate community support services
11 for individuals with severe mental illness who were discharged from the
12 state hospitals as part of the expanding community services initiative.
13 These funds will be used to enhance community residential and support
14 services provided by regional support networks through other state and
15 federal funding.

16 (i) \$1,500,000 of the general fund--state appropriation for fiscal
17 year 2010 and \$1,500,000 of the general fund--state appropriation for
18 fiscal year 2011 are provided solely for the Spokane regional support
19 network to implement services to reduce utilization and the census at
20 eastern state hospital. Such services shall include:

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

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

27 (iii) Mental health services provided in nursing facilities to
28 individuals with dementia, and consultation to facility staff treating
29 those individuals; and

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

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

35 (j) The department shall return to the Spokane regional support
36 network fifty percent of the amounts assessed against the network
37 during the last six months of calendar year 2009 for state hospital
38 utilization in excess of its contractual limit. The regional support

1 network shall use these funds for operation during its initial months
2 of a new sixteen-bed evaluation and treatment facility that will enable
3 the network to reduce its use of the state hospital, and for diversion
4 and community support services for persons with dementia who would
5 likely otherwise require care at the state hospital.

6 (k) The department is directed to identify and implement program
7 efficiencies and benefit changes in its delivery of medicaid managed-
8 care services that are sufficient to operate within the state and
9 federal appropriations in this section. Such actions may include but
10 are not limited to methods such as adjusting the care access standards;
11 improved utilization management of ongoing, recurring, and high-
12 intensity services; and increased uniformity in provider payment rates.
13 The department shall ensure that the capitation rate adjustments
14 necessary to accomplish these efficiencies and changes are distributed
15 uniformly and equitably across all regional support networks statewide.
16 The department is directed to report to the relevant legislative fiscal
17 and policy committees at least thirty days prior to implementing rate
18 adjustments reflecting these changes.

19 (l) In developing the new medicaid managed care rates under which
20 the public mental health managed care system will operate during the
21 five years beginning in fiscal year 2011, the department should seek to
22 estimate the reasonable and necessary cost of efficiently and
23 effectively providing a comparable set of medically necessary mental
24 health benefits to persons of different acuity levels regardless of
25 where in the state they live. Actual prior period spending in a
26 regional administrative area shall not be a key determinant of future
27 payment rates. The department shall report to the office of financial
28 management and to the relevant fiscal and policy committees of the
29 legislature on its proposed new waiver and mental health managed care
30 rate-setting approach by October 1, 2009, and again at least sixty days
31 prior to implementation of new capitation rates.

32 (m) In implementing the new public mental health managed care
33 payment rates for fiscal year 2011, the department shall to the maximum
34 extent possible within each regional support network's allowable rate
35 range establish rates so that there is no increase or decrease in the
36 total state and federal funding that the regional support network would
37 receive if it were to continue to be paid at its October 2009 through
38 June 2010 rates. The department shall additionally revise the draft

1 rates issued January 28, 2010, to more accurately reflect the lower
2 practitioner productivity inherent in the delivery of services in
3 extremely rural regions in which a majority of the population reside in
4 frontier counties, as defined and designated by the national center for
5 frontier communities.

6 (n) \$1,529,000 of the general fund--state appropriation for fiscal
7 year 2010 and \$1,529,000 of the general fund--state appropriation for
8 fiscal year 2011 are provided solely to reimburse Pierce and Spokane
9 counties for the cost of conducting 180-day commitment hearings at the
10 state psychiatric hospitals.

11 (o) The legislature intends and expects that regional support
12 networks and contracted community mental health agencies shall make all
13 possible efforts to, at a minimum, maintain current compensation levels
14 of direct care staff. Such efforts shall include, but not be limited
15 to, identifying local funding that can preserve client services and
16 staff compensation, achieving administrative reductions at the regional
17 support network level, and engaging stakeholders on cost-savings ideas
18 that maintain client services and staff compensation. For purposes of
19 this section, "direct care staff" means persons employed by community
20 mental health agencies whose primary responsibility is providing direct
21 treatment and support to people with mental illness, or whose primary
22 responsibility is providing direct support to such staff in areas such
23 as client scheduling, client intake, client reception, client records-
24 keeping, and facilities maintenance.

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

37 (2) INSTITUTIONAL SERVICES
38 General Fund--State Appropriation (FY 2010) \$119,423,000

1	General Fund--State Appropriation (FY 2011)	((\$123,012,000))
2		<u>\$118,010,000</u>
3	General Fund--Federal Appropriation	\$153,425,000
4	General Fund--Private/Local Appropriation	\$64,614,000
5	TOTAL APPROPRIATION	((\$460,474,000))
6		<u>\$455,472,000</u>

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

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

12 (b) \$231,000 of the general fund--state appropriation for fiscal
13 year 2008 and \$231,000 of the general fund--state appropriation for
14 fiscal year 2009 are provided solely for a community partnership
15 between western state hospital and the city of Lakewood to support
16 community policing efforts in the Lakewood community surrounding
17 western state hospital. The amounts provided in this subsection (2)(b)
18 are for the salaries, benefits, supplies, and equipment for one full-
19 time investigator, one full-time police officer, and one full-time
20 community service officer at the city of Lakewood.

21 (c) \$45,000 of the general fund--state appropriation for fiscal
22 year 2010 and \$45,000 of the general fund--state appropriation for
23 fiscal year 2011 are provided solely for payment to the city of
24 Lakewood for police services provided by the city at western state
25 hospital and adjacent areas.

26 (d) \$200,000 of the general fund--state appropriation for fiscal
27 year 2011 is provided solely for support of the psychiatric security
28 review panel established pursuant to Senate Bill No. 6610. If Senate
29 Bill No. 6610 is not enacted by June 30, 2010, the amount provided in
30 this subsection shall lapse.

31 (3) SPECIAL PROJECTS

32	General Fund--State Appropriation (FY 2010)	\$1,819,000
33	General Fund--State Appropriation (FY 2011)	\$2,092,000
34	General Fund--Federal Appropriation	\$2,142,000
35	TOTAL APPROPRIATION	\$6,053,000

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

1 (a) \$1,511,000 of the general fund--state appropriation for fiscal
2 year 2010 and \$1,511,000 of the general fund--state appropriation for
3 fiscal year 2011 are provided solely for children's evidence based
4 mental health services. Funding is sufficient to continue serving
5 children at the same levels as fiscal year 2009.

6 (b) \$100,000 of the general fund--state appropriation for fiscal
7 year 2011 is provided solely for consultation, training, and technical
8 assistance to regional support networks on strategies for effective
9 service delivery in very sparsely populated counties.

10 (c) \$60,000 of the general fund--state appropriation for fiscal
11 year 2011 is provided solely for the department to contract with the
12 Washington state institute for public policy for completion of the
13 research reviews to be conducted in accordance with chapter 263, Laws
14 of 2010.

15 (d) \$60,000 of the general fund--state appropriation for fiscal
16 year 2011 is provided solely for the department to contract with the
17 Washington state institute for public policy for completion of the
18 research reviews to be conducted in accordance with section 1, chapter
19 280, Laws of 2010.

20 (e) \$60,000 of the general fund--state appropriation for fiscal
21 year 2011 is provided solely for implementation of sections 2 and 3,
22 chapter 280, Laws of 2010. The department shall use these funds to
23 contract with the Washington state institute for public policy for
24 completion of an assessment of (i) the extent to which the number of
25 persons involuntarily committed for 3, 14, and 90 days is likely to
26 increase as a result of the revised commitment standards; (ii) the
27 availability of community treatment capacity to accommodate that
28 increase; (iii) strategies for cost-effectively leveraging state,
29 local, and private resources to increase community involuntary
30 treatment capacity; and (iv) the extent to which increases in
31 involuntary commitments are likely to be offset by reduced utilization
32 of correctional facilities, publicly-funded medical care, and state
33 psychiatric hospitalizations.

34 (4) PROGRAM SUPPORT

35	General Fund--State Appropriation (FY 2010)	\$4,078,000
36	General Fund--State Appropriation (FY 2011)	(\$4,070,000)
37		<u>\$3,958,000</u>
38	General Fund--Federal Appropriation	(\$7,219,000)

1 \$7,207,000
 2 TOTAL APPROPRIATION ((~~\$15,367,000~~))
 3 \$15,243,000

4 The department is authorized and encouraged to continue its
 5 contract with the Washington state institute for public policy to
 6 provide a longitudinal analysis of long-term mental health outcomes as
 7 directed in chapter 334, Laws of 2001 (mental health performance
 8 audit); to build upon the evaluation of the impacts of chapter 214,
 9 Laws of 1999 (mentally ill offenders); and to assess program outcomes
 10 and cost effectiveness of the children's mental health pilot projects
 11 as required by chapter 372, Laws of 2006.

12 **Sec. 204.** 2010 sp.s. c 37 s 205 (uncodified) is amended to read as
 13 follows:

14 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
 15 **DISABILITIES PROGRAM**

16 (1) COMMUNITY SERVICES
 17 General Fund--State Appropriation (FY 2010) \$307,348,000
 18 General Fund--State Appropriation (FY 2011) ((~~\$338,299,000~~))
 19 \$337,658,000
 20 General Fund--Federal Appropriation ((~~\$902,900,000~~))
 21 \$902,043,000
 22 TOTAL APPROPRIATION ((~~\$1,548,547,000~~))
 23 \$1,547,049,000

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

26 (a) Individuals receiving services as supplemental security income
 27 (SSI) state supplemental payments shall not become eligible for medical
 28 assistance under RCW 74.09.510 due solely to the receipt of SSI state
 29 supplemental payments.

30 (b)(i) Amounts appropriated in this section reflect a reduction to
 31 funds appropriated for in-home care. The department shall reduce the
 32 number of in-home hours authorized. The reduction shall be scaled
 33 based on the acuity level of care recipients. The largest hour
 34 reductions shall be to lower acuity patients and the smallest hour
 35 reductions shall be to higher acuity patients. In doing so, the
 36 department shall comply with all maintenance of effort requirements
 37 contained in the American reinvestment and recovery act.

1 (ii) \$508,000 of the general fund--state appropriation for fiscal
2 year 2011 and \$822,000 of the general fund--federal appropriation are
3 provided solely for the department to partially restore the reductions
4 to in-home care that are taken in (b)(i) of this subsection. The
5 department will use the same formula to restore personal care hours
6 that it used to reduce personal care hours.

7 (c) Amounts appropriated in this section are sufficient to develop
8 and implement the use of a consistent, statewide outcome-based vendor
9 contract for employment and day services by April 1, 2011. The rates
10 paid to vendors under this contract shall also be made consistent. In
11 its description of activities the agency shall include activity
12 listings and dollars appropriated for: Employment services, day
13 services, child development services and county administration of
14 services to the developmentally disabled. The department shall begin
15 reporting to the office of financial management on these activities
16 beginning in fiscal year 2010.

17 (d) \$302,000 of the general fund--state appropriation for fiscal
18 year 2010, \$831,000 of the general fund--state appropriation for fiscal
19 year 2011, and \$1,592,000 of the general fund--federal appropriation
20 are provided solely for health care benefits pursuant to a collective
21 bargaining agreement negotiated with the exclusive bargaining
22 representative of individual providers established under RCW
23 74.39A.270.

24 (e)(i) \$682,000 of the general fund--state appropriation for fiscal
25 year 2010, \$1,651,000 of the general fund--state appropriation for
26 fiscal year 2011, and \$1,678,000 of the general fund--federal
27 appropriation are provided solely for the state's contribution to the
28 training partnership, as provided in RCW 74.39A.360, pursuant to a
29 collective bargaining agreement negotiated with the exclusive
30 bargaining representative of individual providers established under RCW
31 74.39A.270.

32 (ii) The federal portion of the amounts in this subsection (g) is
33 contingent upon federal approval of participation in contributions to
34 the trust and shall remain unallotted and placed in reserve status
35 until the office of financial management and the department of social
36 and health services receive federal approval.

37 (iii) Expenditures for the purposes specified in this subsection
38 (g) shall not exceed the amounts provided in this subsection.

1 (f) Within the amounts appropriated in this subsection (1), the
2 department shall implement all necessary rules to facilitate the
3 transfer to a department home and community-based services (HCBS)
4 waiver of all eligible individuals who (i) currently receive services
5 under the existing state-only employment and day program or the
6 existing state-only residential program, and (ii) otherwise meet the
7 waiver eligibility requirements. The amounts appropriated are
8 sufficient to ensure that all individuals currently receiving services
9 under the state-only employment and day and state-only residential
10 programs who are not transferred to a department HCBS waiver will
11 continue to receive services.

12 (g) In addition to other reductions, the appropriations in this
13 subsection reflect reductions targeted specifically to state government
14 administrative costs. These administrative reductions shall be
15 achieved, to the greatest extent possible, by reducing those
16 administrative costs that do not affect direct client services or
17 direct service delivery or programs.

18 (h) The department shall not pay a home care agency licensed under
19 chapter 70.127 RCW for personal care services provided by a family
20 member, pursuant to Substitute House Bill No. 2361 (modifying state
21 payments for in-home care).

22 (i) Within the appropriations of this section, the department shall
23 reduce all seventeen payment levels of the seventeen-level payment
24 system from the fiscal year 2009 levels for boarding homes, boarding
25 homes contracted as assisted living, and adult family homes. Excluded
26 from the reductions are exceptional care rate add-ons. The long-term
27 care program may develop add-ons to pay exceptional care rates to adult
28 family homes and boarding homes with specialty contracts to provide
29 support for the following specifically eligible clients:

30 (i) Persons with AIDS or HIV-related diseases who might otherwise
31 require nursing home or hospital care;

32 (ii) Persons with Alzheimer's disease and related dementia who
33 might otherwise require nursing home care; and

34 (iii) Persons with co-occurring mental illness and long-term care
35 needs who are eligible for expanded community services and who might
36 otherwise require state and local psychiatric hospital care.

37 Within amounts appropriated, exceptional add-on rates for AIDS/HIV,

1 dementia specialty care, and expanded community services may be
2 standardized within each program.

3 (j) The amounts appropriated in this subsection reflect a reduction
4 in funds available for employment and day services. In administering
5 this reduction the department shall negotiate with counties and their
6 vendors so that this reduction, to the greatest extent possible, is
7 achieved by reducing vendor rates and allowable contract administrative
8 charges (overhead) and not through reductions to direct client services
9 or direct service delivery or programs.

10 (k) As part of the needs assessment instrument, the department may
11 collect data on family income for minor children with developmental
12 disabilities and all individuals who are receiving state-only funded
13 services. The department may ensure that this information is collected
14 as part of the client assessment process.

15 (l) \$116,000 of the general fund--state appropriation for fiscal
16 year 2010, \$2,689,000 of the general fund--state appropriation for
17 fiscal year 2011, and \$1,772,000 of the general fund--federal
18 appropriation are provided solely for employment services and required
19 waiver services. Priority consideration for this new funding shall be
20 young adults with developmental disabilities living with their family
21 who need employment opportunities and assistance after high school
22 graduation. Services shall be provided for both waiver and nonwaiver
23 clients. Fifty percent of the general fund appropriation shall be
24 utilized for graduates served on a home and community-based services
25 waiver and fifty percent of the general fund appropriation shall be
26 used for nonwaiver clients.

27 (~~(+g)~~) (m) \$81,000 of the general fund--state appropriation for
28 fiscal year 2010, \$599,000 of the general fund--state appropriation for
29 fiscal year 2011, and \$1,111,000 of the general fund--federal
30 appropriation are provided solely for the department to provide
31 employment and day services for eligible students who are currently on
32 a waiver and will graduate from high school during fiscal years 2010
33 and 2011.

34 (~~(+t)~~) (n) The automatic award of additional hours of personal
35 care for people with special meal preparation or incontinence needs is
36 eliminated. Authorization of service hours will be based upon the
37 individual's assessed needs.

38 (2) INSTITUTIONAL SERVICES

1	General Fund--State Appropriation (FY 2010)	\$61,422,000
2	General Fund--State Appropriation (FY 2011)	(\$65,685,000)
3		<u>\$64,404,000</u>
4	General Fund--Federal Appropriation	(\$210,473,000)
5		<u>\$207,986,000</u>
6	General Fund--Private/Local Appropriation	\$22,441,000
7	TOTAL APPROPRIATION	(\$360,021,000)
8		<u>\$356,253,000</u>

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

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

15 (b) The developmental disabilities program is authorized to use
16 funds appropriated in this subsection to purchase goods and supplies
17 through direct contracting with vendors when the program determines it
18 is cost-effective to do so.

19 (c) \$721,000 of the general fund--state appropriation for fiscal
20 year 2010 and \$721,000 of the general fund--state appropriation for
21 fiscal year 2011 are provided solely for the department to fulfill its
22 contracts with the school districts under chapter 28A.190 RCW to
23 provide transportation, building space, and other support services as
24 are reasonably necessary to support the educational programs of
25 students living in residential habilitation centers.

26 (d) In addition to other reductions, the appropriations in this
27 subsection reflect reductions targeted specifically to state government
28 administrative costs. These administrative reductions shall be
29 achieved, to the greatest extent possible, by reducing those
30 administrative costs that do not affect direct client services or
31 direct service delivery or programs.

32 (3) PROGRAM SUPPORT

33	General Fund--State Appropriation (FY 2010)	\$1,407,000
34	General Fund--State Appropriation (FY 2011)	(\$1,379,000)
35		<u>\$1,369,000</u>
36	General Fund--Federal Appropriation	(\$1,319,000)
37		<u>\$1,301,000</u>
38	TOTAL APPROPRIATION	(\$4,105,000)

1 \$4,077,000

2 The appropriations in this subsection are subject to the following
3 conditions and limitations: In addition to other reductions, the
4 appropriations in this subsection reflect reductions targeted
5 specifically to state government administrative costs. These
6 administrative reductions shall be achieved, to the greatest extent
7 possible, by reducing those administrative costs that do not affect
8 direct client services or direct service delivery or programs.

9 (4) SPECIAL PROJECTS

10 General Fund--Federal Appropriation \$9,631,000
11 ((TOTAL APPROPRIATION ~~\$9,631,000~~))

12 The appropriations in this subsection are subject to the following
13 conditions and limitations: The appropriations in this subsection are
14 available solely for the infant toddler early intervention program.

15 **Sec. 205.** 2010 sp.s. c 37 s 206 (uncodified) is amended to read as
16 follows:

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

19 General Fund--State Appropriation (FY 2010) \$616,837,000
20 General Fund--State Appropriation (FY 2011) (~~(\$638,535,000)~~)
21 \$639,163,000
22 General Fund--Federal Appropriation (~~(\$1,953,289,000)~~)
23 \$1,954,300,000
24 General Fund--Private/Local Appropriation \$18,013,000
25 Traumatic Brain Injury Account--State Appropriation \$4,136,000
26 TOTAL APPROPRIATION (~~(\$3,230,810,000)~~)
27 \$3,232,449,000

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

30 (1) For purposes of implementing chapter 74.46 RCW, the weighted
31 average nursing facility payment rate shall not exceed \$169.85 for
32 fiscal year 2010 and shall not exceed \$166.24 for fiscal year 2011,
33 including the rate add-on described in subsection (12) of this section.
34 There will be no adjustments for economic trends and conditions in
35 fiscal years 2010 and 2011. The economic trends and conditions factor
36 or factors defined in the biennial appropriations act shall not be

1 compounded with the economic trends and conditions factor or factors
2 defined in any other biennial appropriations acts before applying it to
3 the component rate allocations established in accordance with chapter
4 74.46 RCW. When no economic trends and conditions factor for either
5 fiscal year is defined in a biennial appropriations act, no economic
6 trends and conditions factor or factors defined in any earlier biennial
7 appropriations act shall be applied solely or compounded to the
8 component rate allocations established in accordance with chapter 74.46
9 RCW.

10 (2) After examining actual nursing facility cost information, the
11 legislature finds that the medicaid nursing facility rates calculated
12 pursuant to Substitute House Bill No. 3202 or Substitute Senate Bill
13 No. 6872 (nursing facility medicaid payments) provide sufficient
14 reimbursement to efficient and economically operating nursing
15 facilities and bears a reasonable relationship to costs.

16 (3) In accordance with chapter 74.46 RCW, the department shall
17 issue no additional certificates of capital authorization for fiscal
18 year 2010 and no new certificates of capital authorization for fiscal
19 year 2011 and shall grant no rate add-ons to payment rates for capital
20 improvements not requiring a certificate of need and a certificate of
21 capital authorization for fiscal year 2011.

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

28 (5) Within the appropriations of this section, the department shall
29 reduce all seventeen payment levels of the seventeen-level payment
30 system from the fiscal year 2009 levels for boarding homes, boarding
31 homes contracted as assisted living, and adult family homes. Excluded
32 from the reductions are exceptional care rate add-ons. The long-term
33 care program may develop add-ons to pay exceptional care rates to adult
34 family homes and boarding homes with specialty contracts to provide
35 support for the following specifically eligible clients:

36 (a) Persons with AIDS or HIV-related diseases who might otherwise
37 require nursing home or hospital care;

1 (b) Persons with Alzheimer's disease and related dementia who might
2 otherwise require nursing home care; and

3 (c) Persons with co-occurring mental illness and long-term care
4 needs who are eligible for expanded community services and who might
5 otherwise require state and local psychiatric hospital care.

6 Within amounts appropriated, exceptional add-on rates for AIDS/HIV,
7 dementia specialty care, and expanded community services may be
8 standardized within each program.

9 (6)(a) Amounts appropriated in this section reflect a reduction to
10 funds appropriated for in-home care. The department shall reduce the
11 number of in-home hours authorized. The reduction shall be scaled
12 based on the acuity level of care recipients. The largest hour
13 reductions shall be to lower acuity patients and the smallest hour
14 reductions shall be to higher acuity patients. In doing so, the
15 department shall comply with all maintenance of effort requirements
16 contained in the American reinvestment and recovery act.

17 (b) \$3,070,000 of the general fund--state appropriation for fiscal
18 year 2011 and \$4,980,000 of the general fund--federal appropriation are
19 provided solely for the department to partially restore the reduction
20 to in-home care that are taken in (a) of this subsection. The
21 department will use the same formula to restore personal care hours
22 that it used to reduce personal care hours.

23 (7) \$536,000 of the general fund--state appropriation for fiscal
24 year 2010, \$1,477,000 of the general fund--state appropriation for
25 fiscal year 2011, and \$2,830,000 of the general fund--federal
26 appropriation are provided solely for health care benefits pursuant to
27 a collective bargaining agreement negotiated with the exclusive
28 bargaining representative of individual providers established under RCW
29 74.39A.270.

30 (8)(a) \$1,212,000 of the general fund--state appropriation for
31 fiscal year 2010, \$2,934,000 of the general fund--state appropriation
32 for fiscal year 2011, and \$2,982,000 of the general fund--federal
33 appropriation are provided solely for the state's contribution to the
34 training partnership, as provided in RCW 74.39A.360, pursuant to a
35 collective bargaining agreement negotiated with the exclusive
36 bargaining representative of individual providers established under RCW
37 74.39A.270.

1 (b) \$330,000 of the general fund--state appropriation for fiscal
2 year 2010, \$660,000 of the general fund-state appropriation for fiscal
3 year 2011, and \$810,000 of the general fund--federal appropriation are
4 provided solely for transfer from the department to the training
5 partnership, as provided in RCW 74.39A.360, for infrastructure and
6 instructional costs associated with training of individual providers,
7 pursuant to a collective bargaining agreement negotiated with the
8 exclusive bargaining representative of individual providers established
9 under RCW 74.39A.270.

10 (c) The federal portion of the amounts in this subsection is
11 contingent upon federal approval of participation in contributions to
12 the trust and shall remain unallotted and placed in reserve status
13 until the office of financial management and the department of social
14 and health services receive federal approval.

15 (d) Expenditures for the purposes specified in this subsection
16 shall not exceed the amounts provided in this subsection.

17 (9) Within the amounts appropriated in this section, the department
18 may expand the new freedom waiver program to accommodate new waiver
19 recipients throughout the state. As possible, and in compliance with
20 current state and federal laws, the department shall allow current
21 waiver recipients to transfer to the new freedom waiver.

22 (10) Individuals receiving services as supplemental security income
23 (SSI) state supplemental payments shall not become eligible for medical
24 assistance under RCW 74.09.510 due solely to the receipt of SSI state
25 supplemental payments.

26 (11) \$3,955,000 of the general fund--state appropriation for fiscal
27 year 2010, \$4,239,000 of the general fund--state appropriation for
28 fiscal year 2011, and \$10,190,000 of the general fund--federal
29 appropriation are provided solely for the continued operation of
30 community residential and support services for persons who are older
31 adults or who have co-occurring medical and behavioral disorders and
32 who have been discharged or diverted from a state psychiatric hospital.
33 These funds shall be used to serve individuals whose treatment needs
34 constitute substantial barriers to community placement, who no longer
35 require active psychiatric treatment at an inpatient hospital level of
36 care, and who no longer meet the criteria for inpatient involuntary
37 commitment. Coordination of these services will be done in partnership

1 between the mental health program and the aging and disability services
2 administration.

3 (12) Within the funds provided, the department shall continue to
4 provide an add-on per medicaid resident day per facility not to exceed
5 \$1.57. The add-on shall be used to increase wages, benefits, and/or
6 staffing levels for certified nurse aides; or to increase wages and/or
7 benefits for dietary aides, housekeepers, laundry aides, or any other
8 category of worker whose statewide average dollars-per-hour wage was
9 less than \$15 in calendar year 2008, according to cost report data.
10 The add-on may also be used to address resulting wage compression for
11 related job classes immediately affected by wage increases to low-wage
12 workers. The department shall continue reporting requirements and a
13 settlement process to ensure that the funds are spent according to this
14 subsection. The department shall adopt rules to implement the terms of
15 this subsection.

16 (13) \$1,840,000 of the general fund--state appropriation for fiscal
17 year 2010 and \$1,877,000 of the general fund--state appropriation for
18 fiscal year 2011 are provided solely for operation of the volunteer
19 services program. Funding shall be prioritized towards serving
20 populations traditionally served by long-term care services to include
21 senior citizens and persons with disabilities.

22 (14) In accordance with chapter 74.39 RCW, the department may
23 implement two medicaid waiver programs for persons who do not qualify
24 for such services as categorically needy, subject to federal approval
25 and the following conditions and limitations:

26 (a) One waiver program shall include coverage of care in community
27 residential facilities. Enrollment in the waiver shall not exceed 600
28 persons at any time.

29 (b) The second waiver program shall include coverage of in-home
30 care. Enrollment in this second waiver shall not exceed 200 persons at
31 any time.

32 (c) The department shall identify the number of medically needy
33 nursing home residents, and enrollment and expenditures on each of the
34 two medically needy waivers, on monthly management reports.

35 (d) If it is necessary to establish a waiting list for either
36 waiver because the budgeted number of enrollment opportunities has been
37 reached, the department shall track how the long-term care needs of
38 applicants assigned to the waiting list are met.

1 (15) The department shall establish waiting lists to the extent
2 necessary to assure that annual expenditures on the community options
3 program entry systems (COPES) program do not exceed appropriated
4 levels. In establishing and managing any such waiting list, the
5 department shall assure priority access to persons with the greatest
6 unmet needs, as determined by department assessment processes.

7 (16) The department shall contract for housing with service models,
8 such as cluster care, to create efficiencies in service delivery and
9 responsiveness to unscheduled personal care needs by clustering hours
10 for clients that live in close proximity to each other.

11 (17) The department shall not pay a home care agency licensed under
12 chapter 70.127 RCW for personal care services provided by a family
13 member, pursuant to Substitute House Bill No. 2361 (modifying state
14 payments for in-home care).

15 (18) \$209,000 of the general fund--state appropriation for fiscal
16 year 2010, \$781,000 of the general fund--state appropriation for fiscal
17 year 2011, and \$1,293,000 of the general fund--federal appropriation
18 are provided solely to implement Engrossed House Bill No. 2194
19 (extraordinary medical placement for offenders). The department shall
20 work in partnership with the department of corrections to identify
21 services and find placements for offenders who are released through the
22 extraordinary medical placement program. The department shall
23 collaborate with the department of corrections to identify and track
24 cost savings to the department of corrections, including medical cost
25 savings and to identify and track expenditures incurred by the aging
26 and disability services program for community services and by the
27 medical assistance program for medical expenses. A joint report
28 regarding the identified savings and expenditures shall be provided to
29 the office of financial management and the appropriate fiscal
30 committees of the legislature by November 30, 2010. If this bill is
31 not enacted by June 30, 2009, the amounts provided in this subsection
32 shall lapse.

33 (19) In accordance with RCW 18.51.050, 18.20.050, and 43.135.055,
34 the department is authorized to increase nursing facility and boarding
35 home fees in fiscal year 2011 as necessary to meet the actual costs of
36 conducting the licensure, inspection, and regulatory programs.

37 (a) \$1,035,000 of the general fund--private/local appropriation

1 assumes that the current annual renewal license fee for nursing
2 facilities shall be increased to \$327 per bed beginning in fiscal year
3 2011.

4 (b) \$1,806,000 of the general fund--local appropriation assumes
5 that the current annual renewal license fee for boarding homes shall be
6 increased to \$106 per bed beginning in fiscal year 2011.

7 ~~((+22))~~ (20) \$2,566,000 of the traumatic brain injury account--
8 state appropriation is provided solely to continue services for persons
9 with traumatic brain injury (TBI) as defined in RCW 74.31.020 through
10 74.31.050. The TBI advisory council shall provide a report to the
11 legislature by December 1, 2010, on the effectiveness of the functions
12 overseen by the council and shall provide recommendations on the
13 development of critical services for individuals with traumatic brain
14 injury.

15 ~~((+23))~~ (21) The automatic award of additional hours of personal
16 care for people with special meal preparation or incontinence needs is
17 eliminated. Authorization of service hours will be based upon the
18 individual's assessed needs.

19 ~~((+24))~~ (22) For calendar year 2009, the department shall
20 calculate split settlements covering two periods January 1, 2009,
21 through June 30, 2009, and July 1, 2009, through December 31, 2009.
22 For the second period beginning July 1, 2009, the department may
23 partially or totally waive settlements only in specific cases where a
24 nursing home can demonstrate significant decreases in costs from the
25 first period.

26 ~~((+25))~~ (23) \$72,000 of the traumatic brain injury account
27 appropriation and \$116,000 of the general fund--federal appropriation
28 are provided solely for a direct care rate add-on to any nursing
29 facility specializing in the care of residents with traumatic brain
30 injuries where more than 50 percent of residents are classified with
31 this condition based upon the federal minimum data set assessment.

32 ~~((+26))~~ (24) \$69,000 of the general fund--state appropriation for
33 fiscal year 2010, \$1,289,000 of the general fund--state appropriation
34 for fiscal year 2011, and \$2,050,000 of the general fund--federal
35 appropriation are provided solely for the department to maintain
36 enrollment in the adult day health services program. New enrollments
37 are authorized for up to 1,575 clients or to the extent that
38 appropriated funds are available to cover additional clients.

1 ~~((+27))~~ (25) \$1,000,000 of the general fund--state appropriation
2 for fiscal year 2011 is provided solely for the department to contract
3 for the provision of an individual provider referral registry.

4 ~~((+28))~~ (26) \$100,000 of the general fund--state appropriation for
5 fiscal year 2011 and \$100,000 of the general fund--federal
6 appropriation are provided solely for the department to contract with
7 a consultant to evaluate and make recommendations on a pay-for-
8 performance payment subsidy system. The department shall organize one
9 workgroup meeting with the consultant where nursing home stakeholders
10 may provide input on pay-for-performance ideas. The consultant shall
11 review pay-for- performance strategies used in other states to sustain
12 and enhance quality-improvement efforts in nursing facilities. The
13 evaluation shall include a review of the centers for medicare and
14 medicaid services demonstration project to explore the feasibility of
15 pay-for- performance systems in medicare certified nursing facilities.
16 The consultant shall develop a report to include:

17 (a) Best practices used in other states for pay-for-performance
18 strategies incorporated into medicaid nursing home payment systems;

19 (b) The relevance of existing research to Washington state;

20 (c) A summary and review of suggestions for pay-for-performance
21 strategies provided by nursing home stakeholders in Washington state;
22 and

23 (d) An evaluation of the effectiveness ~~((on))~~ of a variety of
24 performance measures.

25 ~~((+29))~~ (27) \$4,100,000 of the general fund--state appropriation
26 for fiscal year 2010, \$4,174,000 of the general fund--state
27 appropriation for fiscal year 2011, and \$8,124,000 of the general
28 fund--federal appropriation are provided for the operation of the
29 management services division of the aging and disability services
30 administration. This includes but is not limited to the budget,
31 contracts, accounting, decision support, information technology, and
32 rate development activities for programs administered by the aging and
33 disability services administration. Nothing in this subsection is
34 intended to exempt the management services division of the aging and
35 disability services administration from reductions directed by the
36 secretary. However, funds provided in this subsection shall not be
37 transferred elsewhere within the department nor used for any other
38 purpose.

1 **Sec. 206.** 2010 sp.s. c 37 s 207 (uncodified) is amended to read as
2 follows:

3 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
4 **PROGRAM**

5	General Fund--State Appropriation (FY 2010)	((\$564,492,000))
6		<u>\$564,242,000</u>
7	General Fund--State Appropriation (FY 2011)	((\$581,459,000))
8		<u>\$565,617,000</u>
9	General Fund--Federal Appropriation	((\$1,223,832,000))
10		<u>\$1,220,752,000</u>
11	General Fund--Private/Local Appropriation	\$31,816,000
12	Administrative Contingency Account--State	
13	Appropriation	\$24,336,000
14	TOTAL APPROPRIATION	((\$2,425,935,000))
15		<u>\$2,406,763,000</u>

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

18 (1) \$303,393,000 of the general fund--state appropriation for
19 fiscal year 2010, ((~~\$285,913,000~~)) \$285,057,000 of the general fund--
20 state appropriation for fiscal year 2011, \$24,336,000 of the
21 administrative contingency account--state appropriation, and
22 \$778,606,000 of the general fund--federal appropriation are provided
23 solely for all components of the WorkFirst program. The department
24 shall use moneys from the administrative contingency account for
25 WorkFirst job placement services provided by the employment security
26 department. Within the amounts provided for the WorkFirst program, the
27 department may provide assistance using state-only funds for families
28 eligible for temporary assistance for needy families. In addition,
29 within the amounts provided for WorkFirst the department shall:

- 30 (a) Establish a career services work transition program;
- 31 (b) Continue to implement WorkFirst program improvements that are
32 designed to achieve progress against outcome measures specified in RCW
33 74.08A.410. Outcome data regarding job retention and wage progression
34 shall be reported quarterly to appropriate fiscal and policy committees
35 of the legislature for families who leave assistance, measured after 12
36 months, 24 months, and 36 months. The department shall also report the
37 percentage of families who have returned to temporary assistance for
38 needy families after 12 months, 24 months, and 36 months;

1 (c) Submit a report electronically by October 1, 2009, to the
2 fiscal committees of the legislature containing a spending plan for the
3 WorkFirst program. The plan shall identify how spending levels in the
4 2009-2011 biennium will be adjusted to stay within available federal
5 grant levels and the appropriated state-fund levels;

6 (d) Provide quarterly fiscal reports to the office of financial
7 management and the legislative fiscal committees detailing information
8 on the amount expended from general fund--state and general fund--
9 federal by activity((+)

10 ~~(e) Maintain the fiscal year 2009 grant standard for the temporary~~
11 ~~assistance for needy families grant)).~~

12 ((+3)) (2) The department and the office of financial management
13 shall electronically report quarterly the expenditures, maintenance of
14 effort allotments, expenditure amounts, and caseloads for the WorkFirst
15 program to the legislative fiscal committees.

16 ((+4)) (3) \$16,783,000 of the general fund--state appropriation
17 for fiscal year 2011 and \$62,000,000 of the general fund--federal
18 appropriation are provided solely for all components of the WorkFirst
19 program in order to maintain services to January 2011. The legislature
20 intends to work with the governor to design and implement fiscal and
21 programmatic modifications to provide for the sustainability of the
22 program. The funding in this subsection assumes that no other
23 expenditure reductions will be made prior to January 2011 other than
24 those assumed in the appropriation levels in this act.

25 ((+5)) (4) \$94,322,000 of the general fund--state appropriation
26 for fiscal year 2010 and ((~~\$97,168,000~~)) \$84,904,000 of the general
27 fund--state appropriation for fiscal year 2011, net of recoveries, are
28 provided solely for cash assistance and other services to recipients in
29 the cash program pursuant to chapter 8, Laws of 2010 1st sp. sess.
30 (security lifeline act), including persons in the unemployable,
31 expedited, and aged, blind, and disabled components of the program. It
32 is the intent of the legislature that the lifeline incapacity
33 determination and progressive evaluation process regulations be
34 carefully designed to accurately identify those persons who have been
35 or will be incapacitated for at least ninety days. The incapacity
36 determination and progressive evaluation process regulations in effect
37 on January 1, 2010, cannot be amended until at least September 30,
38 2010; except that provisions related to the use of administrative

1 review teams may be amended, and obsolete terminology and functional
2 assessment language may be updated on or after July 1, 2010, in a
3 manner that only minimally impacts the outcome of incapacity
4 evaluations. After September 30, 2010, the incapacity determination
5 and progressive evaluation process regulations may be amended only if
6 the reports under (a) and (b) of this subsection have been submitted,
7 and find that expenditures will exceed the appropriated level by three
8 percent or more.

9 (a) The department and the caseload forecast council shall, by
10 September 21, 2010, submit a report to the legislature based upon the
11 most recent caseload forecast and actual expenditure data available, as
12 to whether expenditures for the lifeline-unemployable grants in fiscal
13 year 2011 will exceed \$69,648,000 for fiscal year 2011 in the 2010
14 supplemental operating budget by three percent or more. If
15 expenditures will exceed the appropriated amount for lifeline-
16 unemployable grants by three percent or more, the department may adopt
17 regulations modifying incapacity determination and progressive
18 evaluation process regulations after September 30, 2010.

19 (b) On or before September 21, 2010, the department shall submit a
20 report to the relevant policy and fiscal committees of the legislature
21 that includes the following information regarding any regulations
22 proposed for adoption that would modify the lifeline incapacity
23 determination and progressive evaluation process:

24 (i) A copy of the proposed changes and a concise description of the
25 changes;

26 (ii) A description of the persons who would likely be affected by
27 adoption of the regulations, including their impairments, age,
28 education, and work history;

29 (iii) An estimate of the number of persons who, on a monthly basis
30 through June 2013, would be denied lifeline benefits if the regulations
31 were adopted, expressed as a number, as a percentage of total
32 applicants, and as a percentage of the number of persons granted
33 lifeline benefits in each month;

34 (iv) An estimate of the number of persons who, on a monthly basis
35 through June 2013, would have their lifeline benefits terminated
36 following an eligibility review if the regulations were adopted,
37 expressed as a number, as a percentage of the number of persons who

1 have had an eligibility review in each month, and as a percentage of
2 the total number of persons currently receiving lifeline-unemployable
3 benefits in each month; and

4 (v) Intended improvements in employment or treatment outcomes among
5 persons receiving lifeline benefits that could be attributable to the
6 changes in the regulations.

7 (c) Within these amounts:

8 (i) The department shall aggressively pursue opportunities to
9 transfer lifeline clients to general assistance expedited coverage and
10 to facilitate client applications for federal supplemental security
11 income when the client's incapacities indicate that he or she would be
12 likely to meet the federal disability criteria for supplemental
13 security income. The department shall initiate and file the federal
14 supplemental security income interim agreement as quickly as possible
15 in order to maximize the recovery of federal funds;

16 (ii) The department shall review the lifeline caseload to identify
17 recipients that would benefit from assistance in becoming naturalized
18 citizens, and thus be eligible to receive federal supplemental security
19 income benefits. Those cases shall be given high priority for
20 naturalization funding through the department;

21 (iii) The department shall actively coordinate with local workforce
22 development councils to expedite access to worker retraining programs
23 for lifeline clients in those regions of the state with the greatest
24 number of such clients;

25 (iv) By July 1, 2009, the department shall enter into an
26 interagency agreement with the department of veterans' affairs to
27 establish a process for referral of veterans who may be eligible for
28 veteran's services. This agreement must include outstationing
29 department of veterans' affairs staff in selected community service
30 office locations in King and Pierce counties to facilitate applications
31 for veterans' services; and

32 (v) In addition to any earlier evaluation that may have been
33 conducted, the department shall intensively evaluate those clients who
34 have been receiving lifeline benefits for twelve months or more as of
35 July 1, 2009, or thereafter, if the available medical and incapacity
36 related evidence indicates that the client is unlikely to meet the
37 disability standard for federal supplemental security income benefits.
38 The evaluation shall identify services necessary to eliminate or

1 minimize barriers to employment, including mental health treatment,
2 substance abuse treatment and vocational rehabilitation services. The
3 department shall expedite referrals to chemical dependency treatment,
4 mental health and vocational rehabilitation services for these clients.

5 (vi) The appropriations in this subsection reflect a change in the
6 earned income disregard policy for lifeline clients. It is the intent
7 of the legislature that the department shall adopt the temporary
8 assistance for needy families earned income policy for the lifeline
9 program.

10 ~~((+6))~~ (5) \$750,000 of the general fund--state appropriation for
11 fiscal year 2010 and \$750,000 of the general fund--state appropriation
12 for fiscal year 2011 are provided solely for naturalization services.

13 ~~((+7))~~ (6)(a) \$3,550,000 of the general fund--state appropriation
14 for fiscal year 2010 is provided solely for refugee employment
15 services, of which \$2,650,000 is provided solely for the department to
16 pass through to statewide refugee assistance organizations for limited
17 English proficiency pathway services; and \$3,550,000 of the general
18 fund--state appropriation for fiscal year 2011 is provided solely for
19 refugee employment services, of which \$2,650,000 is provided solely for
20 the department to pass through to statewide refugee assistance
21 organizations for limited English proficiency pathway services.

22 (b) The legislature intends that the appropriation in this
23 subsection for the 2009-11 fiscal biennium will maintain funding for
24 refugee programs at a level at least equal to expenditures on these
25 programs in the 2007-09 fiscal biennium.

26 ~~((+8))~~ (7) The appropriations in this section reflect reductions
27 in the appropriations for the economic services administration's
28 administrative expenses. It is the intent of the legislature that
29 these reductions shall be achieved, to the greatest extent possible, by
30 reducing those administrative costs that do not affect direct client
31 services or direct service delivery or program.

32 ~~((+9))~~ (8) \$855,000 of the general fund--state appropriation for
33 fiscal year 2011, \$719,000 of the general fund--federal appropriation,
34 and \$2,907,000 of the general fund--private/local appropriation are
35 provided solely for the implementation of the opportunity portal, the
36 food stamp employment and training program, and the disability lifeline
37 program under Second Substitute House Bill No. 2782 (security lifeline

1 act). If the bill is not enacted by June 30, 2010, the amounts
2 provided in this subsection shall lapse.

3 ((+10)) (9) \$200,000 of the general fund--state appropriation for
4 fiscal year 2011 is provided solely for the department to award grants
5 to small mutual assistance or small community-based organizations that
6 contract with the department for immigrant and refugee assistance
7 services. The funds shall be awarded to provide funding for community
8 groups to provide transitional assistance, language skills, and other
9 resources to improve refugees' economic self-sufficiency through the
10 effective use of social services, financial services, and medical
11 assistance.

12 **Sec. 207.** 2010 sp.s. c 37 s 208 (uncodified) is amended to read as
13 follows:

14 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND**
15 **SUBSTANCE ABUSE PROGRAM**

16	General Fund--State Appropriation (FY 2010)	\$81,982,000
17	General Fund--State Appropriation (FY 2011)	(\$82,393,000)
18		<u>\$82,379,000</u>
19	General Fund--Federal Appropriation	(\$148,034,000)
20		<u>\$148,018,000</u>
21	General Fund--Private/Local Appropriation	\$2,718,000
22	Criminal Justice Treatment Account--State	
23	Appropriation	\$17,743,000
24	Problem Gambling Account--State Appropriation	\$1,456,000
25	TOTAL APPROPRIATION	(\$334,326,000)
26		<u>\$334,296,000</u>

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

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

34 (2) Within the amounts appropriated in this section, the department
35 shall continue to provide for chemical dependency treatment services
36 for adult medicaid eligible and general assistance-unemployable
37 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) \$2,247,000 of the general fund--state appropriation for fiscal year 2011 is provided solely 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. 208. 2010 sp.s. c 37 s 209 (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)	((\$1,789,973,000))
	<u>\$1,752,373,000</u>
General Fund--Federal Appropriation	((\$6,086,632,000))
	<u>\$6,047,652,000</u>
General Fund--Private/Local Appropriation	\$37,249,000
Emergency Medical Services and Trauma Care Systems	
Trust Account--State Appropriation	\$15,075,000
Tobacco Prevention and Control Account--	
State Appropriation	\$4,464,000
Hospital Safety Net Assessment Fund--State	
Appropriation	\$260,036,000
TOTAL APPROPRIATION	((\$9,890,632,000))
	<u>\$9,814,052,000</u>

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

1 assistance program will exceed the appropriations, the department shall
2 take steps including but not limited to reduction of rates or
3 elimination of optional services to reduce expenditures so that total
4 program costs do not exceed the annual appropriation authority.

5 (2) In determining financial eligibility for medicaid-funded
6 services, the department is authorized to disregard recoveries by
7 Holocaust survivors of insurance proceeds or other assets, as defined
8 in RCW 48.104.030.

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

12 (4) When a person is ineligible for medicaid solely by reason of
13 residence in an institution for mental diseases, the department shall
14 provide the person with the same benefits as he or she would receive if
15 eligible for medicaid, using state-only funds to the extent necessary.

16 (5) In accordance with RCW 74.46.625, \$6,000,000 of the general
17 fund--federal appropriation is provided solely for supplemental
18 payments to nursing homes operated by public hospital districts. The
19 public hospital district shall be responsible for providing the
20 required nonfederal match for the supplemental payment, and the
21 payments shall not exceed the maximum allowable under federal rules.
22 It is the legislature's intent that the payments shall be supplemental
23 to and shall not in any way offset or reduce the payments calculated
24 and provided in accordance with part E of chapter 74.46 RCW. It is the
25 legislature's further intent that costs otherwise allowable for rate-
26 setting and settlement against payments under chapter 74.46 RCW shall
27 not be disallowed solely because such costs have been paid by revenues
28 retained by the nursing home from these supplemental payments. The
29 supplemental payments are subject to retrospective interim and final
30 cost settlements based on the nursing homes' as-filed and final
31 medicare cost reports. The timing of the interim and final cost
32 settlements shall be at the department's discretion. During either the
33 interim cost settlement or the final cost settlement, the department
34 shall recoup from the public hospital districts the supplemental
35 payments that exceed the medicaid cost limit and/or the medicare upper
36 payment limit. The department shall apply federal rules for
37 identifying the eligible incurred medicaid costs and the medicare upper
38 payment limit.

1 (6) \$1,110,000 of the general fund--federal appropriation and
2 \$1,105,000 of the general fund--state appropriation for fiscal year
3 2011 are provided solely for grants to rural hospitals. The department
4 shall distribute the funds under a formula that provides a relatively
5 larger share of the available funding to hospitals that (a) serve a
6 disproportionate share of low-income and medically indigent patients,
7 and (b) have relatively smaller net financial margins, to the extent
8 allowed by the federal medicaid program.

9 (7) \$9,818,000 of the general fund--state appropriation for fiscal
10 year 2011, and \$9,865,000 of the general fund--federal appropriation
11 are provided solely for grants to nonrural hospitals. The department
12 shall distribute the funds under a formula that provides a relatively
13 larger share of the available funding to hospitals that (a) serve a
14 disproportionate share of low-income and medically indigent patients,
15 and (b) have relatively smaller net financial margins, to the extent
16 allowed by the federal medicaid program.

17 (8) The department shall continue the inpatient hospital certified
18 public expenditures program for the 2009-11 biennium. The program
19 shall apply to all public hospitals, including those owned or operated
20 by the state, except those classified as critical access hospitals or
21 state psychiatric institutions. The department shall submit reports to
22 the governor and legislature by November 1, 2009, and by November 1,
23 2010, that evaluate whether savings continue to exceed costs for this
24 program. If the certified public expenditures (CPE) program in its
25 current form is no longer cost-effective to maintain, the department
26 shall submit a report to the governor and legislature detailing
27 cost-effective alternative uses of local, state, and federal resources
28 as a replacement for this program. During fiscal year 2010 and fiscal
29 year 2011, hospitals in the program shall be paid and shall retain one
30 hundred percent of the federal portion of the allowable hospital cost
31 for each medicaid inpatient fee-for-service claim payable by medical
32 assistance and one hundred percent of the federal portion of the
33 maximum disproportionate share hospital payment allowable under federal
34 regulations. Inpatient medicaid payments shall be established using an
35 allowable methodology that approximates the cost of claims submitted by
36 the hospitals. Payments made to each hospital in the program in each
37 fiscal year of the biennium shall be compared to a baseline amount.
38 The baseline amount will be determined by the total of (a) the

1 inpatient claim payment amounts that would have been paid during the
2 fiscal year had the hospital not been in the CPE program based on the
3 reimbursement rates developed, implemented, and consistent with
4 policies approved in the 2009-11 biennial operating appropriations act
5 (chapter 564, Laws of 2009) and in effect on July 1, 2009, (b) one half
6 of the indigent assistance disproportionate share hospital payment
7 amounts paid to and retained by each hospital during fiscal year 2005,
8 and (c) all of the other disproportionate share hospital payment
9 amounts paid to and retained by each hospital during fiscal year 2005
10 to the extent the same disproportionate share hospital programs exist
11 in the 2009-11 biennium. If payments during the fiscal year exceed the
12 hospital's baseline amount, no additional payments will be made to the
13 hospital except the federal portion of allowable disproportionate share
14 hospital payments for which the hospital can certify allowable match.
15 If payments during the fiscal year are less than the baseline amount,
16 the hospital will be paid a state grant equal to the difference between
17 payments during the fiscal year and the applicable baseline amount.
18 Payment of the state grant shall be made in the applicable fiscal year
19 and distributed in monthly payments. The grants will be recalculated
20 and redistributed as the baseline is updated during the fiscal year.
21 The grant payments are subject to an interim settlement within eleven
22 months after the end of the fiscal year. A final settlement shall be
23 performed. To the extent that either settlement determines that a
24 hospital has received funds in excess of what it would have received as
25 described in this subsection, the hospital must repay the excess
26 amounts to the state when requested. \$20,403,000 of the general fund--
27 state appropriation for fiscal year 2010, of which \$6,570,000 is
28 appropriated in section 204(1) of this act, and \$29,480,000 of the
29 general fund--state appropriation for fiscal year 2011, of which
30 \$6,570,000 is appropriated in section 204(1) of this act, are provided
31 solely for state grants for the participating hospitals. CPE hospitals
32 will receive the inpatient and outpatient reimbursement rate
33 restorations in section 9 and rate increases in section 10(1)(b) of
34 Engrossed Second Substitute House Bill No. 2956 (hospital safety net
35 assessment) funded through the hospital safety net assessment fund
36 rather than through the baseline mechanism specified in this
37 subsection.

1 (9) The department is authorized to use funds appropriated in this
2 section to purchase goods and supplies through direct contracting with
3 vendors when the department determines it is cost-effective to do so.

4 (10) \$93,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$93,000 of the general fund--federal appropriation are
6 provided solely for the department to pursue a federal Medicaid waiver
7 pursuant to Second Substitute Senate Bill No. 5945 (Washington health
8 partnership plan). If the bill is not enacted by June 30, 2009, the
9 amounts provided in this subsection shall lapse.

10 (11) The department shall require managed health care systems that
11 have contracts with the department to serve medical assistance clients
12 to limit any reimbursements or payments the systems make to providers
13 not employed by or under contract with the systems to no more than the
14 medical assistance rates paid by the department to providers for
15 comparable services rendered to clients in the fee-for-service delivery
16 system.

17 (12) A maximum of \$241,141,000 in total funds from the general
18 fund--state, general fund--federal, and tobacco and prevention control
19 account--state appropriations may be expended in the fiscal biennium
20 for the medical program pursuant to chapter 8, Laws of 2010 1st sp.
21 sess. (security lifeline act), and these amounts are provided solely
22 for this program. Of these amounts, \$10,749,000 of the general fund--
23 state appropriation for fiscal year 2010 and \$10,892,000 of the general
24 fund--federal appropriation are provided solely for payments to
25 hospitals for providing outpatient services to low income patients who
26 are recipients of lifeline benefits. Pursuant to RCW 74.09.035, the
27 department shall not expend for the lifeline medical care services
28 program any amounts in excess of the amounts provided in this
29 subsection.

30 (13) Mental health services shall be included in the services
31 provided through the managed care system for lifeline clients under
32 chapter 8, Laws of 2010 1st sp. sess. In transitioning lifeline
33 clients to managed care, the department shall attempt to deliver care
34 to lifeline clients through medical homes in community and migrant
35 health centers. The department, in collaboration with the carrier,
36 shall seek to improve the transition rate of lifeline clients to the
37 federal supplemental security income program. The department shall
38 renegotiate the contract with the managed care plan that provides

1 services for lifeline clients to maximize state retention of future
2 hospital savings as a result of improved care coordination. The
3 department, in collaboration with stakeholders, shall propose a new
4 name for the lifeline program.

5 (14) The department shall evaluate the impact of the use of a
6 managed care delivery and financing system on state costs and outcomes
7 for lifeline medical clients. Outcomes measured shall include state
8 costs, utilization, changes in mental health status and symptoms, and
9 involvement in the criminal justice system.

10 (15) The department shall report to the governor and the fiscal
11 committees of the legislature by June 1, 2010, on its progress toward
12 achieving a twenty percentage point increase in the generic
13 prescription drug utilization rate.

14 (16) State funds shall not be used by hospitals for advertising
15 purposes.

16 (17) \$24,356,000 of the general fund--private/local appropriation
17 and \$35,707,000 of the general fund--federal appropriation are provided
18 solely for the implementation of professional services supplemental
19 payment programs. The department shall seek a medicaid state plan
20 amendment to create a professional services supplemental payment
21 program for University of Washington medicine professional providers no
22 later than July 1, 2009. The department shall apply federal rules for
23 identifying the shortfall between current fee-for-service medicaid
24 payments to participating providers and the applicable federal upper
25 payment limit. Participating providers shall be solely responsible for
26 providing the local funds required to obtain federal matching funds.
27 Any incremental costs incurred by the department in the development,
28 implementation, and maintenance of this program will be the
29 responsibility of the participating providers. Participating providers
30 will retain the full amount of supplemental payments provided under
31 this program, net of any potential costs for any related audits or
32 litigation brought against the state. The department shall report to
33 the governor and the legislative fiscal committees on the prospects for
34 expansion of the program to other qualifying providers as soon as
35 feasibility is determined but no later than December 31, 2009. The
36 report will outline estimated impacts on the participating providers,
37 the procedures necessary to comply with federal guidelines, and the
38 administrative resource requirements necessary to implement the

1 program. The department will create a process for expansion of the
2 program to other qualifying providers as soon as it is determined
3 feasible by both the department and providers but no later than June
4 30, 2010.

5 (18) \$9,075,000 of the general fund--state appropriation for fiscal
6 year 2010, \$8,588,000 of the general fund--state appropriation for
7 fiscal year 2011, and \$39,747,000 of the general fund--federal
8 appropriation are provided solely for development and implementation of
9 a replacement system for the existing medicaid management information
10 system. The amounts provided in this subsection are conditioned on the
11 department satisfying the requirements of section 902 of this act.

12 (19) \$506,000 of the general fund--state appropriation for fiscal
13 year 2011 and \$657,000 of the general fund--federal appropriation are
14 provided solely for the implementation of Second Substitute House Bill
15 No. 1373 (children's mental health). If the bill is not enacted by
16 June 30, 2009, the amounts provided in this subsection shall lapse.

17 (20) Pursuant to 42 U.S.C. Sec. 1396(a)(25), the department shall
18 pursue insurance claims on behalf of medicaid children served through
19 its in-home medically intensive child program under WAC 388-551-3000.
20 The department shall report to the Legislature by December 31, 2009, on
21 the results of its efforts to recover such claims.

22 (21) The department may, on a case-by-case basis and in the best
23 interests of the child, set payment rates for medically intensive home
24 care services to promote access to home care as an alternative to
25 hospitalization. Expenditures related to these increased payments
26 shall not exceed the amount the department would otherwise pay for
27 hospitalization for the child receiving medically intensive home care
28 services.

29 (22) \$425,000 of the general fund--state appropriation for fiscal
30 year 2010 and \$790,000 of the general fund--federal appropriation are
31 provided solely to continue children's health coverage outreach and
32 education efforts under RCW 74.09.470. These efforts shall rely on
33 existing relationships and systems developed with local public health
34 agencies, health care providers, public schools, the women, infants,
35 and children program, the early childhood education and assistance
36 program, child care providers, newborn visiting nurses, and other
37 community-based organizations. The department shall seek public-
38 private partnerships and federal funds that are or may become available

1 to provide on-going support for outreach and education efforts under
2 the federal children's health insurance program reauthorization act of
3 2009.

4 (23) The department, in conjunction with the office of financial
5 management, shall implement a prorated inpatient payment policy.

6 (24) The department will pursue a competitive procurement process
7 for antihemophilic products, emphasizing evidence-based medicine and
8 protection of patient access without significant disruption in
9 treatment.

10 (25) The department will pursue several strategies towards reducing
11 pharmacy expenditures including but not limited to increasing generic
12 prescription drug utilization by 20 percentage points and promoting
13 increased utilization of the existing mail-order pharmacy program.

14 (26) The department shall reduce reimbursement for over-the-counter
15 medications while maintaining reimbursement for those over-the-counter
16 medications that can replace more costly prescription medications.

17 (27) The department shall seek public-private partnerships and
18 federal funds that are or may become available to implement health
19 information technology projects under the federal American recovery and
20 reinvestment act of 2009.

21 (28) The department shall target funding for maternity support
22 services towards pregnant women with factors that lead to higher rates
23 of poor birth outcomes, including hypertension, a preterm or low birth
24 weight birth in the most recent previous birth, a cognitive deficit or
25 developmental disability, substance abuse, severe mental illness,
26 unhealthy weight or failure to gain weight, tobacco use, or African
27 American or Native American race.

28 (29) \$260,036,000 of the hospital safety net assessment fund--state
29 appropriation and \$255,448,000 of the general fund--federal
30 appropriation are provided solely for the implementation of Engrossed
31 Second Substitute House Bill No. 2956 (hospital safety net assessment).
32 If the bill is not enacted by June 30, 2010, the amounts provided in
33 this subsection shall lapse.

34 (30) \$79,000 of the general fund--state appropriation for fiscal
35 year 2010 and \$53,000 of the general fund--federal appropriation are
36 provided solely to implement Substitute House Bill No. 1845 (medical
37 support obligations).

1 (31) \$63,000 of the general fund--state appropriation for fiscal
2 year 2010, \$583,000 of the general fund--state appropriation for fiscal
3 year 2011, and \$864,000 of the general fund--federal appropriation are
4 provided solely to implement Engrossed House Bill No. 2194
5 (extraordinary medical placement for offenders). The department shall
6 work in partnership with the department of corrections to identify
7 services and find placements for offenders who are released through the
8 extraordinary medical placement program. The department shall
9 collaborate with the department of corrections to identify and track
10 cost savings to the department of corrections, including medical cost
11 savings, and to identify and track expenditures incurred by the aging
12 and disability services program for community services and by the
13 medical assistance program for medical expenses. A joint report
14 regarding the identified savings and expenditures shall be provided to
15 the office of financial management and the appropriate fiscal
16 committees of the legislature by November 30, 2010. If this bill is
17 not enacted by June 30, 2009, the amounts provided in this subsection
18 shall lapse.

19 (32) \$73,000 of the general fund--state appropriation for fiscal
20 year 2011 and \$50,000 of the general fund--federal appropriation is
21 provided solely for supplemental services that will be provided to
22 offenders in lieu of a prison sentence pursuant to chapter 224, Laws of
23 2010 (Substitute Senate Bill No. 6639).

24 (33) Sufficient amounts are provided in this section to provide
25 full benefit dual eligible beneficiaries with medicare part D
26 prescription drug copayment coverage in accordance with RCW 74.09.520.

27 (34) In addition to other reductions, the appropriations in this
28 section reflect reductions targeted specifically to state government
29 administrative costs. These administrative reductions shall be
30 achieved, to the greatest extent possible, by reducing those
31 administrative costs that do not affect providers, direct client
32 services, or direct service delivery or programs.

33 ~~((+36+))~~ (35) \$331,000 of the general fund--state appropriation for
34 fiscal year 2010, \$331,000 of the general fund--state appropriation for
35 fiscal year 2011, and \$1,228,000 of the general fund--federal
36 appropriation are provided solely for the department to support the
37 activities of the Washington poison center. The department shall seek

1 federal authority to receive matching funds from the federal government
2 through the children's health insurance program.

3 ~~((+37+))~~ (36) \$528,000 of the general fund--state appropriation and
4 \$2,955,000 of the general fund--federal appropriation are provided
5 solely for the implementation of the lifeline program under chapter 8,
6 Laws of 2010 1st sp. sess. (security lifeline act).

7 ~~((+43+))~~ (37) Reductions in dental services are to be achieved by
8 focusing on the fastest growing areas of dental care. Reductions in
9 preventative care, particularly for children, will be avoided to the
10 extent possible.

11 ~~((+44+))~~ (38) \$1,307,000 of the general fund--state appropriation
12 for fiscal year 2011 and \$1,770,000 of the general fund--federal
13 appropriation are provided solely to continue to provide dental
14 services in calendar year 2011 for qualifying adults with developmental
15 disabilities. Services shall include preventive, routine, and emergent
16 dental care, and support for continued operation of the dental
17 education in care of persons with disabilities (DECOD) program at the
18 University of Washington.

19 (39) The department shall develop the capability to implement apple
20 health for kids express lane eligibility enrollments for children
21 receiving basic food assistance by June 30, 2011.

22 ~~((+45+))~~ (40)(a) The department, in coordination with the health
23 care authority, shall actively continue to negotiate a medicaid section
24 1115 waiver with the federal centers for medicare and medicaid services
25 that would provide federal matching funds for services provided to
26 persons enrolled in the basic health plan under chapter 70.47 RCW and
27 the medical care services program under RCW 74.09.035.

28 (b) If the waiver in (a) of this subsection is granted, the
29 department and the health care authority may implement the waiver if it
30 allows the program to remain within appropriated levels, after
31 providing notice of its terms and conditions to the relevant policy and
32 fiscal committees of the legislature in writing thirty days prior to
33 the planned implementation date of the waiver.

34 ~~((+46+))~~ (41) \$704,000 of the general fund--state appropriation for
35 fiscal year 2010, \$812,000 of the general fund--state appropriation for
36 fiscal year 2011, and \$1,516,000 of the general fund--federal
37 appropriation are provided solely for maintaining employer-sponsored

1 insurance program staff, coordination of benefits unit staff, the
2 payment integrity audit team, and family planning nursing.

3 ~~((48))~~ (42) Every effort shall be made to maintain current
4 employment levels and achieve administrative savings through vacancies
5 and employee attrition. Efficiencies shall be implemented as soon as
6 possible in order to minimize actual reduction in force. The
7 department shall implement a management strategy that minimizes
8 disruption of service and negative impacts on employees.

9 **Sec. 209.** 2010 sp.s. c 37 s 210 (uncodified) is amended to read as
10 follows:

11 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
12 **REHABILITATION PROGRAM**

13	General Fund--State Appropriation (FY 2010)	\$10,327,000
14	General Fund--State Appropriation (FY 2011)	(\$10,077,000)
15		<u>\$10,045,000</u>
16	General Fund--Federal Appropriation	(\$107,961,000)
17		<u>\$107,848,000</u>
18	Telecommunications Devices for the Hearing and	
19	Speech Impaired--State Appropriation	\$5,976,000
20	TOTAL APPROPRIATION	(\$134,341,000)
21		<u>\$134,196,000</u>

22 The appropriations in this section are subject to the following
23 conditions and limitations: The vocational rehabilitation program
24 shall coordinate closely with the economic services program to serve
25 lifeline clients under chapter 8, Laws of 2010 1st sp. sess. who are
26 referred for eligibility determination and vocational rehabilitation
27 services, and shall make every effort, within the requirements of the
28 federal rehabilitation act of 1973, to serve these clients.

29 **Sec. 210.** 2010 sp.s. c 37 s 211 (uncodified) is amended to read as
30 follows:

31 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--SPECIAL COMMITMENT**
32 **PROGRAM**

33	General Fund--State Appropriation (FY 2010)	\$48,827,000
34	General Fund--State Appropriation (FY 2011)	(\$46,922,000)
35		<u>\$47,051,000</u>
36	TOTAL APPROPRIATION	(\$95,749,000)

1 \$95,878,000

2 **Sec. 211.** 2010 sp.s. c 37 s 212 (uncodified) is amended to read as
3 follows:

4 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND**
5 **SUPPORTING SERVICES PROGRAM**

6 General Fund--State Appropriation (FY 2010) ((~~\$33,604,000~~))
7 \$33,579,000

8 General Fund--State Appropriation (FY 2011) ((~~\$29,407,000~~))
9 \$29,166,000

10 General Fund--Federal Appropriation ((~~\$51,119,000~~))
11 \$50,981,000

12 General Fund--Private/Local Appropriation \$1,121,000

13 Institutional Impact Account--State Appropriation \$22,000

14 TOTAL APPROPRIATION ((~~\$115,273,000~~))
15 \$114,869,000

16 The appropriations in this section are subject to the following
17 conditions and limitations: In addition to other reductions, the
18 appropriations in this section reflect reductions targeted specifically
19 to state government administrative costs. These administrative
20 reductions shall be achieved, to the greatest extent possible, by
21 reducing those administrative costs that do not affect direct client
22 services or direct service delivery or programs.

23 (1) \$333,000 of the general fund--state appropriation for fiscal
24 year 2010 and \$300,000 of the general fund--state appropriation for
25 fiscal year 2011 are provided solely for the Washington state mentors
26 program to continue its public-private partnerships to provide
27 technical assistance and training to mentoring programs that serve at-
28 risk youth.

29 (2) \$445,000 of the general fund--state appropriation for fiscal
30 year 2010 and \$445,000 of the general fund--state appropriation for
31 fiscal year 2011 are provided solely for funding of the teamchild
32 project through the governor's juvenile justice advisory committee.

33 (3) \$178,000 of the general fund--state appropriation for fiscal
34 year 2010 and \$178,000 of the general fund--state appropriation for
35 fiscal year 2011 are provided solely for the juvenile detention
36 alternatives initiative.

1 (4) Amounts appropriated in this section reflect a reduction to the
2 family policy council. The family policy council shall reevaluate
3 staffing levels and administrative costs to ensure to the extent
4 possible a maximum ratio of grant moneys provided and administrative
5 costs.

6 (5) Amounts appropriated in this section reflect a reduction to the
7 council on children and families. The council on children and families
8 shall reevaluate staffing levels and administrative costs to ensure to
9 the extent possible a maximum ratio of grant moneys provided and
10 administrative costs.

11 **Sec. 212.** 2010 sp.s. c 37 s 214 (uncodified) is amended to read as
12 follows:

13 **FOR THE STATE HEALTH CARE AUTHORITY**

14	General Fund--State Appropriation (FY 2010)	\$208,258,000
15	General Fund--State Appropriation (FY 2011)	(\$159,306,000)
16		<u>\$129,087,000</u>
17	General Fund--Federal Appropriation	\$34,727,000
18	State Health Care Authority Administration Account--	
19	State Appropriation	\$34,880,000
20	Medical Aid Account--State Appropriation	\$527,000
21	TOTAL APPROPRIATION	(\$437,698,000)
22		<u>\$407,479,000</u>

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

25 (1) Within amounts appropriated in this section and sections 205
26 and 206 of this act, the health care authority shall continue to
27 provide an enhanced basic health plan subsidy for foster parents
28 licensed under chapter 74.15 RCW and workers in state-funded home care
29 programs. Under this enhanced subsidy option, foster parents eligible
30 to participate in the basic health plan as subsidized enrollees and
31 home care workers with family incomes below 200 percent of the federal
32 poverty level shall be allowed to enroll in the basic health plan at
33 the minimum premium amount charged to enrollees with incomes below
34 sixty-five percent of the federal poverty level.

35 (2) The health care authority shall require organizations and
36 individuals that are paid to deliver basic health plan services and

1 that choose to sponsor enrollment in the subsidized basic health plan
2 to pay 133 percent of the premium amount which would otherwise be due
3 from the sponsored enrollees.

4 (3) The administrator shall take at least the following actions to
5 assure that persons participating in the basic health plan are eligible
6 for the level of assistance they receive: (a) Require submission of
7 (i) income tax returns, and recent pay history, from all applicants, or
8 (ii) other verifiable evidence of earned and unearned income from those
9 persons not required to file income tax returns; (b) check employment
10 security payroll records at least once every twelve months on all
11 enrollees; (c) require enrollees whose income as indicated by payroll
12 records exceeds that upon which their subsidy is based to document
13 their current income as a condition of continued eligibility; (d)
14 require enrollees for whom employment security payroll records cannot
15 be obtained to document their current income at least once every six
16 months; (e) not reduce gross family income for self-employed persons by
17 noncash-flow expenses such as, but not limited to, depreciation,
18 amortization, and home office deductions, as defined by the United
19 States internal revenue service; and (f) pursue repayment and civil
20 penalties from persons who have received excessive subsidies, as
21 provided in RCW 70.47.060(9).

22 (4)(a) In order to maximize the funding appropriated for the basic
23 health plan, the health care authority is directed to make
24 modifications that will reduce the total number of subsidized enrollees
25 to approximately 65,000 by January 1, 2010. In addition to the reduced
26 enrollment, other modifications may include changes in enrollee premium
27 obligations, changes in benefits, enrollee cost-sharing, and
28 termination of the enrollment of individuals concurrently enrolled in
29 a medical assistance program as provided in Substitute House Bill No.
30 2341.

31 (b) The health care authority shall coordinate with the department
32 of social and health services to negotiate a medicaid section 1115
33 waiver with the federal centers for medicare and medicaid services that
34 would provide matching funds for services provided to persons enrolled
35 in the basic health plan under chapter 70.47 RCW.

36 (c) If the waiver in (b) of this subsection is granted, the health
37 care authority may implement the waiver if it allows the program to
38 remain within appropriated levels, after providing notice of its terms

1 and conditions to the relevant policy and fiscal committees of the
2 legislature in writing thirty days prior to the planned implementation
3 date of the waiver.

4 (5) \$250,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$250,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for the implementation of
7 Substitute Senate Bill No. 5360 (community collaboratives). If the
8 bill is not enacted by June 30, 2009, the amounts provided in this
9 section shall lapse.

10 (6) The authority shall seek public-private partnerships and
11 federal funds that are or may become available to implement health
12 information technology projects under the federal American recovery and
13 reinvestment act of 2009.

14 ~~((+9))~~ (7) \$20,000 of the general fund--state appropriation for
15 fiscal year 2010 and \$63,000 of the general fund--state appropriation
16 for fiscal year 2011 are provided solely for the implementation of
17 chapter 220, Laws of 2010 (accountable care organizations).

18 **Sec. 213.** 2010 sp.s. c 37 s 221 (uncodified) is amended to read as
19 follows:

20 **FOR THE DEPARTMENT OF HEALTH**

21	General Fund--State Appropriation (FY 2010)	\$98,414,000
22	General Fund--State Appropriation (FY 2011)	\$81,735,000
23	General Fund--Federal Appropriation	\$564,379,000
24	General Fund--Private/Local Appropriation	\$162,237,000
25	Hospital Data Collection Account--State Appropriation	\$218,000
26	Health Professions Account--State Appropriation	\$82,850,000
27	Aquatic Lands Enhancement Account--State Appropriation	\$603,000
28	Emergency Medical Services and Trauma Care Systems	
29	Trust Account--State Appropriation	\$13,206,000
30	Safe Drinking Water Account--State Appropriation	\$2,731,000
31	Drinking Water Assistance Account--Federal	
32	Appropriation	\$22,862,000
33	Waterworks Operator Certification--State	
34	Appropriation	\$1,522,000
35	Drinking Water Assistance Administrative Account--	
36	State Appropriation	\$326,000
37	State Toxics Control Account--State Appropriation	\$4,106,000

1	Medical Test Site Licensure Account--State	
2	Appropriation	\$2,261,000
3	Youth Tobacco Prevention Account--State Appropriation	\$1,512,000
4	Public Health Supplemental Account--Private/Local	
5	Appropriation	\$3,804,000
6	Community and Economic Development Fee Account--State	
7	Appropriation	\$298,000
8	Accident Account--State Appropriation	\$292,000
9	Medical Aid Account--State Appropriation	\$48,000
10	Tobacco Prevention and Control Account--State	
11	Appropriation	(\$44,196,000)
12		<u>\$41,196,000</u>
13	Biotoxin Account--State Appropriation	\$1,163,000
14	TOTAL APPROPRIATION	(\$1,088,763,000)
15		<u>\$1,085,763,000</u>

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

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

1 (2) In accordance with RCW 43.70.250 and 43.135.055, the department
2 is authorized to establish and raise fees in fiscal year 2011 as
3 necessary to meet the actual costs of conducting business and the
4 appropriation levels in this section. This authorization applies to
5 fees for the review of sewage tank designs, fees related to regulation
6 and inspection of farmworker housing, and fees associated with the
7 following professions: Acupuncture, dental, denturist, mental health
8 counselor, nursing, nursing assistant, optometry, radiologic
9 technologist, recreational therapy, respiratory therapy, social worker,
10 cardiovascular invasive specialist, and practitioners authorized under
11 chapter 18.240 RCW.

12 (3) Pursuant to RCW 43.135.055 and RCW 43.70.250, the department is
13 authorized to establish fees by the amount necessary to fully support
14 the cost of activities related to the administration of long-term care
15 worker certification. The department is further authorized to increase
16 fees by the amount necessary to implement the regulatory requirements
17 of the following bills: House Bill No. 1414 (health care assistants),
18 House Bill No. 1740 (dental residency licenses), and House Bill No.
19 1899 (retired active physician licenses).

20 (4) \$764,000 of the health professions account--state appropriation
21 is provided solely for the medical quality assurance commission to
22 maintain disciplinary staff and associated costs sufficient to reduce
23 the backlog of disciplinary cases and to continue to manage the
24 disciplinary caseload of the commission.

25 (5) \$57,000 of the general fund--state appropriation for fiscal
26 year 2010 and \$58,000 of the general fund--state appropriation for
27 fiscal year 2011 are provided solely for the midwifery licensure and
28 regulatory program to offset a reduction in revenue from fees. The
29 department shall convene the midwifery advisory committee on a
30 quarterly basis to address issues related to licensed midwifery. The
31 appropriations in this section assume that the current application and
32 renewal fee for midwives shall be increased by fifty dollars and all
33 other fees for midwives be adjusted accordingly.

34 (6) Funding for the human papillomavirus vaccine shall not be
35 included in the department's universal vaccine purchase program in
36 fiscal year 2010. Remaining funds for the universal vaccine purchase
37 program shall be used to continue the purchase of all other vaccines

1 included in the program until May 1, 2010, at which point state funding
2 for the universal vaccine purchase program shall be discontinued.

3 (7) Beginning July 1, 2010, the department, in collaboration with
4 the department of social and health services, shall maximize the use of
5 existing federal funds, including section 317 of the federal public
6 health services act direct assistance as well as federal funds that may
7 become available under the American recovery and reinvestment act, in
8 order to continue to provide immunizations for low-income, nonmedicaid
9 eligible children up to three hundred percent of the federal poverty
10 level in state-sponsored health programs.

11 (8) The department shall eliminate outreach activities for the
12 health care directives registry and use the remaining amounts to
13 maintain the contract for the registry and minimal staffing necessary
14 to administer the basic entry functions for the registry.

15 (9) Funding in this section reflects a temporary reduction of
16 resources for the 2009-11 fiscal biennium for the state board of health
17 to conduct health impact reviews.

18 (10) Pursuant to RCW 43.135.055 and 43.70.125, the department is
19 authorized to adopt rules to establish a fee schedule to apply to
20 applicants for initial certification surveys of health care facilities
21 for purposes of receiving federal health care program reimbursement.
22 The fees shall only apply when the department has determined that
23 federal funding is not sufficient to compensate the department for the
24 cost of conducting initial certification surveys. The fees for initial
25 certification surveys may be established as follows: Up to \$1,815 for
26 ambulatory surgery centers, up to \$2,015 for critical access hospitals,
27 up to \$980 for end stage renal disease facilities, up to \$2,285 for
28 home health agencies, up to \$2,285 for hospice agencies, up to \$2,285
29 for hospitals, up to \$520 for rehabilitation facilities, up to \$690 for
30 rural health clinics, and up to \$7,000 for transplant hospitals.

31 (11) Funding for family planning grants for fiscal year 2011 is
32 reduced in the expectation that federal funding shall become available
33 to expand coverage of services for individuals through programs at the
34 department of social and health services. In the event that such
35 funding is not provided, the legislature intends to continue funding
36 through a supplemental appropriation at fiscal year 2010 levels.
37 \$4,500,000 of the general fund--state appropriation is provided solely

1 for the department of health-funded family planning clinic grants due
2 to federal funding not becoming available.

3 (12) \$16,000,000 of the tobacco prevention and control account--
4 state appropriation is provided solely for local health jurisdictions
5 to conduct core public health functions as defined in RCW 43.70.514.

6 (13) \$100,000 of the health professions account appropriation is
7 provided solely for implementation of Substitute House Bill No. 1414
8 (health care assistants). If the bill is not enacted by June 30, 2009,
9 the amount provided in this subsection shall lapse.

10 (14) \$42,000 of the health professions account--state appropriation
11 is provided solely to implement Substitute House Bill No. 1740
12 (dentistry license issuance). If the bill is not enacted by June 30,
13 2009, the amount provided in this section shall lapse.

14 (15) \$23,000 of the health professions account--state appropriation
15 is provided solely to implement Second Substitute House Bill No. 1899
16 (retired active physician licenses). If the bill is not enacted by
17 June 30, 2009, the amount provided in this section shall lapse.

18 (16) \$12,000 of the general fund--state appropriation for fiscal
19 year 2010 and \$67,000 of the general fund--private/local appropriation
20 are provided solely to implement House Bill No. 1510 (birth
21 certificates). If the bill is not enacted by June 30, 2009, the amount
22 provided in this section shall lapse.

23 (17) \$31,000 of the health professions account is provided for the
24 implementation of Second Substitute Senate Bill No. 5850 (human
25 trafficking). If the bill is not enacted by June 2009, the amount
26 provided in this subsection shall lapse.

27 (18) \$282,000 of the health professions account is provided for the
28 implementation of Substitute Senate Bill No. 5752 (dentists cost
29 recovery). If the bill is not enacted by June 2009, the amount
30 provided in this subsection shall lapse.

31 (19) \$106,000 of the health professions account is provided for the
32 implementation of Substitute Senate Bill No. 5601 (speech language
33 assistants). If the bill is not enacted by June 2009, the amount
34 provided in this subsection shall lapse.

35 (20) Subject to existing resources, the department of health is
36 encouraged to examine, in the ordinary course of business, current and
37 prospective programs, treatments, education, and awareness of

1 cardiovascular disease that are needed for a thriving and healthy
2 Washington.

3 ~~((+22+))~~ (21) \$390,000 of the health professions account--state
4 appropriation is provided solely to implement chapter 169, Laws of 2010
5 (nursing assistants). The amount provided in this subsection is from
6 fee revenue authorized by Engrossed Substitute Senate Bill No. 6582.

7 ~~((+23+))~~ (22) \$10,000 of the health professions account--state
8 appropriation for fiscal year 2010 and \$40,000 of the health
9 professions account--state appropriation for fiscal year 2011 are
10 provided solely for the department to study cost effective options for
11 collecting demographic data related to the health care professions
12 workforce to be submitted to the legislature by December 1, 2010.

13 ~~((+24+))~~ (23) \$66,000 of the health professions account--state
14 appropriation is provided solely to implement chapter 209, Laws of 2010
15 (pain management).

16 ~~((+25+))~~ (24) \$10,000 of the health professions account--state
17 appropriation is provided solely to implement chapter 92, Laws of 2010
18 (cardiovascular invasive specialists).

19 ~~((+26+))~~ (25) \$23,000 of the general fund--state appropriation is
20 provided solely to implement chapter 182, Laws of 2010 (tracking
21 ephedrine, etc.).

22 ~~((+27+))~~ (26) The department is authorized to coordinate a tobacco
23 cessation media campaign using all appropriate media with the purpose
24 of maximizing the use of quit-line services and youth smoking
25 prevention.

26 ~~((+29+))~~ (27) It is the intent of the legislature that the
27 reductions in appropriations to the AIDS/HIV programs shall be
28 achieved, to the greatest extent possible, by reducing those state
29 government administrative costs that do not affect direct client
30 services or direct service delivery or programs. The agency shall, to
31 the greatest extent possible, reduce spending in those areas that shall
32 have the least impact on implementing these programs.

33 ~~((+30+))~~ (28) \$400,000 of the state toxics control account--state
34 appropriation is provided solely for granting to a willing local public
35 entity to provide emergency water supplies or water treatment for
36 households with individuals at high public health risk from nitrate-
37 contaminated wells in the lower Yakima basin.

1 (~~(31)~~) (29) \$100,000 of the state toxics control account--state
2 appropriation is provided solely for an interagency contract to the
3 department of ecology to grant to agencies involved in improving
4 groundwater quality in the lower Yakima Valley. These agencies will
5 develop a local plan for improving water quality and reducing nitrate
6 contamination. The department of ecology will report to the
7 appropriate committees of the legislature and to the office of
8 financial management no later than December 1, 2010, summarizing
9 progress towards developing and implementing this plan.

10 **Sec. 214.** 2010 sp.s. c 37 s 223 (uncodified) is amended to read as
11 follows:

12 **FOR THE DEPARTMENT OF CORRECTIONS**

13 (1) ADMINISTRATION AND SUPPORT SERVICES

14	General Fund--State Appropriation (FY 2010)	\$55,772,000
15	General Fund--State Appropriation (FY 2011)	(\$55,417,000)
16		<u>\$51,929,000</u>
17	TOTAL APPROPRIATION	(\$111,189,000)
18		<u>\$107,701,000</u>

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

21 (a) Within funds appropriated in this section, the department shall
22 seek contracts for chemical dependency vendors to provide chemical
23 dependency treatment of offenders in corrections facilities, including
24 corrections centers and community supervision facilities, which have
25 demonstrated effectiveness in treatment of offenders and are able to
26 provide data to show a successful treatment rate.

27 (b) \$35,000 of the general fund--state appropriation for fiscal
28 year 2010 and \$35,000 of the general fund--state appropriation for
29 fiscal year 2011 are provided solely for the support of a statewide
30 council on mentally ill offenders that includes as its members
31 representatives of community-based mental health treatment programs,
32 current or former judicial officers, and directors and commanders of
33 city and county jails and state prison facilities. The council will
34 investigate and promote cost-effective approaches to meeting the long-
35 term needs of adults and juveniles with mental disorders who have a
36 history of offending or who are at-risk of offending, including their

1 mental health, physiological, housing, employment, and job training
2 needs.

3 (2) CORRECTIONAL OPERATIONS

4	General Fund--State Appropriation (FY 2010)	\$458,503,000
5	General Fund--State Appropriation (FY 2011)	(\$600,657,000)
6		<u>\$562,483,000</u>
7	General Fund--Federal Appropriation	\$186,719,000
8	Washington Auto Theft Prevention Authority Account--	
9	State Appropriation	\$5,936,000
10	State Efficiency and Restructuring Account--State	
11	Appropriation	\$34,522,000
12	TOTAL APPROPRIATION	(\$1,286,337,000)
13		<u>\$1,248,163,000</u>

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

16 (a) The department may expend funds generated by contractual
17 agreements entered into for mitigation of severe overcrowding in local
18 jails. Any funds generated in excess of actual costs shall be
19 deposited in the state general fund. Expenditures shall not exceed
20 revenue generated by such agreements and shall be treated as a recovery
21 of costs.

22 (b) The department shall accomplish personnel reductions with the
23 least possible impact on correctional custody staff, community custody
24 staff, and correctional industries. For the purposes of this
25 subsection, correctional custody staff means employees responsible for
26 the direct supervision of offenders.

27 (c) During the 2009-11 biennium, when contracts are established or
28 renewed for offender pay phone and other telephone services provided to
29 inmates, the department shall select the contractor or contractors
30 primarily based on the following factors: (i) The lowest rate charged
31 to both the inmate and the person paying for the telephone call; and
32 (ii) the lowest commission rates paid to the department, while
33 providing reasonable compensation to cover the costs of the department
34 to provide the telephone services to inmates and provide sufficient
35 revenues for the activities funded from the institutional welfare
36 betterment account.

37 (d) The Harborview medical center and the University of Washington
38 medical center shall provide inpatient and outpatient hospital services

1 to offenders confined in department of corrections facilities at a rate
2 no greater than the average rate that the department has negotiated
3 with other community hospitals in Washington state.

4 (e) A political subdivision which is applying for funding to
5 mitigate one-time impacts associated with construction or expansion of
6 a correctional institution, consistent with WAC 137-12A-030, may apply
7 for the mitigation funds in the fiscal biennium in which the impacts
8 occur or in the immediately succeeding fiscal biennium.

9 (f) Within amounts provided in this subsection, the department,
10 jointly with the department of social and health services, shall
11 identify the number of offenders released through the extraordinary
12 medical placement program, the cost savings to the department of
13 corrections, including estimated medical cost savings, and the costs
14 for medical services in the community incurred by the department of
15 social and health services. The department and the department of
16 social and health services shall jointly report to the office of
17 financial management and the appropriate fiscal committees of the
18 legislature by November 30, 2010.

19 (g) \$11,863,000 of the general fund--state appropriation for fiscal
20 year 2010, (~~(\$11,864,000)~~) \$7,467,000 of the general fund--state
21 appropriation for fiscal year 2011, and \$2,336,000 of the general fund--
22 private/local appropriation are provided solely for in-prison evidence-
23 based programs and for the reception diagnostic center program as part
24 of the offender re-entry initiative.

25 (~~(+i)~~) (h) The appropriations in this subsection are based on
26 savings assumed from (~~decreasing the offender population at~~) the
27 closure of the McNeil Island corrections center (~~to 256 minimum~~
28 ~~security offenders, decreasing the offender population at the Larch~~
29 ~~corrections center to 240 offenders, the closure of~~), the Ahtanum View
30 corrections center, and the (~~closure of the~~) Pine Lodge corrections
31 center for women.

32 (3) COMMUNITY SUPERVISION

33	General Fund--State Appropriation (FY 2010)	\$150,729,000
34	General Fund--State Appropriation (FY 2011)	((\$139,945,000))
35		<u>\$134,744,000</u>
36	TOTAL APPROPRIATION	((\$290,674,000))
37		<u>\$285,473,000</u>

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

3 (a) The department shall accomplish personnel reductions with the
4 least possible impact on correctional custody staff, community custody
5 staff, and correctional industries. For the purposes of this
6 subsection, correctional custody staff means employees responsible for
7 the direct supervision of offenders.

8 (b) \$2,083,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$2,083,000 of the general fund--state appropriation for
10 fiscal year 2011 are provided solely to implement Senate Bill No. 5525
11 (state institutions/release). If the bill is not enacted by June 30,
12 2009, the amounts provided in this subsection shall lapse.

13 (c) The appropriations in this subsection are based upon savings
14 assumed from the implementation of Engrossed Substitute Senate Bill No.
15 5288 (supervision of offenders).

16 (d) \$2,791,000 of the general fund--state appropriation for fiscal
17 year 2010 and \$3,166,000 of the general fund--state appropriation for
18 fiscal year 2011 are provided solely for evidence-based community
19 programs and for community justice centers as part of the offender re-
20 entry initiative.

21 (e) \$418,300 of the general fund--state appropriation for fiscal
22 year 2010 is provided solely for the purposes of settling all claims in
23 *Hilda Solis, Secretary of Labor, United States Department of Labor v.*
24 *State of Washington, Department of Corrections*, United States District
25 Court, Western District of Washington, Cause No. C08-cv-05362-RJB. The
26 expenditure of this amount is contingent on the release of all claims
27 in the case, and total settlement costs shall not exceed the amount
28 provided in this subsection. If settlement is not fully executed by
29 June 30, 2010, the amount provided in this subsection shall lapse.

30 (f) \$984,000 of the general fund--state appropriation for fiscal
31 year 2011 is provided solely for supplemental services that will be
32 provided to offenders in lieu of a prison sentence, pursuant to chapter
33 224, Laws of 2010 (confinement alternatives).

34 (4) CORRECTIONAL INDUSTRIES

35	General Fund--State Appropriation (FY 2010)	\$2,574,000
36	General Fund--State Appropriation (FY 2011)	((\$2,547,000))
37		<u>\$2,441,000</u>
38	TOTAL APPROPRIATION	((\$5,121,000))

2 The appropriations in this subsection are subject to the following
3 conditions and limitations: \$132,000 of the general fund--state
4 appropriation for fiscal year 2010 and \$132,000 of the general fund--
5 state appropriation for fiscal year 2011 are provided solely for
6 transfer to the jail industries board. The board shall use the amounts
7 provided only for administrative expenses, equipment purchases, and
8 technical assistance associated with advising cities and counties in
9 developing, promoting, and implementing consistent, safe, and efficient
10 offender work programs.

11 (5) INTERAGENCY PAYMENTS

12	General Fund--State Appropriation (FY 2010)	\$40,728,000
13	General Fund--State Appropriation (FY 2011)	(\$40,084,000)
14		<u>\$38,629,000</u>
15	TOTAL APPROPRIATION	(\$80,812,000)
16		<u>\$79,357,000</u>

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

19 (a) The state prison institutions may use funds appropriated in
20 this subsection to rent uniforms from correctional industries in
21 accordance with existing legislative mandates.

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

(End of Part)

PART III
NATURAL RESOURCES

Sec. 301. 2010 sp.s. c 37 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund--State Appropriation (FY 2010)	\$441,000
General Fund--State Appropriation (FY 2011)	(\$440,000)
	<u>\$412,000</u>
General Fund--Federal Appropriation	\$30,000
General Fund--Private/Local Appropriation	(\$845,000)
	<u>\$817,000</u>
TOTAL APPROPRIATION	(\$1,756,000)
	<u>\$1,700,000</u>

Sec. 302. 2010 sp.s. c 37 s 302 (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)	(\$52,725,000)
	<u>\$46,925,000</u>
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
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
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

1	Water Rights Tracking System Account--State	
2	Appropriation	\$116,000
3	Site Closure Account--State Appropriation	\$922,000
4	Wood Stove Education and Enforcement Account--State	
5	Appropriation	\$612,000
6	Worker and Community Right-to-Know Account--State	
7	Appropriation	\$1,663,000
8	State Toxics Control Account--State Appropriation	\$106,642,000
9	State Toxics Control Account--Private/Local	
10	Appropriation	\$379,000
11	Local Toxics Control Account--State Appropriation	\$24,690,000
12	Water Quality Permit Account--State Appropriation	\$37,018,000
13	Underground Storage Tank Account--State	
14	Appropriation	\$3,270,000
15	Biosolids Permit Account--State Appropriation	\$1,866,000
16	Hazardous Waste Assistance Account--State	
17	Appropriation	\$5,880,000
18	Air Pollution Control Account--State Appropriation	\$2,111,000
19	Oil Spill Prevention Account--State Appropriation	\$10,599,000
20	Air Operating Permit Account--State Appropriation	\$2,758,000
21	Freshwater Aquatic Weeds Account--State Appropriation	\$1,693,000
22	Oil Spill Response Account--State Appropriation	\$7,077,000
23	Metals Mining Account--State Appropriation	\$14,000
24	Water Pollution Control Revolving Account--State	
25	Appropriation	\$535,000
26	Water Pollution Control Revolving Account--Federal	
27	Appropriation	\$2,210,000
28	Water Rights Processing Account--State Appropriation	\$68,000
29	TOTAL APPROPRIATION	((\$443,412,000))
30		<u>\$437,612,000</u>

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

33 (1) \$170,000 of the oil spill prevention account--state
34 appropriation is provided solely for a contract with the University of
35 Washington's sea grant program to continue an educational program
36 targeted to small spills from commercial fishing vessels, ferries,
37 cruise ships, ports, and marinas.

1 (2) \$240,000 of the woodstove education and enforcement account--
2 state appropriation is provided solely for citizen outreach efforts to
3 improve understanding of burn curtailments, the proper use of wood
4 heating devices, and public awareness of the adverse health effects of
5 woodsmoke pollution.

6 (3) \$3,000,000 of the general fund--private/local appropriation is
7 provided solely for contracted toxic-site cleanup actions at sites
8 where multiple potentially liable parties agree to provide funding.

9 (4) \$3,600,000 of the local toxics account--state appropriation is
10 provided solely for the standby emergency rescue tug stationed at Neah
11 Bay.

12 (5) \$811,000 of the state toxics account--state appropriation is
13 provided solely for oversight of toxic cleanup at facilities that
14 treat, store, and dispose of hazardous wastes.

15 (6) \$1,456,000 of the state toxics account--state appropriation is
16 provided solely for toxic cleanup at sites where willing parties
17 negotiate prepayment agreements with the department and provide
18 necessary funding.

19 (7) \$558,000 of the state toxics account--state appropriation and
20 \$3,000,000 of the local toxics account--state appropriation are
21 provided solely for grants and technical assistance to Puget Sound-area
22 local governments engaged in updating shoreline master programs.

23 (8) \$950,000 of the state toxics control account--state
24 appropriation is provided solely for measuring water and habitat
25 quality to determine watershed health and assist salmon recovery,
26 beginning in fiscal year 2011.

27 (9) RCW 70.105.280 authorizes the department to assess reasonable
28 service charges against those facilities that store, treat, incinerate,
29 or dispose of dangerous or extremely hazardous waste that involves both
30 a nonradioactive hazardous component and a radioactive component.
31 Service charges may not exceed the costs to the department in carrying
32 out the duties in RCW 70.105.280. The current service charges do not
33 meet the costs of the department to carry out its duties. Pursuant to
34 RCW 43.135.055 and 70.105.280, the department is authorized to increase
35 the service charges no greater than 18 percent for fiscal year 2010 and
36 no greater than 15 percent for fiscal year 2011. Such service charges
37 shall include all costs of public participation grants awarded to
38 qualified entities by the department pursuant to RCW 70.105D.070(5) for

1 facilities at which such grants are recognized as a component of a
2 community relations or public participation plan authorized or required
3 as an element of a consent order, federal facility agreement or agreed
4 order entered into or issued by the department pursuant to any federal
5 or state law governing investigation and remediation of releases of
6 hazardous substances. Public participation grants funded by such
7 service charges shall be in addition to, and not in place of, any other
8 grants made pursuant to RCW 70.105D.070(5). Costs for the public
9 participation grants shall be billed individually to the mixed waste
10 facility associated with the grant.

11 (10) The department is authorized to increase the following fees in
12 the 2009-2011 biennium as necessary to meet the actual costs of
13 conducting business and the appropriation levels in this section:
14 Environmental lab accreditation, dam safety and inspection, biosolids
15 permitting, air emissions new source review, and manufacturer
16 registration and renewal.

17 (11) \$63,000 of the state toxics control account--state
18 appropriation is provided solely for implementation of Substitute
19 Senate Bill No. 5797 (solid waste handling permits). If the bill is
20 not enacted by June 30, 2009, the amount provided in this subsection
21 shall lapse.

22 (12) \$225,000 of the general fund--state appropriation for fiscal
23 year 2010 and \$193,000 of the general fund--state appropriation for
24 fiscal year 2011 are provided solely for implementation of Engrossed
25 Second Substitute Bill No. 5560 (agency climate leadership). If the
26 bill is not enacted by June 30, 2009, the amounts provided in this
27 subsection shall lapse.

28 (13) \$150,000 of the general fund--state appropriation for fiscal
29 year 2010 and \$150,000 of the general fund--state appropriation for
30 fiscal year 2011 are provided solely for watershed planning
31 implementation grants to continue ongoing efforts to develop and
32 implement water agreements in the Nooksack Basin and the Bertrand
33 watershed. These amounts are intended to support project
34 administration; monitoring; negotiations in the Nooksack watershed
35 between tribes, the department, and affected water users; continued
36 implementation of a flow augmentation project; plan implementation in
37 the Fishtrap watershed; and the development of a water bank.

1 (14) \$215,000 of the general fund--state appropriation for fiscal
2 year 2010 and \$235,000 of the general fund--state appropriation for
3 fiscal year 2011 are provided solely to provide watershed planning
4 implementation grants for WRIA 32 to implement Substitute House Bill
5 No. 1580 (pilot local water management program). If the bill is not
6 enacted by June 30, 2009, the amounts provided in this subsection shall
7 lapse.

8 (15) \$200,000 of the general fund--state appropriation for fiscal
9 year 2010 and \$200,000 of the general fund--state appropriation for
10 fiscal year 2011 are provided solely for the purpose of supporting the
11 trust water rights program and processing trust water right transfer
12 applications that improve instream flow.

13 (16)(a) The department shall convene a stock water working group
14 that includes: Legislators, four members representing agricultural
15 interests, three members representing environmental interests, the
16 attorney general or designee, the director of the department of ecology
17 or designee, the director of the department of agriculture or designee,
18 and affected federally recognized tribes shall be invited to send
19 participants.

20 (b) The group shall review issues surrounding the use of permit-
21 exempt wells for stock-watering purposes and may develop
22 recommendations for legislative action.

23 (c) The working group shall meet periodically and report its
24 activities and recommendations to the governor and the appropriate
25 legislative committees by December 1, 2009.

26 (17) \$73,000 of the water quality permit account--state
27 appropriation is provided solely to implement Substitute House Bill No.
28 1413 (water discharge fees). If the bill is not enacted by June 30,
29 2009, the amount provided in this subsection shall lapse.

30 (18) The department shall continue to work with the Columbia Snake
31 River irrigators' association to determine how seasonal water operation
32 and maintenance conservation can be utilized. In implementing this
33 proviso, the department shall also consult with the Columbia River
34 policy advisory group as appropriate.

35 (19) The department shall track any changes in costs, wages, and
36 benefits that would have resulted if House Bill No. 1716 (public
37 contract living wages), as introduced in the 2009 regular session of
38 the legislature, were enacted and made applicable to contracts and

1 related subcontracts entered into, renewed, or extended during the
2 2009-11 biennium. The department shall submit a report to the house of
3 representatives commerce and labor committee and the senate labor,
4 commerce, and consumer protection committee by December 1, 2011. The
5 report shall include data on any aggregate changes in wages and
6 benefits that would have resulted during the 2009-11 biennium.

7 (20) Within amounts appropriated in this section the department
8 shall develop recommendations by December 1, 2009, for a convenient and
9 effective mercury-containing light recycling program for residents,
10 small businesses, and small school districts throughout the state. The
11 department shall consider options including but not limited to, a
12 producer-funded program, a recycler-supported or recycle fee program,
13 a consumer fee at the time of purchase, general fund appropriations, or
14 a currently existing dedicated account. The department shall involve
15 and consult with stakeholders including persons who represent
16 retailers, waste haulers, recyclers, mercury-containing light
17 manufacturers or wholesalers, cities, counties, environmental
18 organizations and other interested parties. The department shall
19 report its findings and recommendations for a recycling program for
20 mercury-containing lights to the appropriate committees of the
21 legislature by December 1, 2009.

22 (21) \$140,000 of the freshwater aquatic algae control account--
23 state appropriation is provided solely for grants to cities, counties,
24 tribes, special purpose districts, and state agencies for capital and
25 operational expenses used to manage and study excessive saltwater algae
26 with an emphasis on the periodic accumulation of sea lettuce on Puget
27 Sound beaches.

28 (22) By December 1, 2009, the department in consultation with local
29 governments shall conduct a remedial action grant financing
30 alternatives report. The report shall address options for financing the
31 remedial action grants identified in the department's report, entitled
32 "House Bill 1761, Model Toxics Control Accounts Ten-Year Financing
33 Plan" and shall include but not be limited to the following: (a)
34 Capitalizing cleanup costs using debt insurance; (b) capitalizing
35 cleanup costs using prefunded cost-cap insurance; (c) other contractual
36 instruments with local governments; and (d) an assessment of overall
37 economic benefits of the remedial action grants funded using the
38 instruments identified in this section.

1 (23) \$220,000 of the site closure account--state appropriation is
2 provided solely for litigation expenses associated with the lawsuit
3 filed by energy solutions, inc., against the Northwest interstate
4 compact on low-level radioactive waste management and its executive
5 director.

6 (24) \$68,000 of the water rights processing account--state
7 appropriation is provided solely for implementation of Engrossed Second
8 Substitute Senate Bill No. 6267 (water rights processing). If the bill
9 is not enacted by June 30, 2010, the amount provided in this subsection
10 shall lapse.

11 (25) \$10,000 of the state toxics control account--state
12 appropriation is provided solely for implementation of Engrossed
13 Substitute Senate Bill No. 5543 (mercury-containing lights). If the
14 bill is not enacted by June 30, 2010, the amount provided in this
15 subsection shall lapse.

16 (26) \$300,000 of the state toxics control account--state
17 appropriation is provided solely for piloting and evaluating two
18 coordinated, multijurisdictional permitting teams for nontransportation
19 projects.

20 (27)(a) \$4,000,000 of the state drought preparedness account--state
21 appropriation is provided solely for response to a drought declaration
22 pursuant to chapter 43.83B RCW. If such a drought declaration occurs,
23 the department of ecology may provide funding to public bodies as
24 defined in RCW 43.83B.050 in connection with projects and measures
25 designed to alleviate drought conditions that may affect public health
26 and safety, drinking water supplies, agricultural activities, or fish
27 and wildlife survival.

28 (b) Projects or measures for which funding will be provided must be
29 connected with a water system, water source, or water body that is
30 receiving, or has been projected to receive, less than seventy-five
31 percent of normal water supply, as the result of natural drought
32 conditions. This reduction in water supply must be such that it is
33 causing, or will cause, undue hardship for the entities or fish or
34 wildlife depending on the water supply. The department shall issue
35 guidelines outlining grant program and matching fund requirements
36 within ten days of a drought declaration.

1 **Sec. 303.** 2010 sp.s. c 37 s 303 (uncodified) is amended to read as
2 follows:

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

4	General Fund--State Appropriation (FY 2010)	\$23,176,000
5	General Fund--State Appropriation (FY 2011)	(\$20,311,000)
6		<u>\$18,309,000</u>
7	General Fund--Federal Appropriation	\$6,892,000
8	General Fund--Private/Local Appropriation	\$73,000
9	Winter Recreation Program Account--State Appropriation . . .	\$1,556,000
10	Off Road Vehicle Account--State Appropriation	\$239,000
11	Snowmobile Account--State Appropriation	\$4,842,000
12	Aquatic Lands Enhancement Account--State Appropriation	\$368,000
13	Recreation Resources Account--State Appropriation	\$9,802,000
14	NOVA Program Account--State Appropriation	\$9,560,000
15	Parks Renewal and Stewardship Account--State	
16	Appropriation	\$72,975,000
17	Parks Renewal and Stewardship Account--	
18	Private/Local Appropriation	\$300,000
19	TOTAL APPROPRIATION	(\$150,094,000)
20		<u>\$148,092,000</u>

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

23 (1) \$79,000 of the general fund--state appropriation for fiscal
24 year 2010 and \$79,000 of the general fund--state appropriation for
25 fiscal year 2011 are provided solely for a grant for the operation of
26 the Northwest avalanche center.

27 (2) Proceeds received from voluntary donations given by motor
28 vehicle registration applicants shall be used solely for the operation
29 and maintenance of state parks.

30 (3) With the passage of Substitute House Bill No. 2339 (state parks
31 system donation), the legislature finds that it has provided sufficient
32 funds to ensure that all state parks remain open during the 2009-11
33 biennium. The commission shall not close state parks unless the bill
34 is not enacted by June 30, 2009, or revenue collections are
35 insufficient to fund the ongoing operation of state parks. By January
36 10, 2010, the commission shall provide a report to the legislature on
37 their budget and resources related to operating parks for the remainder
38 of the biennium.

1 (4) (~~(+5)~~) The commission shall work with the department of
2 general administration to evaluate the commission's existing leases
3 with the intention of increasing net revenue to state parks. The
4 commission shall provide to the office of financial management and the
5 legislative fiscal committees no later than September 30, 2009, a list
6 of leases the commission proposes be managed by the department of
7 general administration.

8 **Sec. 304.** 2010 sp.s. c 37 s 304 (uncodified) is amended to read as
9 follows:

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

11	General Fund--State Appropriation (FY 2010)	\$1,486,000
12	General Fund--State Appropriation (FY 2011)	(\$1,480,000)
13		<u>\$1,312,000</u>
14	General Fund--Federal Appropriation	\$10,322,000
15	General Fund--Private/Local Appropriation	\$250,000
16	Aquatic Lands Enhancement Account--State Appropriation	\$278,000
17	Firearms Range Account--State Appropriation	\$39,000
18	Recreation Resources Account--State Appropriation	\$2,710,000
19	NOVA Program Account--State Appropriation	\$1,049,000
20	TOTAL APPROPRIATION	(\$17,614,000)
21		<u>\$17,446,000</u>

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

24 (1) \$204,000 of the general fund--state appropriation for fiscal
25 year 2010 and \$244,000 of the general fund--state appropriation for
26 fiscal year 2011 are provided solely for the implementation of
27 Substitute House Bill No. 2157 (salmon recovery). If the bill is not
28 enacted by June 30, 2009, the amounts provided in this subsection shall
29 lapse.

30 (2) The recreation and conservation office, under the direction of
31 the salmon recovery funding board, shall assess watershed and regional-
32 scale capacity issues relating to the support and implementation of
33 salmon recovery. The assessment shall examine priority setting and
34 incentives to further promote coordination to ensure that effective and
35 efficient mechanisms for delivery of salmon recovery funding board
36 funds are being utilized. The salmon recovery funding board shall

1 distribute its operational funding to the appropriate entities based on
2 this assessment.

3 (3) The recreation and conservation office shall negotiate an
4 agreement with the Puget Sound partnership to consolidate or share
5 certain administrative functions currently performed by each agency
6 independently. The agencies shall proportionately share the costs of
7 such shared functions. Examples of shared functions may include, but
8 are not limited to, support for personnel, information technology,
9 grant and contract management, invasive species work, legislative
10 coordination, and policy and administrative support of various boards
11 and councils.

12 **Sec. 305.** 2010 sp.s. c 37 s 305 (uncodified) is amended to read as
13 follows:

14 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

15	General Fund--State Appropriation (FY 2010)	\$1,108,000
16	General Fund--State Appropriation (FY 2011)	(\$1,104,000)
17		<u>\$1,035,000</u>
18	TOTAL APPROPRIATION	(\$2,212,000)
19		<u>\$2,143,000</u>

20 The appropriations in this section are subject to the following
21 conditions and limitations: \$46,000 of the general fund--state
22 appropriation for fiscal year 2010 is provided solely for tenant
23 improvement costs associated with moving the office to a new location.

24 **Sec. 306.** 2010 sp.s. c 37 s 306 (uncodified) is amended to read as
25 follows:

26 **FOR THE CONSERVATION COMMISSION**

27	General Fund--State Appropriation (FY 2010)	\$7,556,000
28	General Fund--State Appropriation (FY 2011)	(\$7,285,000)
29		<u>\$6,751,000</u>
30	General Fund--Federal Appropriation	\$1,178,000
31	TOTAL APPROPRIATION	(\$16,019,000)
32		<u>\$15,485,000</u>

33 The appropriations in this section are subject to the following
34 conditions and limitations: ~~((+1))~~ In order to maintain a high degree
35 of customer service and accountability for conservation districts,

1 \$125,000 is to support the conservation commission's administrative
2 activities related to the processing of conservation district invoices
3 and budgeting.

4 **Sec. 307.** 2010 sp.s. c 37 s 307 (uncodified) is amended to read as
5 follows:

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

7	General Fund--State Appropriation (FY 2010)	\$41,263,000
8	General Fund--State Appropriation (FY 2011)	(\$34,337,000)
9		<u>\$30,560,000</u>
10	General Fund--Federal Appropriation	\$85,799,000
11	General Fund--Private/Local Appropriation	\$47,211,000
12	Off Road Vehicle Account--State Appropriation	\$413,000
13	Aquatic Lands Enhancement Account--State Appropriation . . .	\$6,739,000
14	Recreational Fisheries Enhancement--State	
15	Appropriation	\$3,472,000
16	Warm Water Game Fish Account--State Appropriation	\$2,861,000
17	Eastern Washington Pheasant Enhancement Account--	
18	State Appropriation	\$851,000
19	Aquatic Invasive Species Enforcement Account--State	
20	Appropriation	\$207,000
21	Aquatic Invasive Species Prevention Account-- State	
22	Appropriation	\$833,000
23	Wildlife Account--State Appropriation	\$86,878,000
24	Wildlife Account--Federal Appropriation	\$101,000
25	Wildlife Account--Private/Local Appropriation	\$39,000
26	Game Special Wildlife Account--State Appropriation	\$2,367,000
27	Game Special Wildlife Account--Federal Appropriation	\$3,426,000
28	Game Special Wildlife Account--Private/Local	
29	Appropriation	\$487,000
30	Wildlife Rehabilitation Account--State Appropriation	\$269,000
31	Regional Fisheries Salmonid Recovery Account--	
32	Federal Appropriation	\$5,001,000
33	Oil Spill Prevention Account--State Appropriation	\$876,000
34	Oyster Reserve Land Account--State Appropriation	\$916,000
35	TOTAL APPROPRIATION	(\$324,346,000)
36		<u>\$320,569,000</u>

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

3 (1) \$294,000 of the aquatic lands enhancement account--state
4 appropriation is provided solely for the implementation of hatchery
5 reform recommendations defined by the hatchery scientific review group.

6 (2) \$355,000 of the general fund--state appropriation for fiscal
7 year 2010 and \$422,000 of the general fund--state appropriation for
8 fiscal year 2011 are provided solely for the department to implement a
9 pilot project with the Confederated Tribes of the Colville Reservation
10 to develop expanded recreational fishing opportunities on Lake Rufus
11 Woods and its northern shoreline and to conduct joint enforcement of
12 lake fisheries on Lake Rufus Woods and adjoining waters, pursuant to
13 state and tribal intergovernmental agreements developed under the
14 Columbia River water supply program. For the purposes of the pilot
15 project:

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

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

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

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

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

32 (3) Prior to submitting its 2011-2013 biennial operating and
33 capital budget request related to state fish hatcheries to the office
34 of financial management, the department shall contract with the
35 hatchery scientific review group (HSRG) to review this request. This
36 review shall: (a) Determine if the proposed requests are consistent
37 with HSRG recommendations; (b) prioritize the components of the
38 requests based on their contributions to protecting wild salmonid

1 stocks and meeting the recommendations of the HSRG; and (c) evaluate
2 whether the proposed requests are being made in the most cost effective
3 manner. The department shall provide a copy of the HSRG review to the
4 office of financial management with their agency budget proposal.

5 (4) Within existing funds, the department shall continue
6 implementing its capital program action plan dated September 1, 2007,
7 including the purchase of the necessary maintenance and support costs
8 for the capital programs and engineering tools. The department shall
9 report to the office of financial management and the appropriate
10 committees of the legislature, its progress in implementing the plan,
11 including improvements instituted in its capital program, by September
12 30, 2010.

13 (5) \$1,232,000 of the state wildlife account--state appropriation
14 is provided solely to implement Substitute House Bill No. 1778 (fish
15 and wildlife). If the bill is not enacted by June 30, 2009, the amount
16 provided in this subsection shall lapse.

17 (6) \$400,000 of the general fund--state appropriation for fiscal
18 year 2010 and \$400,000 of the general fund--state appropriation for
19 fiscal year 2011 are provided solely for a state match to support the
20 Puget Sound nearshore partnership between the department and the U.S.
21 army corps of engineers.

22 (7) \$50,000 of the general fund--state appropriation for fiscal
23 year 2010 and \$50,000 of the general fund--state appropriation for
24 fiscal year 2011 are provided solely for removal of derelict gear in
25 Washington waters.

26 (8) The department of fish and wildlife shall dispose of all Cessna
27 aircraft it currently owns. The proceeds from the aircraft shall be
28 deposited into the state wildlife account. Disposal of the aircraft
29 must occur no later than June 30, 2010. The department shall
30 coordinate with the department of natural resources on the installation
31 of fire surveillance equipment into its Partenavia aircraft. The
32 department shall make its Partenavia aircraft available to the
33 department of natural resources on a cost-reimbursement basis for its
34 use in coordinating fire suppression efforts. The two agencies shall
35 develop an interagency agreement that defines how they will share
36 access to the plane.

37 (9) \$50,000 of the general fund--state appropriation for fiscal

1 year 2010 is provided solely for an electron project fish passage study
2 consistent with the recommendations and protocols contained in the 2008
3 electron project downstream fish passage final report.

4 (10) \$60,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$60,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for implementation of Engrossed
7 Second Substitute Bill No. 5560 (agency climate leadership). If the
8 bill is not enacted by June 30, 2009, the amounts provided in this
9 subsection shall lapse.

10 (11) If sufficient new revenues are not identified to continue
11 hatchery operations, within the constraints of legally binding tribal
12 agreements, the department shall dispose of, by removal, sale, lease,
13 reversion, or transfer of ownership, the following hatcheries:
14 McKernan, Colville, Omak, Bellingham, Arlington, and Mossyrock.
15 Disposal of the hatcheries must occur by June 30, 2011, and any
16 proceeds received from disposal shall be deposited in the state
17 wildlife account. Within available funds, the department shall provide
18 quarterly reports on the progress of disposal to the office of
19 financial management and the appropriate fiscal committees of the
20 legislature. The first report shall be submitted no later than
21 September 30, 2009.

22 (12) \$100,000 of the eastern Washington pheasant enhancement
23 account--state appropriation is provided solely for the department to
24 support efforts to enhance permanent and temporary pheasant habitat on
25 public and private lands in Grant, Franklin, and Adams counties. The
26 department may support efforts by entities including conservation
27 districts, nonprofit organizations, and landowners, and must require
28 such entities to provide significant nonstate matching resources, which
29 may be in the form of funds, material, or labor.

30 (13) Within the amounts appropriated in this section, the
31 department of fish and wildlife shall develop a method for allocating
32 its administrative and overhead costs proportionate to program fund
33 use. As part of its 2011-2013 biennial operating budget, the
34 department shall submit a decision package that rebalances expenditure
35 authority for all agency funds based upon proportionate contributions.

36 (14) Within the amounts appropriated in this section, the
37 department shall identify additional opportunities for partnerships in

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

4 (15) Within the amounts appropriated in this section, the
5 department shall work with stakeholders to develop a long-term funding
6 model that sustains the department's work of conserving species and
7 habitat, providing sustainable recreational and commercial
8 opportunities and using sound business practices. The funding model
9 analysis shall assess the appropriate uses of each fund source and
10 whether the department's current and projected revenue levels are
11 adequate to sustain its current programs. The department shall report
12 its recommended funding model including supporting analysis and
13 stakeholder participation summary to the office of financial management
14 and the appropriate committees of the legislature by October 1, 2010.

15 (16) By October 1, 2010, the department shall enter into an
16 interagency agreement with the department of natural resources for land
17 management services for the department's wildlife conservation and
18 recreation lands. Land management services may include but are not
19 limited to records management, real estate services such as surveying,
20 and land acquisition and disposal services. The interagency agreement
21 shall describe business processes, service delivery expectations, cost,
22 and timing. In the agreement, the department shall define its roles
23 and responsibilities. A draft agreement shall be submitted to the
24 office of financial management and the appropriate fiscal committees of
25 the legislature by July 1, 2010.

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

30 (18) The department must work with appropriate stakeholders to
31 facilitate the disposition of salmon to best utilize the resource,
32 increase revenues to regional fisheries enhancement groups, and enhance
33 the provision of nutrients to food banks. By November 1, 2010, the
34 department must provide a report to the appropriate committees of the
35 legislature summarizing these discussions, outcomes, and
36 recommendations. After November 1, 2010, the department shall not
37 solicit or award a surplus salmon disposal contract without first

1 giving due consideration to implementing the recommendations developed
2 during the stakeholder process.

3 (19) \$50,000 of the general fund--state appropriation for fiscal
4 year 2011 is provided solely for increased fish production at Voight
5 Creek hatchery.

6 **Sec. 308.** 2010 sp.s. c 37 s 308 (uncodified) is amended to read as
7 follows:

8 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

9	General Fund--State Appropriation (FY 2010)	\$48,822,000
10	General Fund--State Appropriation (FY 2011)	(\$37,513,000)
11		<u>\$33,387,000</u>
12	General Fund--Federal Appropriation	\$28,784,000
13	General Fund--Private/Local Appropriation	\$2,369,000
14	Forest Development Account--State Appropriation	\$41,640,000
15	Off Road Vehicle Account--State Appropriation	\$4,406,000
16	Surveys and Maps Account--State Appropriation	\$2,332,000
17	Aquatic Lands Enhancement Account--State	
18	Appropriation	\$8,315,000
19	Resources Management Cost Account--State	
20	Appropriation	\$78,704,000
21	Surface Mining Reclamation Account--State	
22	Appropriation	\$3,494,000
23	Disaster Response Account--State Appropriation	\$5,000,000
24	Forest and Fish Support Account--State Appropriation	\$8,000,000
25	Aquatic Land Dredged Material Disposal Site	
26	Account--State Appropriation	\$1,333,000
27	Natural Resources Conservation Areas Stewardship	
28	Account--State Appropriation	\$184,000
29	State Toxics Control Account--State Appropriation	\$720,000
30	Air Pollution Control Account--State Appropriation	\$568,000
31	NOVA Program Account--State Appropriation	\$974,000
32	Derelict Vessel Removal Account--State Appropriation	\$1,749,000
33	Agricultural College Trust Management Account--	
34	State Appropriation	\$1,941,000
35	TOTAL APPROPRIATION	(\$276,848,000)
36		<u>\$272,722,000</u>

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

3 (1) \$1,355,000 of the general fund--state appropriation for fiscal
4 year 2010 and \$349,000 of the general fund--state appropriation for
5 fiscal year 2011 are provided solely for deposit into the agricultural
6 college trust management account and are provided solely to manage
7 approximately 70,700 acres of Washington State University's
8 agricultural college trust lands.

9 (2) \$22,670,000 of the general fund--state appropriation for fiscal
10 year 2010, \$11,128,000 of the general fund--state appropriation for
11 fiscal year 2011, and \$5,000,000 of the disaster response account--
12 state appropriation are provided solely for emergency fire suppression.
13 None of the general fund and disaster response account amounts provided
14 in this subsection may be used to fund agency indirect and
15 administrative expenses. Agency indirect and administrative costs
16 shall be allocated among the agency's remaining accounts and
17 appropriations. The department of natural resources shall submit a
18 quarterly report to the office of financial management and the
19 legislative fiscal committees detailing information on current and
20 planned expenditures from the disaster response account. This work
21 shall be done in coordination with the military department.

22 (3) \$5,000,000 of the forest and fish support account--state
23 appropriation is provided solely for adaptive management, monitoring,
24 and participation grants to tribes. If federal funding for this
25 purpose is reinstated, the amount provided in this subsection shall
26 lapse.

27 (4) \$600,000 of the derelict vessel removal account--state
28 appropriation is provided solely for removal of derelict and abandoned
29 vessels that have the potential to contaminate Puget Sound.

30 (5) \$666,000 of the general fund--federal appropriation is provided
31 solely to implement House Bill No. 2165 (forest biomass energy
32 project). If the bill is not enacted by June 30, 2009, the amount
33 provided in this subsection shall lapse.

34 (6) \$5,000 of the general fund--state appropriation for fiscal year
35 2010 and \$5,000 of the general fund--state appropriation for fiscal
36 year 2011 are provided solely to implement Substitute House Bill No.
37 1038 (specialized forest products). If the bill is not enacted by June
38 30, 2009, the amounts provided in this subsection shall lapse.

1 (7) \$440,000 of the state general fund--state appropriation for
2 fiscal year 2010 and \$440,000 of the state general fund--state
3 appropriation for fiscal year 2011 are provided solely for forest work
4 crews that support correctional camps and are contingent upon
5 continuing operations of Naselle youth camp at the level provided in
6 fiscal year 2008. The department shall consider using up to \$2,000,000
7 of the general fund--federal appropriation to support and utilize
8 correctional camp crews to implement natural resource projects approved
9 by the federal government for federal stimulus funding.

10 (8) The department of natural resources shall dispose of the King
11 Air aircraft it currently owns. Before disposal and within existing
12 funds, the department shall transfer specialized equipment for fire
13 surveillance to the department of fish and wildlife's Partenavia
14 aircraft. Disposal of the aircraft must occur no later than June 30,
15 2010, and the proceeds from the sale of the aircraft shall be deposited
16 into the forest and fish support account. No later than June 30, 2011,
17 the department shall lease facilities in eastern Washington sufficient
18 to house the necessary aircraft, mechanics, and pilots used for forest
19 fire prevention and suppression.

20 (9) \$30,000 of the general fund--state appropriation for fiscal
21 year 2010 and \$30,000 of the general fund--state appropriation for
22 fiscal year 2011 are provided solely for implementation of Engrossed
23 Second Substitute Bill No. 5560 (agency climate leadership). If the
24 bill is not enacted by June 30, 2009, the amounts provided in this
25 subsection shall lapse.

26 (10) \$1,030,000 of the aquatic lands enhancement account--state
27 appropriation for fiscal year 2011 is provided solely for continuing
28 scientific studies already underway as part of the adaptive management
29 process. Funds may not be used to initiate new studies unless the
30 department secures new federal funding for the adaptive management
31 process.

32 (11) Within available funds, the department of natural resources
33 shall review the statutory method for determining aquatic lands lease
34 rates for private marinas, public marinas not owned and operated by
35 port districts, yacht clubs, and other entities leasing state land for
36 boat moorage. The review shall consider alternative methods for
37 determining rents for these entities for a fair distribution of rent,

1 consistent with the department management mandates for state aquatic
2 lands.

3 (12) \$40,000 of the general fund--state appropriation for fiscal
4 year 2011 and \$100,000 of the aquatic lands enhancement account--state
5 appropriation are provided solely to install up to twenty mooring buoys
6 in Eagle Harbor and to remove abandoned boats, floats, and other
7 trespassing structures.

8 (13) By October 1, 2010, the department shall enter into an
9 interagency agreement with the department of fish and wildlife for
10 providing land management services on the department of fish and
11 wildlife's wildlife conservation and recreation lands. Land management
12 services may include but are not limited to records management, real
13 estate services such as surveying, and land acquisition and disposal
14 services. The interagency agreement shall describe business processes,
15 service delivery expectations, cost, and timing. A draft agreement
16 shall be submitted to the office of financial management and the
17 appropriate fiscal committees of the legislature by July 1, 2010.

18 (14) \$41,000 of the forest development account--state
19 appropriation, \$44,000 of the resources management cost account--state
20 appropriation, and \$2,000 of the agricultural college trust management
21 account--state appropriation are provided solely for the implementation
22 of Second Substitute House Bill No. 2481 (DNR forest biomass
23 agreements). If the bill is not enacted by June 30, 2010, the amount
24 provided in this subsection shall lapse.

25 **Sec. 309.** 2010 sp.s. c 37 s 309 (uncodified) is amended to read as
26 follows:

27 **FOR THE DEPARTMENT OF AGRICULTURE**

28	General Fund--State Appropriation (FY 2010)	\$12,320,000
29	General Fund--State Appropriation (FY 2011)	(\$16,219,000)
30		<u>\$15,830,000</u>
31	General Fund--Federal Appropriation	\$20,947,000
32	General Fund--Private/Local Appropriation	\$193,000
33	Aquatic Lands Enhancement Account--State Appropriation . . .	\$2,551,000
34	State Toxics Control Account--State Appropriation	\$4,724,000
35	Water Quality Permit Account--State Appropriation	\$61,000
36	TOTAL APPROPRIATION	(\$57,015,000)
37		<u>\$56,626,000</u>

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

3 (1) \$350,000 of the aquatic lands enhancement account appropriation
4 is provided solely for funding to the Pacific county noxious weed
5 control board to eradicate remaining spartina in Willapa Bay.

6 (2) \$19,000 of the general fund--state appropriation for fiscal
7 year 2010 and \$6,000 of the general fund--state appropriation for
8 fiscal year 2011 are provided solely to implement Substitute Senate
9 Bill No. 5797 (solid waste handling permits). If the bill is not
10 enacted by June 30, 2009, the amounts provided in this subsection shall
11 lapse.

12 (3) The department is authorized to establish or increase the
13 following fees in the 2009-11 biennium as necessary to meet the actual
14 costs of conducting business: Christmas tree grower licensing, nursery
15 dealer licensing, plant pest inspection and testing, and commission
16 merchant licensing.

17 (4) \$5,420,000 of the general fund--state appropriation for fiscal
18 year 2011 and \$2,782,000 of the general fund--federal appropriation are
19 provided solely for implementation of Substitute Senate Bill No. 6341
20 (food assistance/department of agriculture). Within amounts
21 appropriated in this subsection, \$65,000 of the general fund--state
22 appropriation for fiscal year 2011 is provided solely for a contract
23 with a food distribution program for communities in the southwestern
24 portion of the state and for workers impacted by timber and salmon
25 fishing closures and reductions. The department may not charge
26 administrative overhead or expenses to this contract. If the bill is
27 not enacted by June 30, 2010, the amounts provided in this subsection
28 shall lapse.

29 (5) The department shall, if public or private funds are available,
30 partner with eligible public and private entities with experience in
31 food collection and distribution to review funding sources for eight
32 full-time volunteers in the AmeriCorps VISTA program to conduct
33 outreach to local growers, agricultural donors, and community
34 volunteers. Public and private partners shall also be utilized to
35 coordinate gleaning unharvested tree fruits and fresh produce for
36 distribution to individuals throughout Washington state.

37 (6) When reducing laboratory activities and functions, the

1 department shall not impact any research or analysis pertaining to
2 bees.

3 **Sec. 310.** 2010 sp.s. c 37 s 311 (uncodified) is amended to read as
4 follows:

5 **FOR THE PUGET SOUND PARTNERSHIP**

6	General Fund--State Appropriation (FY 2010)	\$3,143,000
7	General Fund--State Appropriation (FY 2011)	(\$2,864,000)
8		<u>\$2,684,000</u>
9	General Fund--Federal Appropriation	\$7,214,000
10	Aquatic Lands Enhancement Account--State Appropriation	\$493,000
11	State Toxics Control Account--State Appropriation	\$794,000
12	TOTAL APPROPRIATION	(\$14,508,000)
13		<u>\$14,328,000</u>

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

16 (1) \$305,000 of the general fund--state appropriation for fiscal
17 year 2010 is provided solely for measuring water and habitat quality to
18 determine watershed health and assist salmon recovery.

19 (2) \$794,000 of the state toxics control account--state
20 appropriation is provided solely for activities that contribute to
21 Puget Sound protection and recovery, including provision of independent
22 advice and assessment of the state's oil spill prevention,
23 preparedness, and response programs, including review of existing
24 activities and recommendations for any necessary improvements. The
25 partnership may carry out this function through an existing committee,
26 such as the ecosystem coordination board or the leadership council, or
27 may appoint a special advisory council. Because this is a unique
28 statewide program, the partnership may invite participation from
29 outside the Puget Sound region.

30 (3) Within the amounts appropriated in this section, the Puget
31 Sound partnership shall facilitate an ongoing monitoring consortium to
32 integrate monitoring efforts for storm water, water quality, watershed
33 health, and other indicators to enhance monitoring efforts in Puget
34 Sound.

35 (4) The Puget Sound partnership shall work with Washington State
36 University and the environmental protection agency to secure funding
37 for the beach watchers program.

1 (5) \$839,000 of the general fund--state appropriation for fiscal
2 year 2010 and \$764,000 of the general fund--state appropriation for
3 fiscal year 2011 are provided solely to support public education and
4 volunteer programs. The partnership is directed to distribute the
5 majority of funding as grants to local organizations, local
6 governments, and education, communication, and outreach network
7 partners. The partnership shall track progress for this activity
8 through the accountability system of the Puget Sound partnership.

9 (6) The Puget Sound partnership shall negotiate an agreement with
10 the recreation and conservation office to consolidate or share certain
11 administrative functions currently performed by each agency
12 independently. The agencies shall proportionately share the costs of
13 such shared functions. Examples of shared functions may include, but
14 are not limited to, support for personnel, information technology,
15 grant and contract management, invasive species work, legislative
16 coordination, and policy and administrative support of various boards
17 and councils.

(End of part)

PART V
EDUCATION

Sec. 501. 2010 sp.s. c 37 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)	(\$33,610,000)
	<u>\$29,696,000</u>
General Fund--Federal Appropriation	\$87,081,000
TOTAL APPROPRIATION	(\$156,106,000)
	<u>\$152,192,000</u>

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 ~~(\$21,926,000)~~ \$19,570,000 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 ~~(\$10,367,000)~~ \$9,709,000 of the general fund--state appropriation for fiscal year 2011 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, 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.

1 (iii) Within amounts provided in this subsection (1)(a), the state
2 superintendent of public instruction shall share best practices with
3 school districts regarding strategies for increasing efficiencies and
4 economies of scale in school district noninstructional operations
5 through shared service arrangements and school district cooperatives,
6 as well as other practices.

7 ~~((e))~~ (b) \$25,000 of the general fund--state appropriation for
8 fiscal year 2011 is provided to the office of the superintendent of
9 public instruction solely to convene a science, technology,
10 engineering, and mathematics (STEM) working group to develop a
11 comprehensive plan with a shared vision, goals, and measurable
12 objectives to improve policies and practices to ensure that a pathway
13 is established for elementary schools, middle schools, high schools,
14 postsecondary degree programs, and careers in the areas of STEM,
15 including improving practices for recruiting, preparing, hiring,
16 retraining, and supporting teachers and instructors while creating
17 pathways to boost student success, close the achievement gap, and
18 prepare every student to be college and career ready. The working
19 group shall be composed of the director of STEM at the office of the
20 superintendent of public instruction who shall be the chair of the
21 working group, and at least one representative from the state board of
22 education, professional educator standards board, state board of
23 community and technical colleges, higher education coordinating board,
24 workforce training and education coordinating board, the achievement
25 gap oversight and accountability committee, and others with appropriate
26 expertise. The working group shall develop a comprehensive plan and a
27 report with recommendations, including a timeline for specific actions
28 to be taken, which is due to the governor and the appropriate
29 committees of the legislature by December 1, 2010.

30 ~~((d))~~ (c) \$920,000 of the general fund--state appropriation for
31 fiscal year 2010 and ~~(\$941,000)~~ \$491,000 of the general fund--state
32 appropriation for fiscal year 2011 are provided solely for research and
33 development activities associated with the development of options for
34 new school finance systems, including technical staff, reprogramming,
35 and analysis of alternative student funding formulae. Within this
36 amount is \$150,000 for the state board of education for further
37 development of accountability systems, and \$150,000 for the

1 professional educator standards board for continued development of
2 teacher certification and evaluation systems.

3 ~~((+e))~~ (d) \$965,000 of the general fund--state appropriation for
4 fiscal year 2010 and ~~((+\$946,000))~~ \$887,000 of the general fund--state
5 appropriation for fiscal year 2011 are provided solely for the
6 operation and expenses of the state board of education, including basic
7 education assistance activities.

8 ~~((+f))~~ (e) \$5,366,000 of the general fund--state appropriation for
9 fiscal year 2010 and ~~((+\$3,312,000))~~ \$3,103,000 of the general fund--
10 state appropriation for fiscal year 2011 are provided solely to the
11 professional educator standards board for the following:

12 (i) \$1,070,000 in fiscal year 2010 and ~~((+\$1,058,000))~~ \$985,000 in
13 fiscal year 2011 are for the operation and expenses of the Washington
14 professional educator standards board;

15 (ii) \$4,106,000 of the general fund--state appropriation for fiscal
16 year 2010 and ~~((+\$2,066,000))~~ \$1,936,000 of the general fund--state
17 appropriation for fiscal year 2011 are for conditional scholarship
18 loans and mentor stipends provided through the alternative routes to
19 certification program administered by the professional educator
20 standards board, including the pipeline for paraeducators program and
21 the retooling to teach conditional loan programs. Funding within this
22 subsection (1)(f)(ii) is also provided for the recruiting Washington
23 teachers program.

24 (iii) \$102,000 of the general fund--state appropriation for fiscal
25 year 2010 is provided for the implementation of Second Substitute
26 Senate Bill No. 5973 (student achievement gap). ~~((+\$100,000))~~ \$94,000
27 of the general fund--state appropriation for fiscal year 2011 is
28 provided solely for the ongoing work of the achievement gap oversight
29 and accountability committee and implementation of the committee's
30 recommendations.

31 ~~((+g))~~ (f) \$1,349,000 of the general fund--state appropriation for
32 fiscal year 2010 and \$144,000 of the general fund--state appropriation
33 for fiscal year 2011 are provided solely for replacement of the
34 apportionment system, which includes the processes that collect school
35 district budget and expenditure information, staffing characteristics,
36 and the student enrollments that drive the funding process.

37 ~~((+h))~~ (g) \$1,140,000 of the general fund--state appropriation for
38 fiscal year 2010 and \$1,227,000 of the general fund-- state

1 appropriation for fiscal year 2011 are provided solely for the creation
2 of a statewide data base of longitudinal student information. This
3 amount is conditioned on the department satisfying the requirements in
4 section 902 of this act.

5 ~~((i))~~ (h) \$75,000 of the general fund--state appropriation for
6 fiscal year 2010 is provided solely to promote the financial literacy
7 of students. The effort will be coordinated through the financial
8 education public-private partnership. It is expected that
9 nonappropriated funds available to the public-private partnership will
10 be sufficient to continue financial literacy activities.

11 ~~((j))~~ (i) To the maximum extent possible, in adopting new agency
12 rules or making any changes to existing rules or policies related to
13 the fiscal provisions in the administration of part V of this act, the
14 office of the superintendent of public instruction shall attempt to
15 request approval through the normal legislative budget process.

16 ~~((k))~~ (j) \$44,000 of the general fund--state appropriation for
17 fiscal year 2010 and \$45,000 of the general fund--state appropriation
18 for fiscal year 2011 are provided solely for the implementation of
19 Substitute Senate Bill No. 5248 (enacting the interstate compact on
20 educational opportunity for military children).

21 ~~((l))~~ (k) \$700,000 of the general fund--state appropriation for
22 fiscal year 2010 and \$700,000 of the general fund--state appropriation
23 for fiscal year 2011 are provided solely for the implementation of
24 Substitute Senate Bill No. 5410 (online learning).

25 ~~((m))~~ (l) \$25,000 of the general fund--state appropriation for
26 fiscal year 2010 and ~~(\$25,000)~~ \$12,000 of the general fund--state
27 appropriation for fiscal year 2011 are provided solely for project
28 citizen, a program sponsored by the national conference of state
29 legislatures and the center for civic education to promote
30 participation in government by middle school students.

31 ~~((n))~~ (m) \$2,518,000 of the general fund--state appropriation for
32 fiscal year 2011 is provided solely for the implementation of
33 Substitute House Bill No. 2776 (K-12 education funding). If the bill
34 is not enacted by June 30, 2010, the amount provided in this subsection
35 shall lapse.

36 ~~((o) — \$133,000)~~ (n) \$89,000 of the general fund--state
37 appropriation for fiscal year 2011 is provided solely for the

1 implementation of Engrossed Second Substitute House Bill No. 3026
2 (state and federal civil rights laws). If the bill is not enacted by
3 June 30, 2010, the amount provided in this subsection shall lapse.

4 ~~((p))~~ (o) Beginning in the 2010-11 school year, the
5 superintendent of public instruction shall require all districts
6 receiving general apportionment funding for alternative learning
7 experience (ALE) programs as defined in WAC 392-121-182 to provide
8 separate financial accounting of expenditures for the ALE programs
9 offered in district or with a provider, including but not limited to
10 private companies and multidistrict cooperatives.

11 ~~((q))~~ (p) \$55,000 of the general fund--state appropriation for
12 fiscal year 2011 is provided to the office of the superintendent of
13 public instruction solely to convene a technical working group to
14 establish standards, guidelines, and definitions for what constitutes
15 a basic education program for highly capable students and the
16 appropriate funding structure for such a program, and to submit
17 recommendations to the legislature for consideration. The working
18 group may convene advisory subgroups on specific topics as necessary to
19 assure participation and input from a broad array of diverse
20 stakeholders. The working group must consult with and seek input from
21 nationally recognized experts; researchers and academics on the unique
22 educational, emotional, and social needs of highly capable students and
23 how to identify such students; representatives of national
24 organizations and associations for educators of or advocates for highly
25 capable students; school district representatives who are educators,
26 counselors, and classified school employees involved with highly
27 capable programs; parents of students who have been identified as
28 highly capable; representatives from the federally recognized tribes;
29 and representatives of cultural, linguistic, and racial minority groups
30 and the community of persons with disabilities. The working group
31 shall make recommendations to the quality education council and to
32 appropriate committees of the legislature by December 1, 2010. The
33 recommendations shall take into consideration that access to the
34 program for highly capable students is not an individual entitlement
35 for any particular student. The recommendations shall seek to minimize
36 underrepresentation of any particular demographic or socioeconomic
37 group by better identification, not lower standards or quotas, and
38 shall include the following:

1 (i) Standardized state-level identification procedures, standards,
2 criteria, and benchmarks, including a definition or definitions of a
3 highly capable student. Students who are both highly capable and are
4 students of color, are poor, or have a disability must be addressed;

5 (ii) Appropriate programs and services that have been shown by
6 research and practice to be effective with highly capable students but
7 maintain options and flexibility for school districts, where possible;

8 (iii) Program administration, management, and reporting
9 requirements for school districts;

10 (iv) Appropriate educator qualifications, certification
11 requirements, and professional development and support for educators
12 and other staff who are involved in programs for highly capable
13 students;

14 (v) Self-evaluation models to be used by school districts to
15 determine the effectiveness of the program and services provided by the
16 school district for highly capable programs;

17 (vi) An appropriate state-level funding structure; and

18 (vii) Other topics deemed to be relevant by the working group.

19 ~~((r) - \$1,000,000)~~ (q) - \$500,000 of the general fund--state
20 appropriation for fiscal year 2011 is provided solely for contracting
21 with a college scholarship organization with expertise in conducting
22 outreach to students concerning eligibility for the Washington college
23 bound scholarship consistent with chapter 405, Laws of 2007.

24 ~~((s))~~ (r) \$24,000 of the general fund--state appropriation for
25 fiscal year 2010 ~~((and - \$140,000 - of - the - general - fund - state~~
26 ~~appropriation - for - fiscal - year - 2011 - are))~~ is provided solely for
27 implementation of Substitute Senate Bill No. 6759 (requiring a plan for
28 a voluntary program of early learning as a part of basic education).
29 If the bill is not enacted by June 30, 2010, the amounts provided in
30 this subsection (1)(r) shall lapse.

31 ~~((t))~~ (s) \$950,000 of the general fund--state appropriation for
32 fiscal year 2010 is provided solely for office of the attorney general
33 costs related to *McCleary v. State of Washington*.

34 (2) \$12,320,000 of the general fund--state appropriation for fiscal
35 year 2010, ~~((\$11,685,000))~~ \$10,127,000 of the general fund--state
36 appropriation for fiscal year 2011, and \$55,890,000 of the general
37 fund--federal appropriation are for statewide programs.

38 (a) HEALTH AND SAFETY

1 (i) \$2,541,000 of the general fund--state appropriation for fiscal
2 year 2010 and (~~(\$2,541,000)~~) \$2,381,000 of the general fund--state
3 appropriation for fiscal year 2011 are provided solely for a corps of
4 nurses located at educational service districts, as determined by the
5 superintendent of public instruction, to be dispatched to the most
6 needy schools to provide direct care to students, health education, and
7 training for school staff.

8 (ii) \$100,000 of the general fund--state appropriation for fiscal
9 year 2010 and (~~(\$100,000)~~) \$94,000 of the general fund--state
10 appropriation for fiscal year 2011 are provided solely for a school
11 safety training program provided by the criminal justice training
12 commission. The commission, in collaboration with the school safety
13 center advisory committee, shall provide the school safety training for
14 all school administrators and school safety personnel, including school
15 safety personnel hired after the effective date of this section.

16 (iii) \$9,670,000 of the general fund--federal appropriation is
17 provided for safe and drug free schools and communities grants for drug
18 and violence prevention activities and strategies.

19 (iv) \$96,000 of the general fund--state appropriation for fiscal
20 year 2010 and (~~(\$96,000)~~) \$90,000 of the general fund--state
21 appropriation for fiscal year 2011 are provided solely for the school
22 safety center in the office of the superintendent of public instruction
23 subject to the following conditions and limitations:

24 (A) The safety center shall: Disseminate successful models of
25 school safety plans and cooperative efforts; provide assistance to
26 schools to establish a comprehensive safe school plan; select models of
27 cooperative efforts that have been proven successful; act as an
28 information dissemination and resource center when an incident occurs
29 in a school district either in Washington or in another state;
30 coordinate activities relating to school safety; review and approve
31 manuals and curricula used for school safety models and training; and
32 develop and maintain a school safety information web site.

33 (B) The school safety center advisory committee shall develop a
34 training program, using the best practices in school safety, for all
35 school safety personnel.

36 (v) \$70,000 of the general fund--state appropriation for fiscal
37 year 2010 is provided solely for the youth suicide prevention program.

1 (vi) \$50,000 of the general fund--state appropriation for fiscal
2 year 2010 and (~~(\$50,000)~~) \$47,000 of the general fund--state
3 appropriation for fiscal year 2011 are provided solely for a
4 nonviolence and leadership training program provided by the institute
5 for community leadership.

6 (b) TECHNOLOGY

7 (i) \$1,842,000 of the general fund--state appropriation for fiscal
8 year 2010 and (~~(\$1,745,000)~~) \$1,635,000 of the general fund--state
9 appropriation for fiscal year 2011 are provided solely for K-20
10 telecommunications network technical support in the K-12 sector to
11 prevent system failures and avoid interruptions in school utilization
12 of the data processing and video-conferencing capabilities of the
13 network. These funds may be used to purchase engineering and advanced
14 technical support for the network.

15 (ii) \$1,475,000 of the general fund--state appropriation for fiscal
16 year 2010, \$1,045,000 of the general fund--state appropriation for
17 fiscal year 2011, and \$435,000 of the general fund--federal
18 appropriation are provided solely for implementing a comprehensive data
19 system to include financial, student, and educator data. The office of
20 the superintendent of public instruction will convene a data governance
21 group to create a comprehensive needs-requirement document, conduct a
22 gap analysis, and define operating rules and a governance structure for
23 K-12 data collections.

24 (c) GRANTS AND ALLOCATIONS

25 (i) \$1,329,000 of the general fund--state appropriation for fiscal
26 year 2010 and (~~(\$1,329,000)~~) \$664,000 of the general fund--state
27 appropriation for fiscal year 2011 are provided solely for the special
28 services pilot project to include up to seven participating districts.
29 The office of the superintendent of public instruction shall allocate
30 these funds to the district or districts participating in the pilot
31 program according to the provisions of RCW 28A.630.016.

32 (ii) \$750,000 of the general fund--state appropriation for fiscal
33 year 2010 and \$750,000 of the general fund--state appropriation for
34 fiscal year 2011 are provided solely for the Washington state achievers
35 scholarship program. The funds shall be used to support community
36 involvement officers that recruit, train, and match community volunteer
37 mentors with students selected as achievers scholars.

1 (iii) \$25,000 of the general fund--state appropriation for fiscal
2 year 2010 is provided solely for developing and disseminating
3 curriculum and other materials documenting women's role in World War
4 II.

5 (iv) \$175,000 of the general fund--state appropriation for fiscal
6 year 2010 and (~~(\$175,000)~~) \$87,000 of the general fund--state
7 appropriation for fiscal year 2011 are provided solely for incentive
8 grants for districts and pilot projects to develop preapprenticeship
9 programs. Incentive grant awards up to \$10,000 each shall be used to
10 support the program's design, school/business/labor agreement
11 negotiations, and recruiting high school students for preapprenticeship
12 programs in the building trades and crafts.

13 (v) \$2,898,000 of the general fund--state appropriation for fiscal
14 year 2010 and (~~(\$3,120,000)~~) \$2,924,000 of the general fund--state
15 appropriation for fiscal year 2011 are provided solely for the
16 dissemination of the navigation 101 curriculum to all districts. The
17 funding shall support electronic student planning tools and software
18 for analyzing the impact of navigation 101 on student performance, as
19 well as grants to a maximum of one hundred school districts each year,
20 based on progress and need for the implementation of the navigation 101
21 program. The implementation grants shall be awarded to a cross-section
22 of school districts reflecting a balance of geographic and demographic
23 characteristics. Within the amounts provided, the office of the
24 superintendent of public instruction will create a navigation 101
25 accountability model to analyze the impact of the program.

26 (vi) \$627,000 of the general fund--state appropriation for fiscal
27 year 2010 and (~~(\$337,000)~~) \$225,000 of the general fund--state
28 appropriation for fiscal year 2011 are provided solely for
29 implementation of a statewide program for comprehensive dropout
30 prevention, intervention, and retrieval.

31 (vii) \$40,000 of the general fund--state appropriation for fiscal
32 year 2010 is provided solely for program initiatives to address the
33 educational needs of Latino students and families. Using the full
34 amounts of the appropriations under this subsection (2)(c)(vii), the
35 office of the superintendent of public instruction shall contract with
36 the Seattle community coalition of compana quetzal to provide for three
37 initiatives: (A) Early childhood education; (B) parent leadership
38 training; and (C) high school success and college preparation programs.

1 (viii) \$60,000 of the general fund--state appropriation for fiscal
2 year 2010 (~~((and \$75,000 of the general fund--state appropriation for~~
3 ~~fiscal year 2011--are))~~) is provided solely for a pilot project to
4 encourage bilingual high school students to pursue public school
5 teaching as a profession. Using the full amounts of the appropriation
6 under this subsection, the office of the superintendent of public
7 instruction shall contract with the Latino/a educational achievement
8 project (LEAP) to work with school districts to identify and mentor not
9 fewer than fifty bilingual students in their junior year of high
10 school, encouraging them to become bilingual instructors in schools
11 with high English language learner populations. Students shall be
12 mentored by bilingual teachers and complete a curriculum developed and
13 approved by the participating districts.

14 (ix) \$145,000 of the general fund--state appropriation for fiscal
15 year 2010 and (~~(\$75,000)~~) \$37,000 of the general fund--state
16 appropriation for fiscal year 2011 are provided solely to the office of
17 the superintendent of public instruction to enhance the reading skills
18 of students with dyslexia by implementing the findings of the dyslexia
19 pilot program. Funds shall be used to provide information and training
20 to classroom teachers and reading specialists, for development of a
21 dyslexia handbook, and to take other statewide actions to improve the
22 reading skills of students with dyslexia. The training program shall
23 be delivered regionally through the educational service districts.

24 (x) \$97,000 of the general fund--state appropriation for fiscal
25 year 2010 and (~~(\$97,000)~~) \$48,000 of the general fund--state
26 appropriation for fiscal year 2011 are provided solely to support
27 vocational student leadership organizations.

28 (xi) (~~(\$150,000)~~) \$100,000 of the general fund--state appropriation
29 for fiscal year 2011 is provided solely for drop-out prevention
30 programs at the office of the superintendent of public instruction
31 including the jobs for America's graduates (JAG) program.

32 **Sec. 502.** 2010 sp.s. c 37 s 502 (uncodified) is amended to read as
33 follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
35 **APPORTIONMENT**

36	General Fund--State Appropriation (FY 2010)	\$5,126,153,000
37	General Fund--State Appropriation (FY 2011)	((\$5,159,625,000))

1		\$4,912,103,000
2	General Fund--Federal Appropriation	\$208,098,000
3	TOTAL APPROPRIATION	(((\$10,285,778,000))
4		\$10,246,354,000

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

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

10 (b) The appropriations in this section include federal funds
11 provided through section 101 of Public Law No. 111-226 (education jobs
12 fund), which shall be used to support general apportionment program
13 funding. In distributing general apportionment allocations under this
14 section for the 2010-11 school year, the superintendent shall include
15 the entire allocation from the federal funds provided through section
16 101 of Public Law No. 111-226 (education jobs fund) as part of each
17 district's general apportionment allocation.

18 (2) Allocations for certificated staff salaries for the 2009-10 and
19 2010-11 school years shall be determined using formula-generated staff
20 units calculated pursuant to this subsection. Staff allocations for
21 small school enrollments in (e) through (g) of this subsection shall be
22 reduced for vocational full-time equivalent enrollments. Staff
23 allocations for small school enrollments in grades K-6 shall be the
24 greater of that generated under (a) of this subsection, or under (d)
25 and (e) of this subsection. Certificated staffing allocations shall be
26 as follows:

27 (a) On the basis of each 1,000 average annual full-time equivalent
28 enrollments, excluding full-time equivalent enrollment otherwise
29 recognized for certificated staff unit allocations under (d) through
30 (g) of this subsection:

31 (i) Four certificated administrative staff units per thousand full-
32 time equivalent students in grades K-12;

33 (ii) For the 2009-10 school year and the portion of the 2010-11
34 school year from September 1, 2010, through January 31, 2011:

35 (A)(I) For districts that enroll fewer than 25 percent of their
36 total full-time equivalent student enrollment in grades K through three
37 in digital or online learning programs as defined in WAC 392-121-182,

1 as in effect on November 1, 2009, fifty-three and two-tenths
2 certificated instructional staff units per thousand full-time
3 equivalent students in grades K through three.

4 (II) For all other districts, a minimum of forty-nine certificated
5 instructional staff units per 1,000 full-time equivalent (FTE) students
6 in grades K through three, with additional certificated instructional
7 staff units to equal the documented staffing level in grades K through
8 three, up to a maximum of fifty-three and two-tenths certificated
9 instructional staff units per 1,000 FTE students.

10 (B)(I) For districts that enroll fewer than 25 percent of their
11 total full-time equivalent student enrollment in grade four in digital
12 or online learning programs defined in WAC 392-121-182 as in effect on
13 November 1, 2009: For the 2009-10 school year, fifty-three and two-
14 tenths certificated instructional staff units per thousand full-time
15 equivalent students in grade four, and for the portion of the 2010-11
16 school year from September 1, 2010, through January 31, 2011, forty-
17 seven and forty-three one-hundredths certificated instructional staff
18 units per thousand full-time equivalent students in grade four.

19 (II) For all other districts:

20 For the 2009-10 school year, a minimum of forty-six certificated
21 instructional staff units per 1,000 full-time equivalent (FTE) students
22 in grade four, and additional certificated instructional staff units to
23 equal the documented staffing level in grade four, up to a maximum of
24 fifty-three and two-tenths certificated instructional staff units per
25 1,000 FTE students.

26 For the portion of the 2010-11 school year from September 1, 2010,
27 through January 31, 2011, a minimum of forty-six certificated
28 instructional staff units per 1,000 full-time equivalent (FTE) students
29 in grade four, and additional certificated instructional staff units to
30 equal the documented staffing level in grade four, up to a maximum of
31 forty-seven and forty-three one-hundredths certificated instructional
32 staff units per 1,000 FTE students;

33 (iii) For the portion of the 2010-11 school year beginning February
34 1, 2010:

35 (A) Forty-nine certificated instructional staff units per thousand
36 full-time equivalent students in grades kindergarten through three;

37 (B) Forty-six certificated instructional staff units per thousand
38 full-time equivalent students in grade 4;

1 (iv) All allocations for instructional staff units per thousand
2 full-time equivalent students above forty-nine in grades kindergarten
3 through three and forty-six in grade four shall occur in apportionments
4 in the monthly periods prior to February 1, 2011;

5 (v) Forty-six certificated instructional staff units per thousand
6 full-time equivalent students in grades 5-12;

7 (~~(iv)~~) (vi) Certificated staff allocations in this subsection
8 (2)(a) exceeding the statutory minimums established in RCW 28A.150.260
9 shall not be considered part of basic education;

10 (b) For school districts with a minimum enrollment of 250 full-time
11 equivalent students whose full-time equivalent student enrollment count
12 in a given month exceeds the first of the month full-time equivalent
13 enrollment count by 5 percent, an additional state allocation of 110
14 percent of the share that such increased enrollment would have
15 generated had such additional full-time equivalent students been
16 included in the normal enrollment count for that particular month;

17 (c)(i) On the basis of full-time equivalent enrollment in:

18 (A) Vocational education programs approved by the superintendent of
19 public instruction, a maximum of 0.92 certificated instructional staff
20 units and 0.08 certificated administrative staff units for each 19.5
21 full-time equivalent vocational students;

22 (B) Middle school vocational STEM programs approved by the
23 superintendent of public instruction, a maximum of 0.92 certificated
24 instructional staff units and 0.8 certificated administrative staff
25 units for each 19.5 full-time equivalent vocational students; and

26 (C) Skills center programs meeting the standards for skills center
27 funding established in January 1999 by the superintendent of public
28 instruction with a waiver allowed for skills centers in current
29 operation that are not meeting this standard until the 2010-11 school
30 year, 0.92 certificated instructional staff units and 0.08 certificated
31 administrative units for each 16.67 full-time equivalent vocational
32 students;

33 (ii) Vocational full-time equivalent enrollment shall be reported
34 on the same monthly basis as the enrollment for students eligible for
35 basic support, and payments shall be adjusted for reported vocational
36 enrollments on the same monthly basis as those adjustments for
37 enrollment for students eligible for basic support; and

1 (iii) Indirect cost charges by a school district to vocational-
2 secondary programs and vocational middle-school shall not exceed 15
3 percent of the combined basic education and vocational enhancement
4 allocations of state funds;

5 (d) For districts enrolling not more than twenty-five average
6 annual full-time equivalent students in grades K-8, and for small
7 school plants within any school district which have been judged to be
8 remote and necessary by the state board of education and enroll not
9 more than twenty-five average annual full-time equivalent students in
10 grades K-8:

11 (i) For those enrolling no students in grades 7 and 8, 1.76
12 certificated instructional staff units and 0.24 certificated
13 administrative staff units for enrollment of not more than five
14 students, plus one-twentieth of a certificated instructional staff unit
15 for each additional student enrolled; and

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

21 (e) For specified enrollments in districts enrolling more than
22 twenty-five but not more than one hundred average annual full-time
23 equivalent students in grades K-8, and for small school plants within
24 any school district which enroll more than twenty-five average annual
25 full-time equivalent students in grades K-8 and have been judged to be
26 remote and necessary by the state board of education:

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

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

33 (f) For districts operating no more than two high schools with
34 enrollments of less than three hundred average annual full-time
35 equivalent students, for enrollment in grades 9-12 in each such school,
36 other than alternative schools:

37 (i) For remote and necessary schools enrolling students in any
38 grades 9-12 but no more than twenty-five average annual full-time

1 equivalent students in grades K-12, four and one-half certificated
2 instructional staff units and one-quarter of a certificated
3 administrative staff unit;

4 (ii) For all other small high schools under this subsection, nine
5 certificated instructional staff units and one-half of a certificated
6 administrative staff unit for the first sixty average annual full time
7 equivalent students, and additional staff units based on a ratio of
8 0.8732 certificated instructional staff units and 0.1268 certificated
9 administrative staff units per each additional forty-three and one-half
10 average annual full time equivalent students.

11 Units calculated under (f)(ii) of this subsection shall be reduced
12 by certificated staff units at the rate of forty-six certificated
13 instructional staff units and four certificated administrative staff
14 units per thousand vocational full-time equivalent students;

15 (g) For each nonhigh school district having an enrollment of more
16 than seventy annual average full-time equivalent students and less than
17 one hundred eighty students, operating a grades K-8 program or a grades
18 1-8 program, an additional one-half of a certificated instructional
19 staff unit; and

20 (h) For each nonhigh school district having an enrollment of more
21 than fifty annual average full-time equivalent students and less than
22 one hundred eighty students, operating a grades K-6 program or a grades
23 1-6 program, an additional one-half of a certificated instructional
24 staff unit.

25 (3) Allocations for classified salaries for the 2009-10 and 2010-11
26 school years shall be calculated using formula-generated classified
27 staff units determined as follows:

28 (a) For enrollments generating certificated staff unit allocations
29 under subsection (2)(e) through (h) of this section, one classified
30 staff unit for each 2.94 certificated staff units allocated under such
31 subsections;

32 (b) For all other enrollment in grades K-12, including vocational
33 full-time equivalent enrollments, one classified staff unit for each
34 58.75 average annual full-time equivalent students; and

35 (c) For each nonhigh school district with an enrollment of more
36 than fifty annual average full-time equivalent students and less than
37 one hundred eighty students, an additional one-half of a classified
38 staff unit.

1 (4) Fringe benefit allocations shall be calculated at a rate of
2 14.43 percent in the 2009-10 school year and 14.43 percent in the 2010-
3 11 school year for certificated salary allocations provided under
4 subsection (2) of this section, and a rate of 16.59 percent in the
5 2009-10 school year and 16.59 percent in the 2010-11 school year for
6 classified salary allocations provided under subsection (3) of this
7 section.

8 (5) Insurance benefit allocations shall be calculated at the
9 maintenance rate specified in section 504(2) of this act, based on the
10 number of benefit units determined as follows:

11 (a) The number of certificated staff units determined in subsection
12 (2) of this section; and

13 (b) The number of classified staff units determined in subsection
14 (3) of this section multiplied by 1.152. This factor is intended to
15 adjust allocations so that, for the purposes of distributing insurance
16 benefits, full-time equivalent classified employees may be calculated
17 on the basis of 1440 hours of work per year, with no individual
18 employee counted as more than one full-time equivalent.

19 (6)(a) For nonemployee-related costs associated with each
20 certificated staff unit allocated under subsection (2)(a), (b), and (d)
21 through (g) of this section, there shall be provided a maximum of
22 \$10,179 per certificated staff unit in the 2009-10 school year and a
23 maximum of \$10,424 per certificated staff unit in the 2010-11 school
24 year.

25 (b) For nonemployee-related costs associated with each vocational
26 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
27 section, there shall be provided a maximum of \$24,999 per certificated
28 staff unit in the 2009-10 school year and a maximum of \$25,399 per
29 certificated staff unit in the 2010-11 school year.

30 (c) For nonemployee-related costs associated with each vocational
31 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
32 section, there shall be provided a maximum of \$19,395 per certificated
33 staff unit in the 2009-10 school year and a maximum of \$19,705 per
34 certificated staff unit in the 2010-11 school year.

35 (7) Allocations for substitute costs for classroom teachers shall
36 be distributed at a maintenance rate of \$607.44 for the 2009-10 and
37 2010-11 school years per allocated classroom teachers exclusive of
38 salary increase amounts provided in section 504 of this act. Solely

1 for the purposes of this subsection, allocated classroom teachers shall
2 be equal to the number of certificated instructional staff units
3 allocated under subsection (2) of this section, multiplied by the ratio
4 between the number of actual basic education certificated teachers and
5 the number of actual basic education certificated instructional staff
6 reported statewide for the prior school year.

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

16 (9) Funding in this section is sufficient to provide additional
17 service year credits to educational staff associates pursuant to
18 chapter 403, Laws of 2007.

19 (10)(a) The superintendent may distribute a maximum of \$7,286,000
20 outside the basic education formula during fiscal years 2010 and 2011
21 as follows:

22 (i) For fire protection for school districts located in a fire
23 protection district as now or hereafter established pursuant to chapter
24 52.04 RCW, a maximum of \$567,000 may be expended in fiscal year 2010
25 and a maximum of \$576,000 may be expended in fiscal year 2011;

26 (ii) For summer vocational programs at skills centers, a maximum of
27 \$2,385,000 may be expended for the 2010 fiscal year and a maximum of
28 \$2,385,000 for the 2011 fiscal year. 20 percent of each fiscal year
29 amount may carry over from one year to the next;

30 (iii) A maximum of \$403,000 may be expended for school district
31 emergencies; and

32 (iv) A maximum of \$485,000 each fiscal year may be expended for
33 programs providing skills training for secondary students who are
34 enrolled in extended day school-to-work programs, as approved by the
35 superintendent of public instruction. The funds shall be allocated at
36 a rate not to exceed \$500 per full-time equivalent student enrolled in
37 those programs.

1 (b) Funding in this section is sufficient to fund a maximum of 1.6
2 FTE enrollment for skills center students pursuant to chapter 463, Laws
3 of 2007.

4 (11) For purposes of RCW 84.52.0531, the increase per full-time
5 equivalent student is 4.0 percent from the 2008-09 school year to the
6 2009-10 school year and 4.0 percent from the 2009-10 school year to the
7 2010-11 school year.

8 (12) If two or more school districts consolidate and each district
9 was receiving additional basic education formula staff units pursuant
10 to subsection (2)(b) through (g) of this section, the following shall
11 apply:

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

16 (b) For the fourth through eighth school years following
17 consolidation, the difference between the basic education formula staff
18 units received by the districts for the school year prior to
19 consolidation and the basic education formula staff units after
20 consolidation pursuant to subsection (2)(a) through (h) of this section
21 shall be reduced in increments of twenty percent per year.

22 (13) General apportionment payments to the Steilacoom historical
23 school district shall reflect changes to operation of the Harriet
24 Taylor elementary school consistent with the timing of reductions in
25 correctional facility capacity and staffing.

26 **Sec. 503.** 2010 sp.s. c 37 s 513 (uncodified) is amended to read as
27 follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
29 **PROGRAMS**

30	General Fund--State Appropriation (FY 2010)	\$93,642,000
31	General Fund--State Appropriation (FY 2011)	(\$99,313,000)
32		<u>\$92,643,000</u>
33	General Fund--Federal Appropriation	(\$152,626,000)
34		<u>\$154,627,000</u>
35	Education Legacy Trust Account--State	
36	Appropriation	(\$102,881,000)
37		<u>\$100,381,000</u>

1 TOTAL APPROPRIATION ((~~\$448,462,000~~))
2 \$441,293,000

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

5 (1) \$35,804,000 of the general fund--state appropriation for fiscal
6 year 2010, (~~(\$34,516,000)~~) \$31,850,000 of the general fund--state
7 appropriation for fiscal year 2011, \$1,350,000 of the education legacy
8 trust account--state appropriation, and (~~(\$15,868,000)~~) \$17,869,000 of
9 the general fund--federal appropriation are provided solely for
10 development and implementation of the Washington state assessment
11 system, including: (i) Development and implementation of retake
12 assessments for high school students who are not successful in one or
13 more content areas; and (ii) development and implementation of
14 alternative assessments or appeals procedures to implement the
15 certificate of academic achievement. The superintendent of public
16 instruction shall report quarterly on the progress on development and
17 implementation of alternative assessments or appeals procedures.
18 Within these amounts, the superintendent of public instruction shall
19 contract for the early return of 10th grade student assessment results,
20 on or around June 10th of each year.

21 (2) \$3,249,000 of the general fund--state appropriation for fiscal
22 year 2010 and \$3,249,000 of the general fund--state appropriation for
23 fiscal year 2011 are provided solely for the design of the state
24 assessment system and the implementation of end of course assessments
25 for high school math.

26 (3) Within amounts provided in subsections (1) and (2) of this
27 section, the superintendent of public instruction, in consultation with
28 the state board of education, shall develop a statewide high school
29 end-of-course assessment measuring student achievement of the state
30 science standards in biology to be implemented statewide in the 2011-12
31 school year. By December 1, 2010, the superintendent of public
32 instruction shall recommend whether additional end-of-course
33 assessments in science should be developed and in which content areas.
34 Any recommendation for additional assessments must include an
35 implementation timeline and the projected cost to develop and
36 administer the assessments.

37 (4) \$1,014,000 of the education legacy trust account appropriation
38 is provided solely for allocations to districts for salaries and

1 benefits for the equivalent of two additional professional development
2 days for fourth and fifth grade teachers during the 2008-2009 school
3 year. The allocations shall be made based on the calculations of
4 certificated instructional staff units for fourth and fifth grade
5 provided in section 502 of this act and on the calculations of
6 compensation provided in sections 503 and 504 of this act. Districts
7 may use the funding to support additional days for professional
8 development as well as job-embedded forms of professional development.

9 (5) \$3,241,000 of the education legacy trust fund appropriation is
10 provided solely for allocations to districts for salaries and benefits
11 for the equivalent of three additional professional development days
12 for middle and high school math and science teachers during the 2008-
13 2009 school year, as well as specialized training for one math and
14 science teacher in each middle school and high school during the 2008-
15 2009 school year. Districts may use the funding to support additional
16 days for professional development as well as job-embedded forms of
17 professional development.

18 (6) \$3,773,000 of the education legacy trust account--state
19 appropriation is provided solely for a math and science instructional
20 coaches program pursuant to chapter 396, Laws of 2007. Funding shall
21 be used to provide grants to schools and districts to provide salaries,
22 benefits, and professional development activities for up to twenty-five
23 instructional coaches in middle and high school math and twenty-five
24 instructional coaches in middle and high school science in each year of
25 the biennium; and up to \$300,000 may be used by the office of the
26 superintendent of public instruction to administer and coordinate the
27 program.

28 (7) \$1,740,000 of the general fund--state appropriation for fiscal
29 year 2010 and \$1,775,000 of the general fund--state appropriation for
30 fiscal year 2011 are provided solely to allow approved middle and
31 junior high school career and technical education programs to receive
32 enhanced vocational funding. The office of the superintendent of
33 public instruction shall provide allocations to districts for middle
34 and junior high school students in accordance with the funding formulas
35 provided in section 502 of this act. If Second Substitute Senate Bill
36 No. 5676 is enacted the allocations are formula-driven, otherwise the
37 office of the superintendent shall consider the funding provided in

1 this subsection as a fixed amount, and shall adjust funding to stay
2 within the amounts provided in this subsection.

3 (8) \$139,000 of the general fund--state appropriation for fiscal
4 year 2010 and (~~(\$139,000)~~) \$93,000 of the general fund--state
5 appropriation for fiscal year 2011 are provided solely for (a) staff at
6 the office of the superintendent of public instruction to coordinate
7 and promote efforts to develop integrated math, science, technology,
8 and engineering programs in schools and districts across the state; and
9 (b) grants of \$2,500 to provide twenty middle and high school teachers
10 each year professional development training for implementing integrated
11 math, science, technology, and engineering program in their schools.

12 (9) \$1,473,000 of the general fund--state appropriation for fiscal
13 year 2010 and (~~(\$395,000)~~) \$197,000 of the general fund--state
14 appropriation for fiscal year 2011 are provided solely for the
15 Washington state leadership and assistance for science education reform
16 (LASER) regional partnership activities coordinated at the Pacific
17 science center, including instructional material purchases, teacher and
18 principal professional development, and school and community engagement
19 events. Funding shall be distributed to the various LASER activities
20 in a manner proportional to LASER program spending during the 2007-2009
21 biennium.

22 (10) \$88,981,000 of the education legacy trust account--state
23 appropriation is provided solely for grants for voluntary full-day
24 kindergarten at the highest poverty schools, as provided in chapter
25 400, Laws of 2007. The office of the superintendent of public
26 instruction shall provide allocations to districts for recipient
27 schools in accordance with the funding formulas provided in section 502
28 of this act. Each kindergarten student who enrolls for the voluntary
29 full-day program in a recipient school shall count as one-half of one
30 full-time equivalent student for the purpose of making allocations
31 under this subsection. Although the allocations are formula-driven,
32 the office of the superintendent shall consider the funding provided in
33 this subsection as a fixed amount, and shall limit the number of
34 recipient schools so as to stay within the amounts appropriated each
35 fiscal year in this subsection. The funding provided in this
36 subsection is estimated to provide full-day kindergarten programs for
37 20 percent of kindergarten enrollment. Funding priority shall be given
38 to schools with the highest poverty levels, as measured by prior year

1 free and reduced priced lunch eligibility rates in each school.
2 Additionally, as a condition of funding, school districts must agree to
3 provide the full-day program to the children of parents who request it
4 in each eligible school. For the purposes of calculating a school
5 district levy base, funding provided in this subsection shall be
6 considered a state block grant program under RCW 84.52.0531.

7 (a) Of the amounts provided in this subsection, a maximum of
8 \$272,000 may be used for administrative support of the full-day
9 kindergarten program within the office of the superintendent of public
10 instruction.

11 (b) Student enrollment pursuant to this program shall not be
12 included in the determination of a school district's overall K-12 FTE
13 for the allocation of student achievement programs and other funding
14 formulas unless specifically stated.

15 (11) \$700,000 of the general fund--state appropriation for fiscal
16 year 2010 and (~~(\$900,000)~~) \$450,000 of the general fund--state
17 appropriation for fiscal year 2011 are provided solely for the
18 development of a leadership academy for school principals and
19 administrators. The superintendent of public instruction shall
20 contract with an independent organization to design, field test, and
21 implement a state-of-the-art education leadership academy that will be
22 accessible throughout the state. Initial development of the content of
23 the academy activities shall be supported by private funds.
24 Semiannually the independent organization shall report on amounts
25 committed by foundations and others to support the development and
26 implementation of this program. Leadership academy partners, with
27 varying roles, shall include the state level organizations for school
28 administrators and principals, the superintendent of public
29 instruction, the professional educator standards board, and others as
30 the independent organization shall identify.

31 (12) \$105,754,000 of the general fund--federal appropriation is
32 provided for preparing, training, and recruiting high quality teachers
33 and principals under Title II of the no child left behind act.

34 (13) \$1,960,000 of the general fund--state appropriation for fiscal
35 year 2010 and (~~(\$1,523,000)~~) \$761,000 of the general fund--state
36 appropriation for fiscal year 2011 are provided solely to the office of
37 the superintendent of public instruction for focused assistance. The
38 office of the superintendent of public instruction shall conduct

1 educational audits of low-performing schools and enter into performance
2 agreements between school districts and the office to implement the
3 recommendations of the audit and the community. Funding in this
4 subsection shall be used for focused assistance programs for individual
5 schools or school districts. The office of the superintendent of
6 public instruction shall report to the fiscal committees of the
7 legislature by September 1, 2011, providing an accounting of the uses
8 of focused assistance funds during the 2009-11 fiscal biennium,
9 including a list of schools served and the types of services provided.

10 (14) \$1,667,000 of the general fund--state appropriation for fiscal
11 year 2010 and \$1,667,000 of the general fund--state appropriation for
12 fiscal year 2011 are provided solely to eliminate the lunch co-pay for
13 students in grades kindergarten through third grade that are eligible
14 for reduced price lunch.

15 (15) \$5,285,000 of the general fund--state appropriation for fiscal
16 year 2010 and \$5,285,000 of the general fund--state appropriation for
17 fiscal year 2011 are provided solely for: (a) The meals for kids
18 program under RCW 28A.235.145 through 28A.235.155; (b) to eliminate the
19 breakfast co-pay for students eligible for reduced price lunch; and (c)
20 for additional assistance for school districts initiating a summer food
21 service program.

22 (16) \$1,003,000 of the general fund--state appropriation for fiscal
23 year 2010 and (~~(\$1,056,000)~~) \$528,000 of the general fund--state
24 appropriation for fiscal year 2011 are provided solely for the
25 Washington reading corps. The superintendent shall allocate reading
26 corps members to low-performing schools and school districts that are
27 implementing comprehensive, proven, research-based reading programs.
28 Two or more schools may combine their Washington reading corps
29 programs. Grants provided under this section may be used by school
30 districts for expenditures from September 2009 through August 31, 2011.

31 (17) \$3,269,000 of the general fund--state appropriation for fiscal
32 year 2010 and \$3,594,000 of the general fund--state appropriation for
33 fiscal year 2011 are provided solely for grants to school districts to
34 provide a continuum of care for children and families to help children
35 become ready to learn. Grant proposals from school districts shall
36 contain local plans designed collaboratively with community service
37 providers. If a continuum of care program exists in the area in which

1 the school district is located, the local plan shall provide for
2 coordination with existing programs to the greatest extent possible.
3 Grant funds shall be allocated pursuant to RCW 70.190.040.

4 (18) \$1,861,000 of the general fund--state appropriation for fiscal
5 year 2010 and (~~(\$1,959,000)~~) \$1,836,000 of the general fund--state
6 appropriation for fiscal year 2011 are provided solely for improving
7 technology infrastructure, monitoring and reporting on school district
8 technology development, promoting standards for school district
9 technology, promoting statewide coordination and planning for
10 technology development, and providing regional educational technology
11 support centers, including state support activities, under chapter
12 28A.650 RCW.

13 (19) \$225,000 of the general fund--state appropriation for fiscal
14 year 2010 and (~~(\$225,000)~~) \$150,000 of the general fund--state
15 appropriation for fiscal year 2011 are provided solely for the
16 operation of the center for the improvement of student learning
17 pursuant to RCW 28A.300.130.

18 (20) \$246,000 of the education legacy trust account--state
19 appropriation is provided solely for costs associated with the office
20 of the superintendent of public instruction's statewide director of
21 technology position.

22 (21)(a) \$28,715,000 of the general fund--state appropriation for
23 fiscal year 2010 and \$36,168,000 of the general fund--state
24 appropriation for fiscal year 2011 are provided solely for the
25 following bonuses for teachers who hold valid, unexpired certification
26 from the national board for professional teaching standards and who are
27 teaching in a Washington public school, subject to the following
28 conditions and limitations:

29 (i) For national board certified teachers, a bonus of \$5,000 per
30 teacher beginning in the 2007-08 school year and adjusted for inflation
31 in each school year thereafter in which Initiative 732 cost of living
32 adjustments are provided;

33 (ii) An additional \$5,000 annual bonus shall be paid to national
34 board certified teachers who teach in either: (A) High schools where
35 at least 50 percent of student headcount enrollment is eligible for
36 federal free or reduced price lunch, (B) middle schools where at least
37 60 percent of student headcount enrollment is eligible for federal free

1 or reduced price lunch, or (C) elementary schools where at least 70
2 percent of student headcount enrollment is eligible for federal free or
3 reduced price lunch;

4 (iii) The superintendent of public instruction shall adopt rules to
5 ensure that national board certified teachers meet the qualifications
6 for bonuses under (a)(ii) of this subsection for less than one full
7 school year receive bonuses in a pro-rated manner; and

8 (iv) During the 2009-10 and 2010-11 school years, and within the
9 available state and federal appropriations, certificated instructional
10 staff who have met the eligibility requirements and have applied for
11 certification from the national board for professional teaching
12 standards may receive a conditional two thousand dollars or the amount
13 set by the office of the superintendent of public instruction to
14 contribute toward the current assessment fee, not including the initial
15 up-front candidacy payment. The fee shall be an advance on the first
16 annual bonus under RCW 28A.405.415. The assessment fee for national
17 certification is provided in addition to compensation received under a
18 district's salary schedule adopted in accordance with RCW 28A.405.200
19 and shall not be included in calculations of a district's average
20 salary and associated salary limitation under RCW 28A.400.200.
21 Recipients who fail to receive certification after three years are
22 required to repay the assessment fee, not including the initial up-
23 front candidacy payment, as set by the national board for professional
24 teaching standards and administered by the office of the superintendent
25 of public instruction. The office of the superintendent of public
26 instruction shall adopt rules to define the terms for initial grant of
27 the assessment fee and repayment, including applicable fees.

28 (b) Included in the amounts provided in this subsection are amounts
29 for mandatory fringe benefits.

30 (22) \$2,475,000 of the general fund--state appropriation for fiscal
31 year 2010 and (~~(\$912,000)~~) \$456,000 of the general fund--state
32 appropriation for fiscal year 2011 are provided solely for secondary
33 career and technical education grants pursuant to chapter 170, Laws of
34 2008. This funding may additionally be used to support FIRST Robotics
35 programs. In fiscal year 2011, if equally matched by private
36 donations, \$300,000 of the appropriation shall be used to support FIRST
37 Robotics programs, including FIRST Robotics professional development.

1 (23) (~~(\$150,000)~~) \$75,000 of the general fund--state appropriation
2 for fiscal year 2011 is provided solely for the implementation of House
3 Bill No. 2621 (K-12 school resource programs). If the bill is not
4 enacted by June 30, 2010, the amount provided in this subsection shall
5 lapse.

6 (24) \$300,000 of the general fund--state appropriation for fiscal
7 year 2010 is provided solely for the local farms-healthy kids program
8 as described in chapter 215, Laws of 2008. The program is suspended in
9 the 2011 fiscal year, and not eliminated.

10 (25) \$2,348,000 of the general fund--state appropriation for fiscal
11 year 2010 and (~~(\$2,000,000)~~) \$1,000,000 of the general fund--state
12 appropriation for fiscal year 2011 are provided solely for a beginning
13 educator support program. School districts and/or regional consortia
14 may apply for grant funding beginning in the 2009-10 school year. The
15 superintendent shall implement this program in 5 to 15 school districts
16 and/or regional consortia. The program provided by a district and/or
17 regional consortia shall include: A paid orientation; assignment of a
18 qualified mentor; development of a professional growth plan for each
19 beginning teacher aligned with professional certification; release time
20 for mentors and new teachers to work together, and teacher observation
21 time with accomplished peers. \$250,000 may be used to provide state-
22 wide professional development opportunities for mentors and beginning
23 educators. The superintendent of public instruction shall adopt rules
24 to establish and operate a research-based beginning educator support
25 program no later than August 31, 2009. OSPI must evaluate the
26 program's progress and may contract for this work. A report to the
27 legislature about the beginning educator support program is due
28 November 1, 2010.

29 (26) (~~(\$4,290,000)~~) \$1,790,000 of the education legacy trust
30 account--state appropriation is provided solely for the development and
31 implementation of diagnostic assessments, consistent with the
32 recommendations of the Washington assessment of student learning work
33 group.

34 (27) Funding within this section is provided for implementation of
35 Engrossed Substitute Senate Bill No. 5414 (statewide assessments and
36 curricula).

37 (28) \$530,000 of the general fund--state appropriation for fiscal
38 year 2010 and (~~(\$530,000)~~) \$265,000 of the general fund--state

1 appropriation for fiscal year 2011 are provided solely for the
2 leadership internship program for superintendents, principals, and
3 program administrators.

4 (29) Funding for the community learning center program, established
5 in RCW 28A.215.060, and providing grant funding for the 21st century
6 after-school program, is suspended and not eliminated.

7 (30) \$2,357,000 of the general fund--state appropriation for fiscal
8 year 2011 is provided solely for implementation of Engrossed Second
9 Substitute Senate Bill No. 6696 (education reform). Of the amount
10 provided, \$142,000 is provided to the professional educators' standards
11 board and \$120,000 is provided to the system of the educational service
12 districts, to fulfill their respective duties under the bill.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2010 sp.s. c 37 s 603 (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)	(\$629,745,000)
	<u>\$603,296,000</u>
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	(\$1,392,311,000)
	<u>\$1,365,862,000</u>

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

(1) \$28,761,000 of the general fund--state appropriation for fiscal year 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.

1 (4) When implementing the appropriations in this section, the state
2 board and the trustees of the individual community and technical
3 colleges shall minimize impact on academic programs, maximize
4 reductions in administration, and shall at least maintain, and endeavor
5 to increase, enrollment opportunities and degree and certificate
6 production in high employer-demand fields of study at their academic
7 year 2008-09 levels.

8 (5) Within the board's 2009-11 biennial budget allocation to
9 Bellevue College, and pursuant to RCW 28B.50.810, the college may
10 implement, on a tuition and fee basis, an additional applied
11 baccalaureate degree in interior design. This program is intended to
12 provide students with additional opportunities to earn baccalaureate
13 degrees and to respond to emerging job and economic growth
14 opportunities. The program reviews and approval decisions required by
15 RCW 28B.50.810 (3) and (4) shall be completed by July 31, 2009, so that
16 the degree may be offered during the 2009-10 academic year.

17 (6) In accordance with the recommendations of the higher education
18 coordinating board's 2008 *Kitsap region higher education center study*,
19 the state board shall facilitate development of university centers by
20 allocating thirty 2-year and 4-year partnership full-time enrollment
21 equivalencies to Olympic College and ten 2-year and 4-year partnership
22 full-time enrollment equivalencies to Peninsula College. The colleges
23 shall use the allocations to establish a partnership with a
24 baccalaureate university or universities for delivery of upper division
25 degree programs in the Kitsap region. The Olympic and Peninsula
26 Community College districts shall additionally work together to ensure
27 coordinated development of these and other future baccalaureate
28 opportunities through coordinated needs assessment, planning, and
29 scheduling.

30 (7) By September 1, 2009, the state board for community and
31 technical colleges, the higher education coordinating board, and the
32 office of financial management shall review and to the extent necessary
33 revise current 2009-11 performance measures and targets based on the
34 level of state, tuition, and other resources appropriated or authorized
35 in this act and in the omnibus 2009-11 omnibus capital budget act. The
36 boards and the office of financial management shall additionally
37 develop new performance targets for the 2011-13 and the 2013-15 biennia

1 that will guide and measure the community and technical college
2 system's contributions to achievement of the state's higher education
3 master plan goals.

4 (8) \$2,250,000 of the general fund--state appropriation for fiscal
5 year 2010 and \$2,250,000 of the general fund--state appropriation for
6 fiscal year 2011 are provided solely for the hospital employee
7 education and training program under which labor, management, and
8 college partnerships develop or expand and evaluate training programs
9 for incumbent hospital workers that lead to careers in nursing and
10 other high-demand health care occupations. The board shall report
11 student progress, outcomes, and costs to the relevant fiscal and policy
12 committees of the legislature by November 2009 and November 2010.

13 (9) Community and technical colleges are not required to send mass
14 mailings of course catalogs to residents of their districts. Community
15 and technical colleges shall consider lower cost alternatives, such as
16 mailing postcards or brochures that direct individuals to online
17 information and other ways of acquiring print catalogs.

18 (10) \$1,112,000 of the general fund--state appropriation for fiscal
19 year 2010 and \$1,113,000 of the general fund--state appropriation for
20 fiscal year 2011 are provided solely for the state board to enhance
21 online distance learning and open courseware technology. Funds shall
22 be used to support open courseware, open textbooks, open licenses to
23 increase access, affordability and quality of courses in higher
24 education. The state board for community and technical colleges shall
25 select the most appropriate courses to support open courseware based
26 solely upon criteria of maximizing the value of instruction and
27 reducing costs of textbooks and other instructional materials for the
28 greatest number of students in higher education, regardless of the type
29 of institution those students attend.

30 (11) \$158,000 of the general fund--state appropriation for fiscal
31 year 2011 is provided solely to implement House Bill No. 2694 (B.S. in
32 nursing/university center). If the bill is not enacted by June 30,
33 2010, the amount provided in this subsection shall lapse.

34 (12)(a) The labor education and research center is transferred from
35 The Evergreen State College to south Seattle community college and
36 shall begin operations on July 1, 2010.

37 (b) At least \$164,000 of the general fund--state appropriation for

1 fiscal year 2011 shall be expended on the labor education and research
2 center to provide outreach programs and direct educational and research
3 services to labor unions and worker-centered organizations.

4 (13) \$1,000,000 of the opportunity express account--state
5 appropriation is provided solely for the opportunity grant program as
6 specified in RCW 28B.50.271.

7 (14) \$1,750,000 of the general fund--state appropriation for fiscal
8 year 2011 is provided solely for the state board for community and
9 technical colleges to contract with the aerospace training and research
10 center on Paine field in Everett, Washington to support industry-
11 identified training in the aerospace sector.

12 (15) Sufficient amounts are provided in this section to implement
13 the food stamp employment and training program under Second Substitute
14 House Bill No. 2782 (security lifeline act).

15 **Sec. 602.** 2010 sp.s. c 37 s 604 (uncodified) is amended to read as
16 follows:

17 **FOR THE UNIVERSITY OF WASHINGTON**

18	General Fund--State Appropriation (FY 2010)	\$269,571,000
19	General Fund--State Appropriation (FY 2011)	(\$271,092,000)
20		<u>\$259,706,000</u>
21	General Fund--Federal Appropriation	\$43,971,000
22	Education Legacy Trust Account--State Appropriation	\$54,534,000
23	Accident Account--State Appropriation	\$6,750,000
24	Medical Aid Account--State Appropriation	\$6,540,000
25	Biotoxin Account--State Appropriation	\$449,000
26	TOTAL APPROPRIATION	(\$652,907,000)
27		<u>\$641,521,000</u>

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

30 (1) In implementing the appropriations in this section, the
31 president and regents shall seek to minimize impacts on student
32 services and instructional programs by maximizing reductions in
33 administration and other non-instructional activities.

34 (2) Because higher education is an essential driver of economic
35 recovery and development, the university shall maintain, and endeavor
36 to increase, enrollment and degree production levels at or beyond their
37 academic year 2008-09 levels in the following high-demand fields:

1 Biological and biomedical sciences; computer and information sciences;
2 education with specializations in special education, math, or science;
3 engineering and engineering technology; health professions and related
4 clinical sciences; and mathematics and statistics.

5 (3) \$75,000 of the general fund--state appropriation for fiscal
6 year 2010 and \$75,000 of the general fund--state appropriation for
7 fiscal year 2011 are provided solely for forestry research by the
8 Olympic natural resources center.

9 (4) \$150,000 of the general fund--state appropriation for fiscal
10 year 2010 is provided solely for the William D. Ruckelshaus center for
11 facilitation, support, and analysis to support the nurse staffing
12 steering committee in its work to apply best practices related to
13 patient safety and nurse staffing.

14 (5) \$54,000 of the general fund--state appropriation for fiscal
15 year 2010 and \$54,000 of the general fund--state appropriation for
16 fiscal year 2011 are provided solely for the University of Washington
17 geriatric education center to provide a voluntary adult family home
18 certification program. In addition to the minimum qualifications
19 required under RCW 70.128.120, individuals participating in the
20 voluntary adult family home certification program shall complete fifty-
21 two hours of class requirements as established by the University of
22 Washington geriatric education center. Individuals completing the
23 requirements of RCW 70.128.120 and the voluntary adult family home
24 certification program shall be issued a certified adult family home
25 license by the department of social and health services. The
26 department of social and health services shall adopt rules implementing
27 the provisions of this subsection.

28 (6) \$50,000 of the general fund--state appropriation for fiscal
29 year 2010 and \$52,000 of the general fund--state appropriation for
30 fiscal year 2011 are provided solely for the center for international
31 trade in forest products in the college of forest resources.

32 ~~((+8))~~ (7) \$250,000 of the general fund--state appropriation for
33 fiscal year 2011 is provided solely for joint planning to increase the
34 number of residency positions and programs in eastern Washington and
35 Spokane within the existing Washington, Wyoming, Alaska, Montana, Idaho
36 (WWAMI) regional medical education program partnership between the
37 University of Washington school of medicine, Washington State
38 University, and area physicians and hospitals. The joint planning

1 efforts are to include preparation of applications for new residency
 2 programs in family medicine, internal medicine, obstetrics, psychiatry
 3 and general surgery; business plans for those new programs; and for
 4 increasing the number of positions in existing programs among regional
 5 academic and hospital partners and networks. The results of the joint
 6 planning efforts, including the status of the application preparation
 7 and business plan, must be reported to the house of representatives
 8 committee on higher education and the senate committee on higher
 9 education and workforce development by December 1, 2010.

10 ((+9)) (8) \$25,000 of the general fund--state appropriation for
 11 fiscal year 2011 is provided solely for implementation of chapter 164,
 12 Laws of 2010 (local government infrastructure). The University of
 13 Washington shall use a qualified researcher to report the percentage
 14 probability that the application's assumptions and estimates of jobs
 15 created and increased tax receipts will be achieved by the projects.
 16 In making this report, the qualified researcher shall work with the
 17 department of revenue and the applicants to develop a series of factors
 18 that are based on available economic metrics and sound principles.

19 **Sec. 603.** 2010 sp.s. c 37 s 605 (uncodified) is amended to read as
 20 follows:

21 **FOR WASHINGTON STATE UNIVERSITY**

22	General Fund--State Appropriation (FY 2010)	\$169,462,000
23	General Fund--State Appropriation (FY 2011)	((\$178,283,000))
24		<u>\$170,699,000</u>
25	General Fund--Federal Appropriation	\$15,772,000
26	Education Legacy Trust Account--State Appropriation	\$34,435,000
27	TOTAL APPROPRIATION	((\$397,952,000))
28		<u>\$390,368,000</u>

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

31 (1) In implementing the appropriations in this section, the
 32 president and regents shall seek to minimize impacts on student
 33 services and instructional programs by maximizing reductions in
 34 administration and other non-instructional activities.

35 (2) Because higher education is an essential driver of economic
 36 recovery and development, the university shall maintain, and endeavor
 37 to increase, enrollment and degree production levels at or beyond their

1 academic year 2008-09 levels in the following high-demand fields:
2 Biological and biomedical sciences; computer and information sciences;
3 education with specializations in special education, math, or science;
4 engineering and engineering technology; health professions and related
5 clinical sciences; and mathematics and statistics.

6 (3) When implementing reductions for fiscal year 2010 and fiscal
7 year 2011, Washington State University shall minimize reductions to
8 extension services and agriculture extension services. Agriculture
9 extension includes:

10 (a) Faculty with extension appointments working within the
11 following departments in the college of agricultural, human, and
12 natural resource sciences with extension appointments: Animal
13 sciences, crop and soil sciences, entomology, horticulture, and plant
14 pathology;

15 (b) The portion of county extension educators' appointments
16 assigned to the "agricultural programs" area;

17 (c) Staff with extension appointments and extension operating
18 allocations located at the irrigated agriculture research and extension
19 center (Prosser), northwest Washington research and extension center
20 (Mt. Vernon), and tree fruit research and extension center (Wenatchee);
21 and

22 (d) Extension contributions to the center for precision
23 agricultural systems, center for sustaining agriculture and natural
24 resources, and the agriculture weather network.

25 (4) \$75,000 of the general fund--state appropriation for fiscal
26 year 2010 and \$75,000 of the general fund--state appropriation for
27 fiscal year 2011 are provided solely for research related to honeybee
28 colony collapse disease.

29 **Sec. 604.** 2010 sp.s. c 37 s 606 (uncodified) is amended to read as
30 follows:

31 **FOR EASTERN WASHINGTON UNIVERSITY**

32	General Fund--State Appropriation (FY 2010)	\$34,689,000
33	General Fund--State Appropriation (FY 2011)	(\$36,666,000)
34		<u>\$35,126,000</u>
35	General Fund--Federal Appropriation	\$5,522,000
36	Education Legacy Trust Account--State Appropriation	\$16,041,000
37	TOTAL APPROPRIATION	(\$92,918,000)

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 non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor to increase, enrollment and degree production levels at or beyond their academic year 2008-09 levels in the following high-demand fields: Biological and biomedical sciences; computer and information sciences; education with specializations in special education, math, or science; engineering and engineering technology; health professions and related clinical sciences; and mathematics and statistics.

(3) At least \$200,000 of the general fund--state appropriation for fiscal year 2010 and at least \$200,000 of the general fund--state appropriation for fiscal year 2011 shall be expended on the northwest autism center.

Sec. 605. 2010 sp.s. c 37 s 607 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund--State Appropriation (FY 2010)	\$30,289,000
General Fund--State Appropriation (FY 2011)	(\$33,803,000)
	<u>\$32,383,000</u>
General Fund--Federal Appropriation	\$6,975,000
Education Legacy Trust Account--State Appropriation	\$19,012,000
TOTAL APPROPRIATION	(\$90,079,000)
	<u>\$88,659,000</u>

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 non-instructional activities.

(2) Because higher education is an essential driver of economic recovery and development, the university shall maintain, and endeavor

1 to increase, enrollment and degree production levels at or beyond their
2 academic year 2008-09 levels in the following high-demand fields:
3 Biological and biomedical sciences; computer and information sciences;
4 education with specializations in special education, math, or science;
5 engineering and engineering technology; health professions and related
6 clinical sciences; and mathematics and statistics.

7 **Sec. 606.** 2010 sp.s. c 37 s 608 (uncodified) is amended to read as
8 follows:

9 **FOR THE EVERGREEN STATE COLLEGE**

10	General Fund--State Appropriation (FY 2010)	\$20,514,000
11	General Fund--State Appropriation (FY 2011)	(\$18,505,000)
12		<u>\$17,728,000</u>
13	General Fund--Federal Appropriation	\$2,366,000
14	Education Legacy Trust Account--State Appropriation	\$5,417,000
15	TOTAL APPROPRIATION	(\$46,802,000)
16		<u>\$46,025,000</u>

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

19 (1) In implementing the appropriations in this section, the
20 president and governing board shall seek to minimize impacts on student
21 services and instructional programs by maximizing reductions in
22 administration and other non-instructional activities.

23 (2) Because higher education is an essential driver of economic
24 recovery and development, the college shall maintain, and endeavor to
25 increase, enrollment and degree production levels at or beyond their
26 academic year 2008-09 levels in the following high-demand fields:
27 Biological and biomedical sciences; computer and information sciences;
28 education with specializations in special education, math, or science;
29 engineering and engineering technology; health professions and related
30 clinical sciences; and mathematics and statistics.

31 (3)(a) At least \$100,000 of the general fund--state appropriation
32 for fiscal year 2010 shall be expended on the labor education and
33 research center.

34 (b) In fiscal year 2011 the labor education and research center
35 shall be transferred from The Evergreen State College to south Seattle
36 community college.

1 (4) \$100,000 of the general fund--state appropriation for fiscal
2 year 2010 and \$100,000 of the general fund--state appropriation for
3 fiscal year 2011 are provided solely for the Washington state institute
4 for public policy to report to the legislature regarding efficient and
5 effective programs and policies. The report shall calculate the return
6 on investment to taxpayers from evidence-based prevention and
7 intervention programs and policies that influence crime, K-12 education
8 outcomes, child maltreatment, substance abuse, mental health, public
9 health, public assistance, employment, and housing. The institute for
10 public policy shall provide the legislature with a comprehensive list
11 of programs and policies that improve these outcomes for children and
12 adults in Washington and result in more cost-efficient use of public
13 resources. The institute shall submit interim reports by December 15,
14 2009, and October 1, 2010, and a final report by June 30, 2011. The
15 institute may receive additional funds from a private organization for
16 the purpose of conducting this study.

17 (5) To the extent federal or private funding is available for this
18 purpose, the Washington state institute for public policy and the
19 center for reinventing public education at the University of Washington
20 shall examine the relationship between participation in pension systems
21 and teacher quality and mobility patterns in the state. The department
22 of retirement systems shall facilitate researchers' access to necessary
23 individual-level data necessary to effectively conduct the study. The
24 researchers shall ensure that no individually identifiable information
25 will be disclosed at any time. An interim report on project findings
26 shall be completed by November 15, 2010, and a final report shall be
27 submitted to the governor and to the relevant committees of the
28 legislature by October 15, 2011.

29 (6) At least \$200,000 of the general fund--state appropriation for
30 fiscal year 2010 and at least \$200,000 of the general fund--state
31 appropriation for fiscal year 2011 shall be expended on the Washington
32 center for undergraduate education.

33 (7) \$15,000 of the general fund--state appropriation for fiscal
34 year 2010 is provided solely for the Washington state institute for
35 public policy to examine the need for and methods to increase the
36 availability of nonfood items, such as personal hygiene supplies,
37 soaps, paper products, and other items, to needy persons in the state.
38 The study shall examine existing private and public programs that

1 provide such products, and develop recommendations for the most cost-
2 effective incentives for private and public agencies to increase local
3 distribution outlets and local and regional networks of supplies. A
4 final report shall be delivered to the legislature and the governor by
5 December 1, 2009.

6 (8) \$17,000 of the general fund--state appropriation for fiscal
7 year 2010 and \$42,000 of the general fund--state appropriation for
8 fiscal year 2011 are provided to the Washington state institute for
9 public policy to implement Second Substitute House Bill No. 2106 (child
10 welfare outcomes). If the bill is not enacted by June 30, 2009, the
11 amounts provided in this subsection shall lapse.

12 (9) \$54,000 of the general fund--state appropriation for fiscal
13 year 2010 and \$23,000 of the general fund--state appropriation for
14 fiscal year 2011 are provided solely to implement Substitute Senate
15 Bill No. 5882 (racial disproportionality). If the bill is not enacted
16 by June 30, 2009, the amounts provided in this subsection shall lapse.

17 (10) \$75,000 of the general fund--state appropriation for fiscal
18 year 2010 is provided solely for the Washington state institute of
19 public policy to evaluate the adequacy of and access to financial aid
20 and independent living programs for youth in foster care. The
21 examination shall include opportunities to improve efficiencies within
22 these programs. The institute shall report its findings by December 1,
23 2009.

24 (11) \$75,000 of the general fund--state appropriation for fiscal
25 year 2010 is provided solely for the Washington state institute for
26 public policy to conduct an assessment of the general assistance
27 unemployable program and other similar programs. The assessment shall
28 include a review of programs in other states that provide similar
29 services and will include recommendations on promising approaches that
30 both improve client outcomes and reduce state costs. A report is due
31 by December 1, 2009.

32 (12) To the extent funds are available, the Washington state
33 institute for public policy is encouraged to continue the longitudinal
34 analysis of long-term mental health outcomes directed in chapter 334,
35 Laws of 2001 (mental health performance audit), to build upon the
36 evaluation of the impacts of chapter 214, Laws of 1999 (mentally ill
37 offenders); and to assess program outcomes and cost effectiveness of

1 the children's mental health pilot projects as required by chapter 372,
2 Laws of 2006.

3 (13) \$50,000 of the general fund--state appropriation for fiscal
4 year 2011 is provided solely for the institute for public policy to
5 provide research support to the council on quality education.

6 (14) At least \$119,207 of the general fund--state appropriation for
7 fiscal year 2011 shall be expended on the longhouse center.

8 (15) At least \$103,146 of the general fund--state appropriation for
9 fiscal year 2011 shall be expended on the Northwest Indian applied
10 research institute.

11 **Sec. 607.** 2010 sp.s. c 37 s 609 (uncodified) is amended to read as
12 follows:

13 **FOR WESTERN WASHINGTON UNIVERSITY**

14	General Fund--State Appropriation (FY 2010)	\$43,146,000
15	General Fund--State Appropriation (FY 2011)	(\$48,391,000)
16		<u>\$46,359,000</u>
17	General Fund--Federal Appropriation	\$8,885,000
18	Education Legacy Trust Account--State Appropriation	\$12,917,000
19	TOTAL APPROPRIATION	(\$113,339,000)
20		<u>\$111,307,000</u>

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

23 (1) In implementing the appropriations in this section, the
24 president and governing board shall seek to minimize impacts on student
25 services and instructional programs by maximizing reductions in
26 administration and other non-instructional activities.

27 (2) Because higher education is an essential driver of economic
28 recovery and development, the university shall maintain, and endeavor
29 to increase, enrollment and degree production levels at or beyond their
30 academic year 2008-09 levels in the following high-demand fields:
31 Biological and biomedical sciences; computer and information sciences;
32 education with specializations in special education, math, or science;
33 engineering and engineering technology; health professions and related
34 clinical sciences; and mathematics and statistics.

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2010 sp.s. c 37 s 803 (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 (~~(\$16,400,000)~~) \$26,400,000 for fiscal year 2011 (~~(\$32,800,000)~~) \$42,800,000

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 (~~(\$17,780,000)~~) \$37,780,000 for fiscal year 2011 (~~(\$33,120,000)~~) \$53,120,000

Local Toxics Control Account: For transfer to the state general fund, \$37,060,000 for fiscal year 2010 and \$48,759,000 for fiscal year 2011 \$85,819,000

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 \$5,050,000 for fiscal year 2011 \$13,570,000

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 \$2,500,000 for fiscal year 2011 \$5,000,000

Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed by more

1 transfer to the state general fund, \$8,604,000
2 for fiscal year 2010 and \$5,538,000 for fiscal
3 year 2011 \$14,142,000
4 Public Works Assistance Account: For transfer to the
5 state general fund, \$279,640,000 for fiscal year
6 2010 and \$229,560,000 for fiscal year 2011 \$509,200,000
7 Budget Stabilization Account: For transfer to the
8 state general fund for fiscal year 2010 \$45,130,000
9 Liquor Revolving Account: For transfer to the state
10 general fund, \$31,000,000 for fiscal year 2010 and
11 \$31,000,000 for fiscal year 2011 \$62,000,000
12 Public Works Assistance Account: For transfer to the
13 city-county assistance account, \$5,000,000 on
14 July 1, 2009, and \$5,000,000 on July 1, 2010 \$10,000,000
15 Public Works Assistance Account: For transfer to the
16 drinking water assistance account, \$6,930,000
17 for fiscal year 2010 and \$4,000,000 for fiscal
18 year 2011 \$10,930,000
19 Shared Game Lottery Account: For transfer to the
20 education legacy trust account, \$3,600,000 for
21 fiscal year 2010 and \$2,400,000 for fiscal year
22 2011 \$6,000,000
23 State Lottery Account: For transfer to the education
24 legacy trust account, \$9,500,000 for fiscal year
25 2010 and \$9,500,000 for fiscal year 2011 \$19,000,000
26 College Faculty Awards Trust Fund: For transfer
27 to the state general fund for fiscal year 2010,
28 an amount not to exceed the actual cash balance
29 of the fund \$4,000,000
30 Washington Distinguished Professorship Trust Fund:
31 For transfer to the state general fund for fiscal
32 year 2010, an amount not to exceed the actual cash
33 balance of the fund \$6,000,000
34 Washington Graduate Fellowship Trust Account:
35 For transfer to the state general fund for fiscal
36 year 2010, an amount not to exceed the actual cash
37 balance of the fund \$2,000,000
38 GET Ready for Math and Science Scholarship Account:

1 For transfer to the state general fund for
2 fiscal year 2010, an amount not to exceed
3 the actual cash balance not comprised of or
4 needed to match private contributions \$1,800,000
5 Financial Services Regulation Account: For transfer
6 to the state general fund, \$2,000,000 for fiscal
7 year 2010 and (~~(\$2,000,000)~~) \$7,000,000 for fiscal
8 year 2011 (~~(\$4,000,000)~~)
9 \$9,000,000
10 Data Processing Revolving Fund: For transfer to
11 the state general fund, \$5,632,000 for fiscal
12 year 2010 \$5,632,000
13 Public Service Revolving Account: For transfer to
14 the state general fund, \$8,000,000 for fiscal
15 year 2010 and \$7,000,000 for fiscal year 2011 \$15,000,000
16 Water Quality Capital Account: For transfer to the
17 state general fund, \$278,000 for fiscal year 2011 \$278,000
18 Performance Audits of Government Account: For
19 transfer to the state general fund, \$10,000,000
20 for fiscal year 2010 and \$5,000,000 for fiscal
21 year 2011 \$15,000,000
22 Job Development Account: For transfer to the
23 state general fund, \$20,930,000 for fiscal
24 year 2010 \$20,930,000
25 Savings Incentive Account: For transfer to the
26 state general fund, \$10,117,000 for fiscal
27 year 2010 \$10,117,000
28 Education Savings Account: For transfer to the
29 state general fund, \$100,767,000 for fiscal
30 year 2010 \$100,767,000
31 Cleanup Settlement Account: For transfer to the
32 state efficiency and restructuring account for
33 fiscal year 2011 \$39,480,000
34 Disaster Response Account: For transfer to the
35 state drought preparedness account, \$4,000,000
36 for fiscal year 2010 \$4,000,000
37 Washington State Convention and Trade Center Account:
38 For transfer to the state general fund, \$10,000,000

1 for fiscal year 2011. The transfer in this section
 2 shall occur on June 30, 2011, only if by that date
 3 the Washington state convention and trade center is
 4 not transferred to a public facilities district
 5 pursuant to Substitute Senate Bill No. 6889
 6 (convention and trade center) \$10,000,000
 7 Institutional Welfare/Betterment Account: For transfer
 8 to the state general fund, \$2,000,000 for fiscal
 9 year 2010 and \$2,000,000 for fiscal year 2011 \$4,000,000
 10 Future Teacher Conditional Scholarship Account: For
 11 transfer to the state general fund, \$2,150,000
 12 for fiscal year 2010 and \$2,150,000 for fiscal
 13 year 2011 \$4,300,000
 14 Fingerprint Identification Account: For transfer
 15 to the state general fund, \$800,000 for fiscal
 16 year 2011 \$800,000
 17 Prevent or Reduce Owner-Occupied Foreclosure
 18 Program Account: For transfer to the financial
 19 education public-private partnership account for
 20 fiscal year 2010, an amount not to exceed the actual
 21 cash balance of the fund as of June 30, 2010 \$300,000
 22 Nisqually Earthquake Account: For transfer to the
 23 state general fund for fiscal year 2011 \$1,000,000
 24 Disaster Response Account: For transfer to the state
 25 general fund for fiscal year 2011 \$15,000,000

(End of part)

1 During the 2009-2011 fiscal biennium, the legislature may transfer from
2 the Nisqually earthquake account to the state general fund such amounts
3 as reflect the excess fund balance of the account.

4 **Sec. 903.** RCW 41.26.030 and 2010 1st sp.s. c 32 s 6 are each
5 amended to read as follows:

6 As used in this chapter, unless a different meaning is plainly
7 required by the context:

8 (1) "Accumulated contributions" means the employee's contributions
9 made by a member, including any amount paid under RCW 41.50.165(2),
10 plus accrued interest credited thereon.

11 (2) "Actuarial reserve" means a method of financing a pension or
12 retirement plan wherein reserves are accumulated as the liabilities for
13 benefit payments are incurred in order that sufficient funds will be
14 available on the date of retirement of each member to pay the member's
15 future benefits during the period of retirement.

16 (3) "Actuarial valuation" means a mathematical determination of the
17 financial condition of a retirement plan. It includes the computation
18 of the present monetary value of benefits payable to present members,
19 and the present monetary value of future employer and employee
20 contributions, giving effect to mortality among active and retired
21 members and also to the rates of disability, retirement, withdrawal
22 from service, salary and interest earned on investments.

23 (4)(a) "Basic salary" for plan 1 members, means the basic monthly
24 rate of salary or wages, including longevity pay but not including
25 overtime earnings or special salary or wages, upon which pension or
26 retirement benefits will be computed and upon which employer
27 contributions and salary deductions will be based.

28 (b) "Basic salary" for plan 2 members, means salaries or wages
29 earned by a member during a payroll period for personal services,
30 including overtime payments, and shall include wages and salaries
31 deferred under provisions established pursuant to sections 403(b),
32 414(h), and 457 of the United States Internal Revenue Code, but shall
33 exclude lump sum payments for deferred annual sick leave, unused
34 accumulated vacation, unused accumulated annual leave, or any form of
35 severance pay. In any year in which a member serves in the legislature
36 the member shall have the option of having such member's basic salary
37 be the greater of:

1 (i) The basic salary the member would have received had such member
2 not served in the legislature; or
3 (ii) Such member's actual basic salary received for nonlegislative
4 public employment and legislative service combined. Any additional
5 contributions to the retirement system required because basic salary
6 under (b)(i) of this subsection is greater than basic salary under
7 (b)(ii) of this subsection shall be paid by the member for both member
8 and employer contributions.

9 (5)(a) "Beneficiary" for plan 1 members, means any person in
10 receipt of a retirement allowance, disability allowance, death benefit,
11 or any other benefit described herein.

12 (b) "Beneficiary" for plan 2 members, means any person in receipt
13 of a retirement allowance or other benefit provided by this chapter
14 resulting from service rendered to an employer by another person.

15 (6)(a) "Child" or "children" means an unmarried person who is under
16 the age of eighteen or mentally or physically disabled as determined by
17 the department, except a person who is disabled and in the full time
18 care of a state institution, who is:

19 (i) A natural born child;
20 (ii) A stepchild where that relationship was in existence prior to
21 the date benefits are payable under this chapter;
22 (iii) A posthumous child;
23 (iv) A child legally adopted or made a legal ward of a member prior
24 to the date benefits are payable under this chapter; or
25 (v) An illegitimate child legitimized prior to the date any
26 benefits are payable under this chapter.

27 (b) A person shall also be deemed to be a child up to and including
28 the age of twenty years and eleven months while attending any high
29 school, college, or vocational or other educational institution
30 accredited, licensed, or approved by the state, in which it is located,
31 including the summer vacation months and all other normal and regular
32 vacation periods at the particular educational institution after which
33 the child returns to school.

34 (7) "Department" means the department of retirement systems created
35 in chapter 41.50 RCW.

36 (8) "Director" means the director of the department.

37 (9) "Disability board" for plan 1 members means either the county

1 disability board or the city disability board established in RCW
2 41.26.110.

3 (10) "Disability leave" means the period of six months or any
4 portion thereof during which a member is on leave at an allowance equal
5 to the member's full salary prior to the commencement of disability
6 retirement. The definition contained in this subsection shall apply
7 only to plan 1 members.

8 (11) "Disability retirement" for plan 1 members, means the period
9 following termination of a member's disability leave, during which the
10 member is in receipt of a disability retirement allowance.

11 (12) "Domestic partners" means two adults who have registered as
12 domestic partners under RCW 26.60.020.

13 (13) "Employee" means any law enforcement officer or firefighter as
14 defined in subsections (16) and (18) of this section.

15 (14)(a) "Employer" for plan 1 members, means the legislative
16 authority of any city, town, county, or district or the elected
17 officials of any municipal corporation that employs any law enforcement
18 officer and/or firefighter, any authorized association of such
19 municipalities, and, except for the purposes of RCW 41.26.150, any
20 labor guild, association, or organization, which represents the
21 firefighters or law enforcement officers of at least seven cities of
22 over 20,000 population and the membership of each local lodge or
23 division of which is composed of at least sixty percent law enforcement
24 officers or firefighters as defined in this chapter.

25 (b) "Employer" for plan 2 members, means the following entities to
26 the extent that the entity employs any law enforcement officer and/or
27 firefighter:

28 (i) The legislative authority of any city, town, county, or
29 district;

30 (ii) The elected officials of any municipal corporation;

31 (iii) The governing body of any other general authority law
32 enforcement agency; or

33 (iv) A four-year institution of higher education having a fully
34 operational fire department as of January 1, 1996.

35 (15)(a) "Final average salary" for plan 1 members, means (i) for a
36 member holding the same position or rank for a minimum of twelve months
37 preceding the date of retirement, the basic salary attached to such
38 same position or rank at time of retirement; (ii) for any other member,

1 including a civil service member who has not served a minimum of twelve
2 months in the same position or rank preceding the date of retirement,
3 the average of the greatest basic salaries payable to such member
4 during any consecutive twenty-four month period within such member's
5 last ten years of service for which service credit is allowed, computed
6 by dividing the total basic salaries payable to such member during the
7 selected twenty-four month period by twenty-four; (iii) in the case of
8 disability of any member, the basic salary payable to such member at
9 the time of disability retirement; (iv) in the case of a member who
10 hereafter vests pursuant to RCW 41.26.090, the basic salary payable to
11 such member at the time of vesting.

12 (b) "Final average salary" for plan 2 members, means the monthly
13 average of the member's basic salary for the highest consecutive sixty
14 service credit months of service prior to such member's retirement,
15 termination, or death. Periods constituting authorized unpaid leaves
16 of absence may not be used in the calculation of final average salary.

17 (c) In calculating final average salary under (a) or (b) of this
18 subsection, the department of retirement systems shall include any
19 compensation forgone by a member employed by a state agency or
20 institution during the 2009-2011 fiscal biennium as a result of reduced
21 work hours, mandatory or voluntary leave without pay, temporary
22 reduction in pay implemented prior to the effective date of this
23 section, or temporary layoffs if the reduced compensation is an
24 integral part of the employer's expenditure reduction efforts, as
25 certified by the employer.

26 (16) "Firefighter" means:

27 (a) Any person who is serving on a full time, fully compensated
28 basis as a member of a fire department of an employer and who is
29 serving in a position which requires passing a civil service
30 examination for firefighter, and who is actively employed as such;

31 (b) Anyone who is actively employed as a full time firefighter
32 where the fire department does not have a civil service examination;

33 (c) Supervisory firefighter personnel;

34 (d) Any full time executive secretary of an association of fire
35 protection districts authorized under RCW 52.12.031. The provisions of
36 this subsection (16)(d) shall not apply to plan 2 members;

37 (e) The executive secretary of a labor guild, association or
38 organization (which is an employer under subsection (14) of this

1 section), if such individual has five years previous membership in a
2 retirement system established in chapter 41.16 or 41.18 RCW. The
3 provisions of this subsection (16)(e) shall not apply to plan 2
4 members;

5 (f) Any person who is serving on a full time, fully compensated
6 basis for an employer, as a fire dispatcher, in a department in which,
7 on March 1, 1970, a dispatcher was required to have passed a civil
8 service examination for firefighter;

9 (g) Any person who on March 1, 1970, was employed on a full time,
10 fully compensated basis by an employer, and who on May 21, 1971, was
11 making retirement contributions under the provisions of chapter 41.16
12 or 41.18 RCW; and

13 (h) Any person who is employed on a full-time, fully compensated
14 basis by an employer as an emergency medical technician.

15 (17) "General authority law enforcement agency" means any agency,
16 department, or division of a municipal corporation, political
17 subdivision, or other unit of local government of this state, and any
18 agency, department, or division of state government, having as its
19 primary function the detection and apprehension of persons committing
20 infractions or violating the traffic or criminal laws in general, but
21 not including the Washington state patrol. Such an agency, department,
22 or division is distinguished from a limited authority law enforcement
23 agency having as one of its functions the apprehension or detection of
24 persons committing infractions or violating the traffic or criminal
25 laws relating to limited subject areas, including but not limited to,
26 the state departments of natural resources and social and health
27 services, the state gambling commission, the state lottery commission,
28 the state parks and recreation commission, the state utilities and
29 transportation commission, the state liquor control board, and the
30 state department of corrections.

31 (18) "Law enforcement officer" beginning January 1, 1994, means any
32 person who is commissioned and employed by an employer on a full time,
33 fully compensated basis to enforce the criminal laws of the state of
34 Washington generally, with the following qualifications:

35 (a) No person who is serving in a position that is basically
36 clerical or secretarial in nature, and who is not commissioned shall be
37 considered a law enforcement officer;

1 (b) Only those deputy sheriffs, including those serving under a
2 different title pursuant to county charter, who have successfully
3 completed a civil service examination for deputy sheriff or the
4 equivalent position, where a different title is used, and those persons
5 serving in unclassified positions authorized by RCW 41.14.070 except a
6 private secretary will be considered law enforcement officers;

7 (c) Only such full time commissioned law enforcement personnel as
8 have been appointed to offices, positions, or ranks in the police
9 department which have been specifically created or otherwise expressly
10 provided for and designated by city charter provision or by ordinance
11 enacted by the legislative body of the city shall be considered city
12 police officers;

13 (d) The term "law enforcement officer" also includes the executive
14 secretary of a labor guild, association or organization (which is an
15 employer under subsection (14) of this section) if that individual has
16 five years previous membership in the retirement system established in
17 chapter 41.20 RCW. The provisions of this subsection (18)(d) shall not
18 apply to plan 2 members; and

19 (e) The term "law enforcement officer" also includes a person
20 employed on or after January 1, 1993, as a public safety officer or
21 director of public safety, so long as the job duties substantially
22 involve only either police or fire duties, or both, and no other duties
23 in a city or town with a population of less than ten thousand. The
24 provisions of this subsection (18)(e) shall not apply to any public
25 safety officer or director of public safety who is receiving a
26 retirement allowance under this chapter as of May 12, 1993.

27 (19) "Medical services" for plan 1 members, shall include the
28 following as minimum services to be provided. Reasonable charges for
29 these services shall be paid in accordance with RCW 41.26.150.

30 (a) Hospital expenses: These are the charges made by a hospital,
31 in its own behalf, for

32 (i) Board and room not to exceed semiprivate room rate unless
33 private room is required by the attending physician due to the
34 condition of the patient.

35 (ii) Necessary hospital services, other than board and room,
36 furnished by the hospital.

37 (b) Other medical expenses: The following charges are considered

1 "other medical expenses", provided that they have not been considered
2 as "hospital expenses".

3 (i) The fees of the following:

4 (A) A physician or surgeon licensed under the provisions of chapter
5 18.71 RCW;

6 (B) An osteopathic physician and surgeon licensed under the
7 provisions of chapter 18.57 RCW;

8 (C) A chiropractor licensed under the provisions of chapter 18.25
9 RCW.

10 (ii) The charges of a registered graduate nurse other than a nurse
11 who ordinarily resides in the member's home, or is a member of the
12 family of either the member or the member's spouse.

13 (iii) The charges for the following medical services and supplies:

14 (A) Drugs and medicines upon a physician's prescription;

15 (B) Diagnostic X-ray and laboratory examinations;

16 (C) X-ray, radium, and radioactive isotopes therapy;

17 (D) Anesthesia and oxygen;

18 (E) Rental of iron lung and other durable medical and surgical
19 equipment;

20 (F) Artificial limbs and eyes, and casts, splints, and trusses;

21 (G) Professional ambulance service when used to transport the
22 member to or from a hospital when injured by an accident or stricken by
23 a disease;

24 (H) Dental charges incurred by a member who sustains an accidental
25 injury to his or her teeth and who commences treatment by a legally
26 licensed dentist within ninety days after the accident;

27 (I) Nursing home confinement or hospital extended care facility;

28 (J) Physical therapy by a registered physical therapist;

29 (K) Blood transfusions, including the cost of blood and blood
30 plasma not replaced by voluntary donors;

31 (L) An optometrist licensed under the provisions of chapter 18.53
32 RCW.

33 (20) "Member" means any firefighter, law enforcement officer, or
34 other person as would apply under subsections (16) or (18) of this
35 section whose membership is transferred to the Washington law
36 enforcement officers' and firefighters' retirement system on or after
37 March 1, 1970, and every law enforcement officer and firefighter who is
38 employed in that capacity on or after such date.

1 (21) "Plan 1" means the law enforcement officers' and firefighters'
2 retirement system, plan 1 providing the benefits and funding provisions
3 covering persons who first became members of the system prior to
4 October 1, 1977.

5 (22) "Plan 2" means the law enforcement officers' and firefighters'
6 retirement system, plan 2 providing the benefits and funding provisions
7 covering persons who first became members of the system on and after
8 October 1, 1977.

9 (23) "Position" means the employment held at any particular time,
10 which may or may not be the same as civil service rank.

11 (24) "Regular interest" means such rate as the director may
12 determine.

13 (25) "Retiree" for persons who establish membership in the
14 retirement system on or after October 1, 1977, means any member in
15 receipt of a retirement allowance or other benefit provided by this
16 chapter resulting from service rendered to an employer by such member.

17 (26) "Retirement fund" means the "Washington law enforcement
18 officers' and firefighters' retirement system fund" as provided for
19 herein.

20 (27) "Retirement system" means the "Washington law enforcement
21 officers' and firefighters' retirement system" provided herein.

22 (28)(a) "Service" for plan 1 members, means all periods of
23 employment for an employer as a firefighter or law enforcement officer,
24 for which compensation is paid, together with periods of suspension not
25 exceeding thirty days in duration. For the purposes of this chapter
26 service shall also include service in the armed forces of the United
27 States as provided in RCW 41.26.190. Credit shall be allowed for all
28 service credit months of service rendered by a member from and after
29 the member's initial commencement of employment as a firefighter or law
30 enforcement officer, during which the member worked for seventy or more
31 hours, or was on disability leave or disability retirement. Only
32 service credit months of service shall be counted in the computation of
33 any retirement allowance or other benefit provided for in this chapter.

34 (i) For members retiring after May 21, 1971 who were employed under
35 the coverage of a prior pension act before March 1, 1970, "service"
36 shall also include (A) such military service not exceeding five years
37 as was creditable to the member as of March 1, 1970, under the member's
38 particular prior pension act, and (B) such other periods of service as

1 were then creditable to a particular member under the provisions of RCW
2 41.18.165, 41.20.160, or 41.20.170. However, in no event shall credit
3 be allowed for any service rendered prior to March 1, 1970, where the
4 member at the time of rendition of such service was employed in a
5 position covered by a prior pension act, unless such service, at the
6 time credit is claimed therefor, is also creditable under the
7 provisions of such prior act.

8 (ii) A member who is employed by two employers at the same time
9 shall only be credited with service to one such employer for any month
10 during which the member rendered such dual service.

11 (b) "Service" for plan 2 members, means periods of employment by a
12 member for one or more employers for which basic salary is earned for
13 ninety or more hours per calendar month which shall constitute a
14 service credit month. Periods of employment by a member for one or
15 more employers for which basic salary is earned for at least seventy
16 hours but less than ninety hours per calendar month shall constitute
17 one-half service credit month. Periods of employment by a member for
18 one or more employers for which basic salary is earned for less than
19 seventy hours shall constitute a one-quarter service credit month.

20 Members of the retirement system who are elected or appointed to a
21 state elective position may elect to continue to be members of this
22 retirement system.

23 Service credit years of service shall be determined by dividing the
24 total number of service credit months of service by twelve. Any
25 fraction of a service credit year of service as so determined shall be
26 taken into account in the computation of such retirement allowance or
27 benefits.

28 If a member receives basic salary from two or more employers during
29 any calendar month, the individual shall receive one service credit
30 month's service credit during any calendar month in which multiple
31 service for ninety or more hours is rendered; or one-half service
32 credit month's service credit during any calendar month in which
33 multiple service for at least seventy hours but less than ninety hours
34 is rendered; or one-quarter service credit month during any calendar
35 month in which multiple service for less than seventy hours is
36 rendered.

37 (29) "Service credit month" means a full service credit month or an
38 accumulation of partial service credit months that are equal to one.

1 (30) "Service credit year" means an accumulation of months of
2 service credit which is equal to one when divided by twelve.

3 (31) "State actuary" or "actuary" means the person appointed
4 pursuant to RCW 44.44.010(2).

5 (32) "State elective position" means any position held by any
6 person elected or appointed to statewide office or elected or appointed
7 as a member of the legislature.

8 (33) "Surviving spouse" means the surviving widow or widower of a
9 member. "Surviving spouse" shall not include the divorced spouse of a
10 member except as provided in RCW 41.26.162.

11 **Sec. 904.** RCW 41.32.010 and 2010 1st sp.s. c 32 s 7 are each
12 amended to read as follows:

13 As used in this chapter, unless a different meaning is plainly
14 required by the context:

15 (1)(a) "Accumulated contributions" for plan 1 members, means the
16 sum of all regular annuity contributions and, except for the purpose of
17 withdrawal at the time of retirement, any amount paid under RCW
18 41.50.165(2) with regular interest thereon.

19 (b) "Accumulated contributions" for plan 2 members, means the sum
20 of all contributions standing to the credit of a member in the member's
21 individual account, including any amount paid under RCW 41.50.165(2),
22 together with the regular interest thereon.

23 (2) "Actuarial equivalent" means a benefit of equal value when
24 computed upon the basis of such mortality tables and regulations as
25 shall be adopted by the director and regular interest.

26 (3) "Adjustment ratio" means the value of index A divided by index
27 B.

28 (4) "Annual increase" means, initially, fifty-nine cents per month
29 per year of service which amount shall be increased each July 1st by
30 three percent, rounded to the nearest cent.

31 (5) "Annuity" means the moneys payable per year during life by
32 reason of accumulated contributions of a member.

33 (6) "Average final compensation" for plan 2 and plan 3 members,
34 means the member's average earnable compensation of the highest
35 consecutive sixty service credit months prior to such member's
36 retirement, termination, or death. Periods constituting authorized

1 leaves of absence may not be used in the calculation of average final
2 compensation except under RCW 41.32.810(2).

3 (7)(a) "Beneficiary" for plan 1 members, means any person in
4 receipt of a retirement allowance or other benefit provided by this
5 chapter.

6 (b) "Beneficiary" for plan 2 and plan 3 members, means any person
7 in receipt of a retirement allowance or other benefit provided by this
8 chapter resulting from service rendered to an employer by another
9 person.

10 (8) "Contract" means any agreement for service and compensation
11 between a member and an employer.

12 (9) "Creditable service" means membership service plus prior
13 service for which credit is allowable. This subsection shall apply
14 only to plan 1 members.

15 (10) "Department" means the department of retirement systems
16 created in chapter 41.50 RCW.

17 (11) "Dependent" means receiving one-half or more of support from
18 a member.

19 (12) "Director" means the director of the department.

20 (13) "Disability allowance" means monthly payments during
21 disability. This subsection shall apply only to plan 1 members.

22 (14)(a) "Earnable compensation" for plan 1 members, means:

23 (i) All salaries and wages paid by an employer to an employee
24 member of the retirement system for personal services rendered during
25 a fiscal year. In all cases where compensation includes maintenance
26 the employer shall fix the value of that part of the compensation not
27 paid in money.

28 (ii) For an employee member of the retirement system teaching in an
29 extended school year program, two consecutive extended school years, as
30 defined by the employer school district, may be used as the annual
31 period for determining earnable compensation in lieu of the two fiscal
32 years.

33 (iii) "Earnable compensation" for plan 1 members also includes the
34 following actual or imputed payments, which are not paid for personal
35 services:

36 (A) Retroactive payments to an individual by an employer on
37 reinstatement of the employee in a position, or payments by an employer
38 to an individual in lieu of reinstatement in a position which are

1 awarded or granted as the equivalent of the salary or wages which the
2 individual would have earned during a payroll period shall be
3 considered earnable compensation and the individual shall receive the
4 equivalent service credit.

5 (B) If a leave of absence, without pay, is taken by a member for
6 the purpose of serving as a member of the state legislature, and such
7 member has served in the legislature five or more years, the salary
8 which would have been received for the position from which the leave of
9 absence was taken shall be considered as compensation earnable if the
10 employee's contribution thereon is paid by the employee. In addition,
11 where a member has been a member of the state legislature for five or
12 more years, earnable compensation for the member's two highest
13 compensated consecutive years of service shall include a sum not to
14 exceed thirty-six hundred dollars for each of such two consecutive
15 years, regardless of whether or not legislative service was rendered
16 during those two years.

17 (iv) For members employed less than full time under written
18 contract with a school district, or community college district, in an
19 instructional position, for which the member receives service credit of
20 less than one year in all of the years used to determine the earnable
21 compensation used for computing benefits due under RCW 41.32.497,
22 41.32.498, and 41.32.520, the member may elect to have earnable
23 compensation defined as provided in RCW 41.32.345. For the purposes of
24 this subsection, the term "instructional position" means a position in
25 which more than seventy-five percent of the member's time is spent as
26 a classroom instructor (including office hours), a librarian, a
27 psychologist, a social worker, a nurse, a physical therapist, an
28 occupational therapist, a speech language pathologist or audiologist,
29 or a counselor. Earnable compensation shall be so defined only for the
30 purpose of the calculation of retirement benefits and only as necessary
31 to insure that members who receive fractional service credit under RCW
32 41.32.270 receive benefits proportional to those received by members
33 who have received full-time service credit.

34 (v) "Earnable compensation" does not include:

35 (A) Remuneration for unused sick leave authorized under RCW
36 41.04.340, 28A.400.210, or 28A.310.490;

37 (B) Remuneration for unused annual leave in excess of thirty days
38 as authorized by RCW 43.01.044 and 43.01.041.

1 (b) "Earnable compensation" for plan 2 and plan 3 members, means
2 salaries or wages earned by a member during a payroll period for
3 personal services, including overtime payments, and shall include wages
4 and salaries deferred under provisions established pursuant to sections
5 403(b), 414(h), and 457 of the United States Internal Revenue Code, but
6 shall exclude lump sum payments for deferred annual sick leave, unused
7 accumulated vacation, unused accumulated annual leave, or any form of
8 severance pay.

9 "Earnable compensation" for plan 2 and plan 3 members also includes
10 the following actual or imputed payments which, except in the case of
11 (b)(ii)(B) of this subsection, are not paid for personal services:

12 (i) Retroactive payments to an individual by an employer on
13 reinstatement of the employee in a position or payments by an employer
14 to an individual in lieu of reinstatement in a position which are
15 awarded or granted as the equivalent of the salary or wages which the
16 individual would have earned during a payroll period shall be
17 considered earnable compensation, to the extent provided above, and the
18 individual shall receive the equivalent service credit.

19 (ii) In any year in which a member serves in the legislature the
20 member shall have the option of having such member's earnable
21 compensation be the greater of:

22 (A) The earnable compensation the member would have received had
23 such member not served in the legislature; or

24 (B) Such member's actual earnable compensation received for
25 teaching and legislative service combined. Any additional
26 contributions to the retirement system required because compensation
27 earnable under (b)(ii)(A) of this subsection is greater than
28 compensation earnable under (b)(ii)(B) of this subsection shall be paid
29 by the member for both member and employer contributions.

30 (c) In calculating earnable compensation under (a) or (b) of this
31 subsection, the department of retirement systems shall include any
32 compensation forgone by a member employed by a state agency or
33 institution during the 2009-2011 fiscal biennium as a result of reduced
34 work hours, mandatory or voluntary leave without pay, temporary
35 reduction in pay implemented prior to the effective date of this
36 section, or temporary layoffs if the reduced compensation is an
37 integral part of the employer's expenditure reduction efforts, as
38 certified by the employer.

1 (15)(a) "Eligible position" for plan 2 members from June 7, 1990,
2 through September 1, 1991, means a position which normally requires two
3 or more uninterrupted months of creditable service during September
4 through August of the following year.

5 (b) "Eligible position" for plan 2 and plan 3 on and after
6 September 1, 1991, means a position that, as defined by the employer,
7 normally requires five or more months of at least seventy hours of
8 earnable compensation during September through August of the following
9 year.

10 (c) For purposes of this chapter an employer shall not define
11 "position" in such a manner that an employee's monthly work for that
12 employer is divided into more than one position.

13 (d) The elected position of the superintendent of public
14 instruction is an eligible position.

15 (16) "Employed" or "employee" means a person who is providing
16 services for compensation to an employer, unless the person is free
17 from the employer's direction and control over the performance of work.
18 The department shall adopt rules and interpret this subsection
19 consistent with common law.

20 (17) "Employer" means the state of Washington, the school district,
21 or any agency of the state of Washington by which the member is paid.

22 (18) "Fiscal year" means a year which begins July 1st and ends June
23 30th of the following year.

24 (19) "Former state fund" means the state retirement fund in
25 operation for teachers under chapter 187, Laws of 1923, as amended.

26 (20) "Index" means, for any calendar year, that year's annual
27 average consumer price index, Seattle, Washington area, for urban wage
28 earners and clerical workers, all items compiled by the bureau of labor
29 statistics, United States department of labor.

30 (21) "Index A" means the index for the year prior to the
31 determination of a postretirement adjustment.

32 (22) "Index B" means the index for the year prior to index A.

33 (23) "Index year" means the earliest calendar year in which the
34 index is more than sixty percent of index A.

35 (24) "Local fund" means any of the local retirement funds for
36 teachers operated in any school district in accordance with the
37 provisions of chapter 163, Laws of 1917 as amended.

1 (25) "Member" means any teacher included in the membership of the
2 retirement system who has not been removed from membership under RCW
3 41.32.878 or 41.32.768. Also, any other employee of the public schools
4 who, on July 1, 1947, had not elected to be exempt from membership and
5 who, prior to that date, had by an authorized payroll deduction,
6 contributed to the member reserve.

7 (26) "Member account" or "member's account" for purposes of plan 3
8 means the sum of the contributions and earnings on behalf of the member
9 in the defined contribution portion of plan 3.

10 (27) "Member reserve" means the fund in which all of the
11 accumulated contributions of members are held.

12 (28) "Membership service" means service rendered subsequent to the
13 first day of eligibility of a person to membership in the retirement
14 system: PROVIDED, That where a member is employed by two or more
15 employers the individual shall receive no more than one service credit
16 month during any calendar month in which multiple service is rendered.
17 The provisions of this subsection shall apply only to plan 1 members.

18 (29) "Pension" means the moneys payable per year during life from
19 the pension reserve.

20 (30) "Pension reserve" is a fund in which shall be accumulated an
21 actuarial reserve adequate to meet present and future pension
22 liabilities of the system and from which all pension obligations are to
23 be paid.

24 (31) "Plan 1" means the teachers' retirement system, plan 1
25 providing the benefits and funding provisions covering persons who
26 first became members of the system prior to October 1, 1977.

27 (32) "Plan 2" means the teachers' retirement system, plan 2
28 providing the benefits and funding provisions covering persons who
29 first became members of the system on and after October 1, 1977, and
30 prior to July 1, 1996.

31 (33) "Plan 3" means the teachers' retirement system, plan 3
32 providing the benefits and funding provisions covering persons who
33 first become members of the system on and after July 1, 1996, or who
34 transfer under RCW 41.32.817.

35 (34) "Prior service" means service rendered prior to the first date
36 of eligibility to membership in the retirement system for which credit
37 is allowable. The provisions of this subsection shall apply only to
38 plan 1 members.

1 (35) "Prior service contributions" means contributions made by a
2 member to secure credit for prior service. The provisions of this
3 subsection shall apply only to plan 1 members.

4 (36) "Public school" means any institution or activity operated by
5 the state of Washington or any instrumentality or political subdivision
6 thereof employing teachers, except the University of Washington and
7 Washington State University.

8 (37) "Regular contributions" means the amounts required to be
9 deducted from the compensation of a member and credited to the member's
10 individual account in the member reserve. This subsection shall apply
11 only to plan 1 members.

12 (38) "Regular interest" means such rate as the director may
13 determine.

14 (39) "Retiree" means any person who has begun accruing a retirement
15 allowance or other benefit provided by this chapter resulting from
16 service rendered to an employer while a member.

17 (40)(a) "Retirement allowance" for plan 1 members, means monthly
18 payments based on the sum of annuity and pension, or any optional
19 benefits payable in lieu thereof.

20 (b) "Retirement allowance" for plan 2 and plan 3 members, means
21 monthly payments to a retiree or beneficiary as provided in this
22 chapter.

23 (41) "Retirement system" means the Washington state teachers'
24 retirement system.

25 (42) "Separation from service or employment" occurs when a person
26 has terminated all employment with an employer. Separation from
27 service or employment does not occur, and if claimed by an employer or
28 employee may be a violation of RCW 41.32.055, when an employee and
29 employer have a written or oral agreement to resume employment with the
30 same employer following termination. Mere expressions or inquiries
31 about postretirement employment by an employer or employee that do not
32 constitute a commitment to reemploy the employee after retirement are
33 not an agreement under this section.

34 (43)(a) "Service" for plan 1 members means the time during which a
35 member has been employed by an employer for compensation.

36 (i) If a member is employed by two or more employers the individual
37 shall receive no more than one service credit month during any calendar
38 month in which multiple service is rendered.

1 (ii) As authorized by RCW 28A.400.300, up to forty-five days of
2 sick leave may be creditable as service solely for the purpose of
3 determining eligibility to retire under RCW 41.32.470.

4 (iii) As authorized in RCW 41.32.065, service earned in an out-of-
5 state retirement system that covers teachers in public schools may be
6 applied solely for the purpose of determining eligibility to retire
7 under RCW 41.32.470.

8 (b) "Service" for plan 2 and plan 3 members, means periods of
9 employment by a member for one or more employers for which earnable
10 compensation is earned subject to the following conditions:

11 (i) A member employed in an eligible position or as a substitute
12 shall receive one service credit month for each month of September
13 through August of the following year if he or she earns earnable
14 compensation for eight hundred ten or more hours during that period and
15 is employed during nine of those months, except that a member may not
16 receive credit for any period prior to the member's employment in an
17 eligible position except as provided in RCW 41.32.812 and 41.50.132.

18 (ii) Any other member employed in an eligible position or as a
19 substitute who earns earnable compensation during the period from
20 September through August shall receive service credit according to one
21 of the following methods, whichever provides the most service credit to
22 the member:

23 (A) If a member is employed either in an eligible position or as a
24 substitute teacher for nine months of the twelve month period between
25 September through August of the following year but earns earnable
26 compensation for less than eight hundred ten hours but for at least six
27 hundred thirty hours, he or she will receive one-half of a service
28 credit month for each month of the twelve month period;

29 (B) If a member is employed in an eligible position or as a
30 substitute teacher for at least five months of a six-month period
31 between September through August of the following year and earns
32 earnable compensation for six hundred thirty or more hours within the
33 six-month period, he or she will receive a maximum of six service
34 credit months for the school year, which shall be recorded as one
35 service credit month for each month of the six-month period;

36 (C) All other members employed in an eligible position or as a
37 substitute teacher shall receive service credit as follows:

1 (I) A service credit month is earned in those calendar months where
2 earnable compensation is earned for ninety or more hours;

3 (II) A half-service credit month is earned in those calendar months
4 where earnable compensation is earned for at least seventy hours but
5 less than ninety hours; and

6 (III) A quarter-service credit month is earned in those calendar
7 months where earnable compensation is earned for less than seventy
8 hours.

9 (iii) Any person who is a member of the teachers' retirement system
10 and who is elected or appointed to a state elective position may
11 continue to be a member of the retirement system and continue to
12 receive a service credit month for each of the months in a state
13 elective position by making the required member contributions.

14 (iv) When an individual is employed by two or more employers the
15 individual shall only receive one month's service credit during any
16 calendar month in which multiple service for ninety or more hours is
17 rendered.

18 (v) As authorized by RCW 28A.400.300, up to forty-five days of sick
19 leave may be creditable as service solely for the purpose of
20 determining eligibility to retire under RCW 41.32.470. For purposes of
21 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal
22 to two service credit months. Use of less than forty-five days of sick
23 leave is creditable as allowed under this subsection as follows:

24 (A) Less than eleven days equals one-quarter service credit month;

25 (B) Eleven or more days but less than twenty-two days equals one-
26 half service credit month;

27 (C) Twenty-two days equals one service credit month;

28 (D) More than twenty-two days but less than thirty-three days
29 equals one and one-quarter service credit month;

30 (E) Thirty-three or more days but less than forty-five days equals
31 one and one-half service credit month.

32 (vi) As authorized in RCW 41.32.065, service earned in an out-of-
33 state retirement system that covers teachers in public schools may be
34 applied solely for the purpose of determining eligibility to retire
35 under RCW 41.32.470.

36 (vii) The department shall adopt rules implementing this
37 subsection.

1 (44) "Service credit month" means a full service credit month or an
2 accumulation of partial service credit months that are equal to one.

3 (45) "Service credit year" means an accumulation of months of
4 service credit which is equal to one when divided by twelve.

5 (46) "State actuary" or "actuary" means the person appointed
6 pursuant to RCW 44.44.010(2).

7 (47) "State elective position" means any position held by any
8 person elected or appointed to statewide office or elected or appointed
9 as a member of the legislature.

10 (48) "Substitute teacher" means:

11 (a) A teacher who is hired by an employer to work as a temporary
12 teacher, except for teachers who are annual contract employees of an
13 employer and are guaranteed a minimum number of hours; or

14 (b) Teachers who either (i) work in ineligible positions for more
15 than one employer or (ii) work in an ineligible position or positions
16 together with an eligible position.

17 (49) "Teacher" means any person qualified to teach who is engaged
18 by a public school in an instructional, administrative, or supervisory
19 capacity. The term includes state, educational service district, and
20 school district superintendents and their assistants and all employees
21 certificated by the superintendent of public instruction; and in
22 addition thereto any full time school doctor who is employed by a
23 public school and renders service of an instructional or educational
24 nature.

25 **Sec. 905.** RCW 41.37.010 and 2010 1st sp.s. c 32 s 8 are each
26 amended to read as follows:

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

29 (1) "Accumulated contributions" means the sum of all contributions
30 standing to the credit of a member in the member's individual account,
31 including any amount paid under RCW 41.50.165(2), together with the
32 regular interest thereon.

33 (2) "Actuarial equivalent" means a benefit of equal value when
34 computed upon the basis of such mortality and other tables as may be
35 adopted by the director.

36 (3) "Adjustment ratio" means the value of index A divided by index
37 B.

1 (4) "Annuity" means payments for life derived from accumulated
2 contributions of a member. All annuities shall be paid in monthly
3 installments.

4 (5)(a) "Average final compensation" means the member's average
5 compensation earnable of the highest consecutive sixty months of
6 service credit months prior to such member's retirement, termination,
7 or death. Periods constituting authorized leaves of absence may not be
8 used in the calculation of average final compensation except under RCW
9 41.37.290.

10 (b) In calculating average final compensation under (a) of this
11 subsection, the department of retirement systems shall include any
12 compensation forgone by a member employed by a state agency or
13 institution during the 2009-2011 fiscal biennium as a result of reduced
14 work hours, mandatory or voluntary leave without pay, temporary
15 reduction in pay implemented prior to the effective date of this
16 section, or temporary layoffs if the reduced compensation is an
17 integral part of the employer's expenditure reduction efforts, as
18 certified by the employer.

19 (6) "Beneficiary" means any person in receipt of a retirement
20 allowance or other benefit provided by this chapter resulting from
21 service rendered to an employer by another person.

22 (7)(a) "Compensation earnable" for members, means salaries or wages
23 earned by a member during a payroll period for personal services,
24 including overtime payments, and shall include wages and salaries
25 deferred under provisions established pursuant to sections 403(b),
26 414(h), and 457 of the United States internal revenue code, but shall
27 exclude nonmoney maintenance compensation and lump sum or other
28 payments for deferred annual sick leave, unused accumulated vacation,
29 unused accumulated annual leave, or any form of severance pay.

30 (b) "Compensation earnable" for members also includes the following
31 actual or imputed payments, which are not paid for personal services:

32 (i) Retroactive payments to an individual by an employer on
33 reinstatement of the employee in a position, or payments by an employer
34 to an individual in lieu of reinstatement, which are awarded or granted
35 as the equivalent of the salary or wage which the individual would have
36 earned during a payroll period shall be considered compensation
37 earnable to the extent provided in this subsection, and the individual
38 shall receive the equivalent service credit;

1 (ii) In any year in which a member serves in the legislature, the
2 member shall have the option of having such member's compensation
3 earnable be the greater of:

4 (A) The compensation earnable the member would have received had
5 such member not served in the legislature; or

6 (B) Such member's actual compensation earnable received for
7 nonlegislative public employment and legislative service combined. Any
8 additional contributions to the retirement system required because
9 compensation earnable under (b)(ii)(A) of this subsection is greater
10 than compensation earnable under (b)(ii)(B) of this subsection shall be
11 paid by the member for both member and employer contributions;

12 (iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045,
13 and 72.09.240;

14 (iv) Compensation that a member would have received but for a
15 disability occurring in the line of duty only as authorized by RCW
16 41.37.060;

17 (v) Compensation that a member receives due to participation in the
18 leave sharing program only as authorized by RCW 41.04.650 through
19 41.04.670; and

20 (vi) Compensation that a member receives for being in standby
21 status. For the purposes of this section, a member is in standby
22 status when not being paid for time actually worked and the employer
23 requires the member to be prepared to report immediately for work, if
24 the need arises, although the need may not arise.

25 (8) "Department" means the department of retirement systems created
26 in chapter 41.50 RCW.

27 (9) "Director" means the director of the department.

28 (10) "Eligible position" means any permanent, full-time position
29 included in subsection (19) of this section.

30 (11) "Employee" or "employed" means a person who is providing
31 services for compensation to an employer, unless the person is free
32 from the employer's direction and control over the performance of work.
33 The department shall adopt rules and interpret this subsection
34 consistent with common law.

35 (12) "Employer" means the Washington state department of
36 corrections, the Washington state parks and recreation commission, the
37 Washington state gambling commission, the Washington state patrol, the

1 Washington state department of natural resources, and the Washington
2 state liquor control board; any county corrections department; or any
3 city corrections department not covered under chapter 41.28 RCW.

4 (13) "Final compensation" means the annual rate of compensation
5 earnable by a member at the time of termination of employment.

6 (14) "Index" means, for any calendar year, that year's annual
7 average consumer price index, Seattle, Washington area, for urban wage
8 earners and clerical workers, all items, compiled by the bureau of
9 labor statistics, United States department of labor.

10 (15) "Index A" means the index for the year prior to the
11 determination of a postretirement adjustment.

12 (16) "Index B" means the index for the year prior to index A.

13 (17) "Ineligible position" means any position which does not
14 conform with the requirements set forth in subsection (10) of this
15 section.

16 (18) "Leave of absence" means the period of time a member is
17 authorized by the employer to be absent from service without being
18 separated from membership.

19 (19) "Member" means any employee employed by an employer on a full-
20 time basis:

21 (a) Who is in a position that requires completion of a certified
22 criminal justice training course and is authorized by their employer to
23 arrest, conduct criminal investigations, enforce the criminal laws of
24 the state of Washington, and carry a firearm as part of the job;

25 (b) Whose primary responsibility is to ensure the custody and
26 security of incarcerated or probationary individuals as a corrections
27 officer, probation officer, or jailer;

28 (c) Who is a limited authority Washington peace officer, as defined
29 in RCW 10.93.020, for an employer; or

30 (d) Whose primary responsibility is to supervise members eligible
31 under this subsection.

32 (20) "Membership service" means all service rendered as a member.

33 (21) "Pension" means payments for life derived from contributions
34 made by the employer. All pensions shall be paid in monthly
35 installments.

36 (22) "Plan" means the Washington public safety employees'
37 retirement system plan 2.

1 (23) "Regular interest" means such rate as the director may
2 determine.

3 (24) "Retiree" means any person who has begun accruing a retirement
4 allowance or other benefit provided by this chapter resulting from
5 service rendered to an employer while a member.

6 (25) "Retirement" means withdrawal from active service with a
7 retirement allowance as provided by this chapter.

8 (26) "Retirement allowance" means monthly payments to a retiree or
9 beneficiary as provided in this chapter.

10 (27) "Retirement system" means the Washington public safety
11 employees' retirement system provided for in this chapter.

12 (28) "Separation from service" occurs when a person has terminated
13 all employment with an employer.

14 (29) "Service" means periods of employment by a member on or after
15 July 1, 2006, for one or more employers for which compensation earnable
16 is paid. Compensation earnable earned for ninety or more hours in any
17 calendar month shall constitute one service credit month. Compensation
18 earnable earned for at least seventy hours but less than ninety hours
19 in any calendar month shall constitute one-half service credit month of
20 service. Compensation earnable earned for less than seventy hours in
21 any calendar month shall constitute one-quarter service credit month of
22 service. Time spent in standby status, whether compensated or not, is
23 not service.

24 Any fraction of a year of service shall be taken into account in
25 the computation of such retirement allowance or benefits.

26 (a) Service in any state elective position shall be deemed to be
27 full-time service.

28 (b) A member shall receive a total of not more than twelve service
29 credit months of service for such calendar year. If an individual is
30 employed in an eligible position by one or more employers the
31 individual shall receive no more than one service credit month during
32 any calendar month in which multiple service for ninety or more hours
33 is rendered.

34 (30) "Service credit month" means a month or an accumulation of
35 months of service credit which is equal to one.

36 (31) "Service credit year" means an accumulation of months of
37 service credit which is equal to one when divided by twelve.

1 (32) "State actuary" or "actuary" means the person appointed
2 pursuant to RCW 44.44.010(2).

3 (33) "State elective position" means any position held by any
4 person elected or appointed to statewide office or elected or appointed
5 as a member of the legislature.

6 (34) "State treasurer" means the treasurer of the state of
7 Washington.

8 **Sec. 906.** RCW 41.40.010 and 2009 c 430 s 1 are each amended to
9 read as follows:

10 As used in this chapter, unless a different meaning is plainly
11 required by the context:

12 (1) "Accumulated contributions" means the sum of all contributions
13 standing to the credit of a member in the member's individual account,
14 including any amount paid under RCW 41.50.165(2), together with the
15 regular interest thereon.

16 (2) "Actuarial equivalent" means a benefit of equal value when
17 computed upon the basis of such mortality and other tables as may be
18 adopted by the director.

19 (3) "Adjustment ratio" means the value of index A divided by index
20 B.

21 (4) "Annual increase" means, initially, fifty-nine cents per month
22 per year of service which amount shall be increased each July 1st by
23 three percent, rounded to the nearest cent.

24 (5) "Annuity" means payments for life derived from accumulated
25 contributions of a member. All annuities shall be paid in monthly
26 installments.

27 (6)(a) "Average final compensation" for plan 1 members, means the
28 annual average of the greatest compensation earnable by a member during
29 any consecutive two year period of service credit months for which
30 service credit is allowed; or if the member has less than two years of
31 service credit months then the annual average compensation earnable
32 during the total years of service for which service credit is allowed.

33 (b) "Average final compensation" for plan 2 and plan 3 members,
34 means the member's average compensation earnable of the highest
35 consecutive sixty months of service credit months prior to such
36 member's retirement, termination, or death. Periods constituting

1 authorized leaves of absence may not be used in the calculation of
2 average final compensation except under RCW 41.40.710(2) or (c) of this
3 subsection.

4 (c) In calculating average final compensation under this subsection
5 for a member of plan 1, 2, or 3, the department of retirement systems
6 shall include any compensation forgone by the member during the 2009-
7 2011 fiscal biennium as a result of reduced work hours, voluntary leave
8 without pay, temporary reduction in pay implemented prior to the
9 effective date of this section, or temporary furloughs if the reduced
10 compensation is an integral part of the employer's expenditure
11 reduction efforts, as certified by the employer.

12 (7)(a) "Beneficiary" for plan 1 members, means any person in
13 receipt of a retirement allowance, pension or other benefit provided by
14 this chapter.

15 (b) "Beneficiary" for plan 2 and plan 3 members, means any person
16 in receipt of a retirement allowance or other benefit provided by this
17 chapter resulting from service rendered to an employer by another
18 person.

19 (8)(a) "Compensation earnable" for plan 1 members, means salaries
20 or wages earned during a payroll period for personal services and where
21 the compensation is not all paid in money, maintenance compensation
22 shall be included upon the basis of the schedules established by the
23 member's employer.

24 (i) "Compensation earnable" for plan 1 members also includes the
25 following actual or imputed payments, which are not paid for personal
26 services:

27 (A) Retroactive payments to an individual by an employer on
28 reinstatement of the employee in a position, or payments by an employer
29 to an individual in lieu of reinstatement in a position which are
30 awarded or granted as the equivalent of the salary or wage which the
31 individual would have earned during a payroll period shall be
32 considered compensation earnable and the individual shall receive the
33 equivalent service credit;

34 (B) If a leave of absence is taken by an individual for the purpose
35 of serving in the state legislature, the salary which would have been
36 received for the position from which the leave of absence was taken,
37 shall be considered as compensation earnable if the employee's

1 contribution is paid by the employee and the employer's contribution is
2 paid by the employer or employee;

3 (C) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and
4 72.09.240;

5 (D) Compensation that a member would have received but for a
6 disability occurring in the line of duty only as authorized by RCW
7 41.40.038;

8 (E) Compensation that a member receives due to participation in the
9 leave sharing program only as authorized by RCW 41.04.650 through
10 41.04.670; and

11 (F) Compensation that a member receives for being in standby
12 status. For the purposes of this section, a member is in standby
13 status when not being paid for time actually worked and the employer
14 requires the member to be prepared to report immediately for work, if
15 the need arises, although the need may not arise.

16 (ii) "Compensation earnable" does not include:

17 (A) Remuneration for unused sick leave authorized under RCW
18 41.04.340, 28A.400.210, or 28A.310.490;

19 (B) Remuneration for unused annual leave in excess of thirty days
20 as authorized by RCW 43.01.044 and 43.01.041.

21 (b) "Compensation earnable" for plan 2 and plan 3 members, means
22 salaries or wages earned by a member during a payroll period for
23 personal services, including overtime payments, and shall include wages
24 and salaries deferred under provisions established pursuant to sections
25 403(b), 414(h), and 457 of the United States Internal Revenue Code, but
26 shall exclude nonmoney maintenance compensation and lump sum or other
27 payments for deferred annual sick leave, unused accumulated vacation,
28 unused accumulated annual leave, or any form of severance pay.

29 "Compensation earnable" for plan 2 and plan 3 members also includes
30 the following actual or imputed payments, which are not paid for
31 personal services:

32 (i) Retroactive payments to an individual by an employer on
33 reinstatement of the employee in a position, or payments by an employer
34 to an individual in lieu of reinstatement in a position which are
35 awarded or granted as the equivalent of the salary or wage which the
36 individual would have earned during a payroll period shall be
37 considered compensation earnable to the extent provided above, and the
38 individual shall receive the equivalent service credit;

1 (ii) In any year in which a member serves in the legislature, the
2 member shall have the option of having such member's compensation
3 earnable be the greater of:

4 (A) The compensation earnable the member would have received had
5 such member not served in the legislature; or

6 (B) Such member's actual compensation earnable received for
7 nonlegislative public employment and legislative service combined. Any
8 additional contributions to the retirement system required because
9 compensation earnable under (b)(ii)(A) of this subsection is greater
10 than compensation earnable under (b)(ii)(B) of this subsection shall be
11 paid by the member for both member and employer contributions;

12 (iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045,
13 and 72.09.240;

14 (iv) Compensation that a member would have received but for a
15 disability occurring in the line of duty only as authorized by RCW
16 41.40.038;

17 (v) Compensation that a member receives due to participation in the
18 leave sharing program only as authorized by RCW 41.04.650 through
19 41.04.670; and

20 (vi) Compensation that a member receives for being in standby
21 status. For the purposes of this section, a member is in standby
22 status when not being paid for time actually worked and the employer
23 requires the member to be prepared to report immediately for work, if
24 the need arises, although the need may not arise.

25 (9) "Department" means the department of retirement systems created
26 in chapter 41.50 RCW.

27 (10) "Director" means the director of the department.

28 (11) "Eligible position" means:

29 (a) Any position that, as defined by the employer, normally
30 requires five or more months of service a year for which regular
31 compensation for at least seventy hours is earned by the occupant
32 thereof. For purposes of this chapter an employer shall not define
33 "position" in such a manner that an employee's monthly work for that
34 employer is divided into more than one position;

35 (b) Any position occupied by an elected official or person
36 appointed directly by the governor, or appointed by the chief justice
37 of the supreme court under RCW 2.04.240(2) or 2.06.150(2), for which
38 compensation is paid.

1 (12) "Employee" or "employed" means a person who is providing
2 services for compensation to an employer, unless the person is free
3 from the employer's direction and control over the performance of work.
4 The department shall adopt rules and interpret this subsection
5 consistent with common law.

6 (13)(a) "Employer" for plan 1 members, means every branch,
7 department, agency, commission, board, and office of the state, any
8 political subdivision or association of political subdivisions of the
9 state admitted into the retirement system, and legal entities
10 authorized by RCW 35.63.070 and 36.70.060 or chapter 39.34 RCW; and the
11 term shall also include any labor guild, association, or organization
12 the membership of a local lodge or division of which is comprised of at
13 least forty percent employees of an employer (other than such labor
14 guild, association, or organization) within this chapter. The term may
15 also include any city of the first class that has its own retirement
16 system.

17 (b) "Employer" for plan 2 and plan 3 members, means every branch,
18 department, agency, commission, board, and office of the state, and any
19 political subdivision and municipal corporation of the state admitted
20 into the retirement system, including public agencies created pursuant
21 to RCW 35.63.070, 36.70.060, and 39.34.030; except that after August
22 31, 2000, school districts and educational service districts will no
23 longer be employers for the public employees' retirement system plan 2.

24 (14) "Final compensation" means the annual rate of compensation
25 earnable by a member at the time of termination of employment.

26 (15) "Index" means, for any calendar year, that year's annual
27 average consumer price index, Seattle, Washington area, for urban wage
28 earners and clerical workers, all items, compiled by the bureau of
29 labor statistics, United States department of labor.

30 (16) "Index A" means the index for the year prior to the
31 determination of a postretirement adjustment.

32 (17) "Index B" means the index for the year prior to index A.

33 (18) "Index year" means the earliest calendar year in which the
34 index is more than sixty percent of index A.

35 (19) "Ineligible position" means any position which does not
36 conform with the requirements set forth in subsection (11) of this
37 section.

1 (20) "Leave of absence" means the period of time a member is
2 authorized by the employer to be absent from service without being
3 separated from membership.

4 (21) "Member" means any employee included in the membership of the
5 retirement system, as provided for in RCW 41.40.023. RCW 41.26.045
6 does not prohibit a person otherwise eligible for membership in the
7 retirement system from establishing such membership effective when he
8 or she first entered an eligible position.

9 (22) "Member account" or "member's account" for purposes of plan 3
10 means the sum of the contributions and earnings on behalf of the member
11 in the defined contribution portion of plan 3.

12 (23) "Membership service" means:

13 (a) All service rendered, as a member, after October 1, 1947;

14 (b) All service after October 1, 1947, to any employer prior to the
15 time of its admission into the retirement system for which member and
16 employer contributions, plus interest as required by RCW 41.50.125,
17 have been paid under RCW 41.40.056 or 41.40.057;

18 (c) Service not to exceed six consecutive months of probationary
19 service rendered after April 1, 1949, and prior to becoming a member,
20 in the case of any member, upon payment in full by such member of the
21 total amount of the employer's contribution to the retirement fund
22 which would have been required under the law in effect when such
23 probationary service was rendered if the member had been a member
24 during such period, except that the amount of the employer's
25 contribution shall be calculated by the director based on the first
26 month's compensation earnable as a member;

27 (d) Service not to exceed six consecutive months of probationary
28 service, rendered after October 1, 1947, and before April 1, 1949, and
29 prior to becoming a member, in the case of any member, upon payment in
30 full by such member of five percent of such member's salary during said
31 period of probationary service, except that the amount of the
32 employer's contribution shall be calculated by the director based on
33 the first month's compensation earnable as a member.

34 (24) "New member" means a person who becomes a member on or after
35 April 1, 1949, except as otherwise provided in this section.

36 (25) "Original member" of this retirement system means:

37 (a) Any person who became a member of the system prior to April 1,
38 1949;

1 (b) Any person who becomes a member through the admission of an
2 employer into the retirement system on and after April 1, 1949, and
3 prior to April 1, 1951;

4 (c) Any person who first becomes a member by securing employment
5 with an employer prior to April 1, 1951, provided the member has
6 rendered at least one or more years of service to any employer prior to
7 October 1, 1947;

8 (d) Any person who first becomes a member through the admission of
9 an employer into the retirement system on or after April 1, 1951,
10 provided, such person has been in the regular employ of the employer
11 for at least six months of the twelve-month period preceding the said
12 admission date;

13 (e) Any member who has restored all contributions that may have
14 been withdrawn as provided by RCW 41.40.150 and who on the effective
15 date of the individual's retirement becomes entitled to be credited
16 with ten years or more of membership service except that the provisions
17 relating to the minimum amount of retirement allowance for the member
18 upon retirement at age seventy as found in RCW 41.40.190(4) shall not
19 apply to the member;

20 (f) Any member who has been a contributor under the system for two
21 or more years and who has restored all contributions that may have been
22 withdrawn as provided by RCW 41.40.150 and who on the effective date of
23 the individual's retirement has rendered five or more years of service
24 for the state or any political subdivision prior to the time of the
25 admission of the employer into the system; except that the provisions
26 relating to the minimum amount of retirement allowance for the member
27 upon retirement at age seventy as found in RCW 41.40.190(4) shall not
28 apply to the member.

29 (26) "Pension" means payments for life derived from contributions
30 made by the employer. All pensions shall be paid in monthly
31 installments.

32 (27) "Plan 1" means the public employees' retirement system, plan
33 1 providing the benefits and funding provisions covering persons who
34 first became members of the system prior to October 1, 1977.

35 (28) "Plan 2" means the public employees' retirement system, plan
36 2 providing the benefits and funding provisions covering persons who
37 first became members of the system on and after October 1, 1977, and
38 are not included in plan 3.

1 (29) "Plan 3" means the public employees' retirement system, plan
2 3 providing the benefits and funding provisions covering persons who:
3 (a) First become a member on or after:
4 (i) March 1, 2002, and are employed by a state agency or institute
5 of higher education and who did not choose to enter plan 2; or
6 (ii) September 1, 2002, and are employed by other than a state
7 agency or institute of higher education and who did not choose to enter
8 plan 2; or
9 (b) Transferred to plan 3 under RCW 41.40.795.

10 (30) "Prior service" means all service of an original member
11 rendered to any employer prior to October 1, 1947.

12 (31) "Regular interest" means such rate as the director may
13 determine.

14 (32) "Retiree" means any person who has begun accruing a retirement
15 allowance or other benefit provided by this chapter resulting from
16 service rendered to an employer while a member.

17 (33) "Retirement" means withdrawal from active service with a
18 retirement allowance as provided by this chapter.

19 (34) "Retirement allowance" means the sum of the annuity and the
20 pension.

21 (35) "Retirement system" means the public employees' retirement
22 system provided for in this chapter.

23 (36) "Separation from service" occurs when a person has terminated
24 all employment with an employer. Separation from service or employment
25 does not occur, and if claimed by an employer or employee may be a
26 violation of RCW 41.40.055, when an employee and employer have a
27 written or oral agreement to resume employment with the same employer
28 following termination. Mere expressions or inquiries about
29 postretirement employment by an employer or employee that do not
30 constitute a commitment to reemploy the employee after retirement are
31 not an agreement under this subsection.

32 (37)(a) "Service" for plan 1 members, except as provided in RCW
33 41.40.088, means periods of employment in an eligible position or
34 positions for one or more employers rendered to any employer for which
35 compensation is paid, and includes time spent in office as an elected
36 or appointed official of an employer. Compensation earnable earned in
37 full time work for seventy hours or more in any given calendar month
38 shall constitute one service credit month except as provided in RCW

1 41.40.088. Compensation earnable earned for less than seventy hours in
2 any calendar month shall constitute one-quarter service credit month of
3 service except as provided in RCW 41.40.088. Only service credit
4 months and one-quarter service credit months shall be counted in the
5 computation of any retirement allowance or other benefit provided for
6 in this chapter. Any fraction of a year of service shall be taken into
7 account in the computation of such retirement allowance or benefits.
8 Time spent in standby status, whether compensated or not, is not
9 service.

10 (i) Service by a state employee officially assigned by the state on
11 a temporary basis to assist another public agency, shall be considered
12 as service as a state employee: PROVIDED, That service to any other
13 public agency shall not be considered service as a state employee if
14 such service has been used to establish benefits in any other public
15 retirement system.

16 (ii) An individual shall receive no more than a total of twelve
17 service credit months of service during any calendar year. If an
18 individual is employed in an eligible position by one or more employers
19 the individual shall receive no more than one service credit month
20 during any calendar month in which multiple service for seventy or more
21 hours is rendered.

22 (iii) A school district employee may count up to forty-five days of
23 sick leave as creditable service solely for the purpose of determining
24 eligibility to retire under RCW 41.40.180 as authorized by RCW
25 28A.400.300. For purposes of plan 1 "forty-five days" as used in RCW
26 28A.400.300 is equal to two service credit months. Use of less than
27 forty-five days of sick leave is creditable as allowed under this
28 subsection as follows:

29 (A) Less than twenty-two days equals one-quarter service credit
30 month;

31 (B) Twenty-two days equals one service credit month;

32 (C) More than twenty-two days but less than forty-five days equals
33 one and one-quarter service credit month.

34 (b) "Service" for plan 2 and plan 3 members, means periods of
35 employment by a member in an eligible position or positions for one or
36 more employers for which compensation earnable is paid. Compensation
37 earnable earned for ninety or more hours in any calendar month shall
38 constitute one service credit month except as provided in RCW

1 41.40.088. Compensation earnable earned for at least seventy hours but
2 less than ninety hours in any calendar month shall constitute one-half
3 service credit month of service. Compensation earnable earned for less
4 than seventy hours in any calendar month shall constitute one-quarter
5 service credit month of service. Time spent in standby status, whether
6 compensated or not, is not service.

7 Any fraction of a year of service shall be taken into account in
8 the computation of such retirement allowance or benefits.

9 (i) Service in any state elective position shall be deemed to be
10 full time service, except that persons serving in state elective
11 positions who are members of the Washington school employees'
12 retirement system, teachers' retirement system, public safety
13 employees' retirement system, or law enforcement officers' and
14 firefighters' retirement system at the time of election or appointment
15 to such position may elect to continue membership in the Washington
16 school employees' retirement system, teachers' retirement system,
17 public safety employees' retirement system, or law enforcement
18 officers' and firefighters' retirement system.

19 (ii) A member shall receive a total of not more than twelve service
20 credit months of service for such calendar year. If an individual is
21 employed in an eligible position by one or more employers the
22 individual shall receive no more than one service credit month during
23 any calendar month in which multiple service for ninety or more hours
24 is rendered.

25 (iii) Up to forty-five days of sick leave may be creditable as
26 service solely for the purpose of determining eligibility to retire
27 under RCW 41.40.180 as authorized by RCW 28A.400.300. For purposes of
28 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal
29 to two service credit months. Use of less than forty-five days of sick
30 leave is creditable as allowed under this subsection as follows:

31 (A) Less than eleven days equals one-quarter service credit month;

32 (B) Eleven or more days but less than twenty-two days equals one-
33 half service credit month;

34 (C) Twenty-two days equals one service credit month;

35 (D) More than twenty-two days but less than thirty-three days
36 equals one and one-quarter service credit month;

37 (E) Thirty-three or more days but less than forty-five days equals
38 one and one-half service credit month.

1 (38) "Service credit month" means a month or an accumulation of
2 months of service credit which is equal to one.

3 (39) "Service credit year" means an accumulation of months of
4 service credit which is equal to one when divided by twelve.

5 (40) "State actuary" or "actuary" means the person appointed
6 pursuant to RCW 44.44.010(2).

7 (41) "State elective position" means any position held by any
8 person elected or appointed to statewide office or elected or appointed
9 as a member of the legislature.

10 (42) "State treasurer" means the treasurer of the state of
11 Washington.

12 (43) "Totally incapacitated for duty" means total inability to
13 perform the duties of a member's employment or office or any other work
14 for which the member is qualified by training or experience.

15 **Sec. 907.** RCW 43.43.120 and 2010 1st sp.s. c 32 s 9 are each
16 amended to read as follows:

17 As used in this section and RCW 43.43.130 through 43.43.320, unless
18 a different meaning is plainly required by the context:

19 (1) "Actuarial equivalent" shall mean a benefit of equal value when
20 computed upon the basis of such mortality table as may be adopted and
21 such interest rate as may be determined by the director.

22 (2) "Annual increase" means as of July 1, 1999, seventy-seven cents
23 per month per year of service which amount shall be increased each
24 subsequent July 1st by three percent, rounded to the nearest cent.

25 (3)(a) "Average final salary," for members commissioned prior to
26 January 1, 2003, shall mean the average monthly salary received by a
27 member during the member's last two years of service or any consecutive
28 two-year period of service, whichever is the greater, as an employee of
29 the Washington state patrol; or if the member has less than two years
30 of service, then the average monthly salary received by the member
31 during the member's total years of service.

32 (b) "Average final salary," for members commissioned on or after
33 January 1, 2003, shall mean the average monthly salary received by a
34 member for the highest consecutive sixty service credit months; or if
35 the member has less than sixty months of service, then the average
36 monthly salary received by the member during the member's total months
37 of service.

1 (c) In calculating average final salary under (a) or (b) of this
2 subsection, the department of retirement systems shall include any
3 compensation forgone by the member during the 2009-2011 fiscal biennium
4 as a result of reduced work hours, mandatory or voluntary leave without
5 pay, temporary reduction in pay implemented prior to the effective date
6 of this section, or temporary layoffs if the reduced compensation is an
7 integral part of the employer's expenditure reduction efforts, as
8 certified by the chief.

9 (4) "Beneficiary" means any person in receipt of retirement
10 allowance or any other benefit allowed by this chapter.

11 (5)(a) "Cadet," for a person who became a member of the retirement
12 system after June 12, 1980, is a person who has passed the Washington
13 state patrol's entry-level oral, written, physical performance, and
14 background examinations and is, thereby, appointed by the chief as a
15 candidate to be a commissioned officer of the Washington state patrol.

16 (b) "Cadet," for a person who became a member of the retirement
17 system before June 12, 1980, is a trooper cadet, patrol cadet, or
18 employee of like classification, employed for the express purpose of
19 receiving the on-the-job training required for attendance at the state
20 patrol academy and for becoming a commissioned trooper. "Like
21 classification" includes: Radio operators or dispatchers; persons
22 providing security for the governor or legislature; patrol officers;
23 drivers' license examiners; weighmasters; vehicle safety inspectors;
24 central wireless operators; and warehouse workers.

25 (6) "Contributions" means the deduction from the compensation of
26 each member in accordance with the contribution rates established under
27 chapter 41.45 RCW.

28 (7) "Current service" shall mean all service as a member rendered
29 on or after August 1, 1947.

30 (8) "Department" means the department of retirement systems created
31 in chapter 41.50 RCW.

32 (9) "Director" means the director of the department of retirement
33 systems.

34 (10) "Domestic partners" means two adults who have registered as
35 domestic partners under RCW 26.60.040.

36 (11) "Employee" means any commissioned employee of the Washington
37 state patrol.

- 1 (12) "Insurance commissioner" means the insurance commissioner of
2 the state of Washington.
- 3 (13) "Lieutenant governor" means the lieutenant governor of the
4 state of Washington.
- 5 (14) "Member" means any person included in the membership of the
6 retirement fund.
- 7 (15) "Plan 2" means the Washington state patrol retirement system
8 plan 2, providing the benefits and funding provisions covering
9 commissioned employees who first become members of the system on or
10 after January 1, 2003.
- 11 (16) "Prior service" shall mean all services rendered by a member
12 to the state of Washington, or any of its political subdivisions prior
13 to August 1, 1947, unless such service has been credited in another
14 public retirement or pension system operating in the state of
15 Washington.
- 16 (17) "Regular interest" means interest compounded annually at such
17 rates as may be determined by the director.
- 18 (18) "Retirement board" means the board provided for in this
19 chapter.
- 20 (19) "Retirement fund" means the Washington state patrol retirement
21 fund.
- 22 (20) "Retirement system" means the Washington state patrol
23 retirement system.
- 24 (21)(a) "Salary," for members commissioned prior to July 1, 2001,
25 shall exclude any overtime earnings related to RCW 47.46.040, or any
26 voluntary overtime, earned on or after July 1, 2001.
- 27 (b) "Salary," for members commissioned on or after July 1, 2001,
28 shall exclude any overtime earnings related to RCW 47.46.040 or any
29 voluntary overtime, lump sum payments for deferred annual sick leave,
30 unused accumulated vacation, unused accumulated annual leave, holiday
31 pay, or any form of severance pay.
- 32 (22) "Service" shall mean services rendered to the state of
33 Washington or any political subdivisions thereof for which compensation
34 has been paid. Full time employment for seventy or more hours in any
35 given calendar month shall constitute one month of service. An
36 employee who is reinstated in accordance with RCW 43.43.110 shall
37 suffer no loss of service for the period reinstated subject to the
38 contribution requirements of this chapter. Only months of service

1 shall be counted in the computation of any retirement allowance or
2 other benefit provided for herein. Years of service shall be
3 determined by dividing the total number of months of service by twelve.
4 Any fraction of a year of service as so determined shall be taken into
5 account in the computation of such retirement allowance or benefit.

6 (23) "State actuary" or "actuary" means the person appointed
7 pursuant to RCW 44.44.010(2).

8 (24) "State treasurer" means the treasurer of the state of
9 Washington.

10 Unless the context expressly indicates otherwise, words importing
11 the masculine gender shall be extended to include the feminine gender
12 and words importing the feminine gender shall be extended to include
13 the masculine gender.

14 NEW SECTION. **Sec. 908.** If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. **Sec. 909.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 immediately.

(End of part)

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