

---

**FIFTH DAY**


---

House Chamber, Olympia, Friday, March 19, 2010

The House was called to order at 10:00 a.m. by the Speaker (Representative Moeller presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Susan Frans and Christopher Carlile. The Speaker (Representative Moeller presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Representative Deb Wallace, 17th District

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

**MESSAGES FROM THE SENATE**

March 18, 2010

Mr. Speaker:

The Senate has passed ENGROSSED SENATE BILL 6870 and the same is herewith transmitted.

Thomas Hoemann, Secretary

March 18, 2010

Mr. Speaker:

The Senate has passed ENGROSSED HOUSE BILL 2672 and the same is herewith transmitted.

Thomas Hoemann, Secretary

March 18, 2010

Mr. Speaker:

The Senate has passed:

SECOND SUBSTITUTE SENATE BILL 6678  
SUBSTITUTE SENATE BILL 6698

and the same are herewith transmitted.

Thomas Hoemann, Secretary

**MESSAGE FROM THE SENATE**

March 18, 2010

Mr. Speaker:

The Senate has passed ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2617 with the following amendment:

On page 117, after line 20, strike all material down through and including line 32 on page 117 and insert the following:

"Sec. 132. RCW 27.34.365 and 2005 c 391 s 3 are each amended to read as follows:

The board of advisors shall consist of fifteen members. The ~~((governor))~~ director of the state historical society shall appoint eleven members to the board of advisors. Two members of the senate, one each representing the two largest caucuses of the senate, shall be appointed by the president of the senate, and two members of the house of representatives, one each representing the two largest

caucuses of the house of representatives, shall be appointed by the speaker of the house of representatives.

The women's history consortium board of advisors may meet no more than two times per calendar year. If state funds are not available for travel, the board may meet on a voluntary basis at members' expense."

and the same is herewith transmitted.

Thomas Hoeman , Secretary

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

**SENATE AMENDMENT TO HOUSE BILL**

There being no objection, the House concurred in the Senate amendment to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2617 and advanced the bill as amended by the Senate to final passage.

**FINAL PASSAGE OF HOUSE BILL  
AS SENATE AMENDED**

Representatives Hunt and Armstrong spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute House Bill No. 2617, as amended by the Senate.

**MOTIONS**

On motion of Representative Santos, Representatives Kelley, Kenney, Morris and Williams were excused. On motion of Representative Hinkle, Representatives Condotta and Roach were excused.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Second Substitute House Bill No. 2617, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 89; Nays, 3; Absent, 0; Excused, 6.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kessler, Kirby, Klippert, Kretz, Kristiansen, Lias, Linville, Maxwell, McCoy, McCune, Moeller, Morrell, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Schmitt, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Wood and Mr. Speaker.

Voting nay: Representatives Chase, Hasegawa and Miloscia.

Excused: Representatives Condotta, Kelley, Kenney, Morris, Roach and Williams.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2617, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

#### MESSAGE FROM THE SENATE

March 18, 2010

Mr. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 3201 with the following amendment:

On page 1, line 14, after "obtained.", strike "The fee is a billable expense."

and the same is herewith transmitted.

Thomas Hoemann, Secretary

#### SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House refused to concur in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 3201 and asked the Senate to recede therefrom.

There being no objection, the House reverted to the sixth order of business.

#### SECOND READING

**SUBSTITUTE SENATE BILL NO. 6572, by Senate Committee on Ways & Means (originally sponsored by Senator Tom)**

##### **Eliminating certain accounts.**

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Linville and Alexander spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6572.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6572, and the bill passed the House by the following vote: Yeas, 92; Nays, 0; Absent, 0; Excused, 6.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts,

Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Wood and Mr. Speaker.

Excused: Representatives Condotta, Kelley, Kenney, Morris, Roach and Williams.

SUBSTITUTE SENATE BILL NO. 6572, having received the constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6737, by Senate Committee on Ways & Means (originally sponsored by Senators Marr, Brown and McCaslin)**

**Providing an exemption from property tax for aircraft used to provide air ambulance services for nonprofits. Revised for 1st Substitute: Providing an exemption from property tax for aircraft used to provide air ambulance services for nonprofits. (REVISED FOR ENGROSSED: Providing an exemption from property tax for aircraft used to provide air ambulance services.)**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Finance, was adopted. (For Committee amendment, see Journal, Day 4, March 18, 2010).

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House, was placed on final passage.

Representatives Hunter and Orcutt spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6737, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6737, as amended by the House, and the bill passed the House by the following vote: Yeas, 88; Nays, 4; Absent, 0; Excused, 6.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Herrera, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Wood and Mr. Speaker.

Voting nay: Representatives Chandler, Chase, Hasegawa and Hinkle.

Excused: Representatives Condotta, Kelley, Kenney, Morris, Roach and Williams.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6737, as amended by the House, having received the constitutional majority, was declared passed.

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

### THIRD READING

**HOUSE BILL NO. 1697, by Representatives Liias, Priest, Sullivan, Quall, Upthegrove, Santos, Kenney and Ormsby.**

**Regarding career and technical student organizations.**

The bill was read the third time.

Representatives Liias and Priest spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of House Bill No. 1697.

### ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 1697, and the bill passed the House by the following vote: Yeas, 92; Nays, 0; Absent, 0; Excused, 6.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Wood and Mr. Speaker.

Excused: Representatives Condotta, Kelley, Kenney, Morris, Roach and Williams.

HOUSE BILL NO. 1697, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE HOUSE BILL NO. 2580, by House Committee on Education (originally sponsored by Representatives Liias, Simpson and Sullivan).**

**Concerning secondary career and technical education courses.**

The bill was read the third time.

Representatives Liias and Priest spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Substitute House Bill No. 2580.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2580, and the bill passed the House by the following vote: Yeas, 92; Nays, 0; Absent, 0; Excused, 6.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Wood and Mr. Speaker.

Excused: Representatives Condotta, Kelley, Kenney, Morris, Roach and Williams.

SUBSTITUTE HOUSE BILL NO. 2580, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE HOUSE BILL NO. 3175, by House Committee on General Government Appropriations (originally sponsored by Representative Darneille).**

**Transferring the office of minority and women's business enterprises into the department of commerce.**

The bill was read the third time.

Representatives Darneille and McCune spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 3175.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 3175, and the bill passed the House by the following vote: Yeas, 93; Nays, 0; Absent, 0; Excused, 5.

Voting yea: Representatives Alexander, Anderson, Angel, Appleton, Armstrong, Bailey, Blake, Campbell, Carlyle, Chandler, Chase, Clibborn, Cody, Conway, Crouse, Dammeier, Darneille, DeBolt, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Ericksen, Fagan, Finn, Flannigan, Goodman, Green, Haigh, Haler, Hasegawa, Herrera, Hinkle, Hope, Hudgins, Hunt, Hunter, Hurst, Jacks, Johnson, Kagi, Kessler, Kirby, Klippert, Kretz, Kristiansen, Liias, Linville, Maxwell, McCoy, McCune, Miloscia, Moeller, Morrell, Nealey, Nelson, O'Brien, Orcutt, Ormsby, Orwall, Parker, Pearson, Pedersen, Pettigrew, Priest, Probst, Quall, Roberts, Rodne, Rolfes, Ross, Santos, Schmick, Seaquist, Sells, Shea, Short, Simpson, Smith, Springer, Sullivan, Takko, Taylor, Upthegrove, Van De Wege, Wallace, Walsh, Warnick, White, Williams, Wood and Mr. Speaker.

Excused: Representatives Condotta, Kelley, Kenney, Morris and Roach.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 3175, having received the necessary constitutional majority, was declared passed.

There being no objection, the House reverted to the fourth order of business.

### INTRODUCTIONS AND FIRST READING

ESB 6870 by Senator Hargrove

AN ACT Relating to containing costs for services to sexually violent predators; and amending RCW 71.09.050, 71.09.090, 71.09.110, and 71.09.300.

There being no objection, ENGROSSED SENATE BILL NO. 6870 was read the first time, and under suspension of the rules was placed on the second reading calendar.

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

There being no objection, the Committee on Rules was relieved of HOUSE BILL NO. 2836, and the bill was placed on the second reading calendar.

The Speaker (Representative Moeller presiding) called upon Representative Morris to preside.

**MESSAGES FROM THE SENATE**

March 19, 2010

MR. SPEAKER:

The President has signed:

ENGROSSED HOUSE BILL 2672  
HOUSE CONCURRENT RESOLUTION 4409  
and the same are herewith transmitted.

Thomas Hoemann, Secretary

March 19, 2010

MR. SPEAKER:

The President has signed SUBSTITUTE SENATE BILL 6572 and the same is herewith transmitted.

Thomas Hoemann, Secretary

March 19, 2010

MR. SPEAKER:

The Senate has passed SECOND ENGROSSED SENATE BILL 6221 and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House reverted to the sixth order of business.

**SECOND READING**

**SUBSTITUTE HOUSE BILL NO. 2836, by House Committee on Capital Budget (originally sponsored by Representatives Dunshee and White)**

**Concerning the capital budget.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 2836 was substituted for House Bill No. 2836 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 2836 was read the second time.

Representative Dunshee moved the adoption of amendment (1695).

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** A supplemental capital budget is hereby adopted and, subject to the provisions set forth in this act, the several dollar amounts hereinafter specified, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for capital projects during the period beginning with the effective date of this act and ending June 30, 2011, out of the several funds specified in this act.

**PART 1  
GENERAL GOVERNMENT**

**Sec. 1001.** 2007 c 520 s 6042 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Local/Community Projects (06-4-008)

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

(1) The projects must comply with RCW 43.63A.125(2)(c) and other requirements for community projects administered by the department.

(2) Funding for the Inland Northwest Science and Technology Center shall be held in reserve until the balance of phase I funding has been secured or committed from local government and community sources.

(3) The Washington state arts commission shall design a plaque that shall be affixed to buildings or displayed as part of a project receiving any appropriation from this section. The plaque shall provide information to the public that the building or project has been made possible by the tax dollars of Washington citizens. The commission may contact the secretary of state to obtain approval for use of the Washington seal in the design of the plaque. The final design shall be approved by the chairs and ranking members of the house of representatives capital budget committee and the senate ways and means committee.

(4) The appropriation is provided solely for the following list of projects:

<b>Projects</b>	<b>Recommendation</b>
7th street theatre	\$600,000
Alder creek pioneer association carousel museum	\$450,000
Asian counseling and referral service	\$2,000,000
Auburn veterans' memorial park improvements	\$50,000
Bailey Gatzert children's play area	\$75,000
Bridge for kids	\$850,000
Brookside school ADA playground equipment	\$25,000
Buena library	\$50,000
Camp prime time repairs-- families with terminally ill children	\$100,000
Cannon house	\$250,000

((Central area motivation program (CAMP))	\$250,000))	Joel Pritchard park	\$2,500,000
Cesar Chavez park	\$150,000	Joe's creek project	\$856,000
Chambers creek footbridge	\$177,000	Juanita creek channel and riparian restoration	\$500,000
Childhaven	\$150,000	Juanita highlands	\$275,000
Clark Lake park and retreat center	\$500,000	Julia Butler Hansen home restoration	\$10,000
Colman school preconstruction activities	\$1,200,000	Kettle falls park	\$100,000
Colored women's association meeting house		Kirkland nonmotorized facilities	\$200,000
preconstruction activities	\$60,000	LeRoi smelter smokestack monument	\$3,000
Columbia breaks fire interpretive center	\$150,000	Lewis and Clark confluence project	\$2,000,000
Community center at Greenbridge	\$400,000	McCaw hall	\$2,000,000
Covington aquatics center HVAC systems	\$350,000	Meridian habitat park	\$400,000
Crossroads community center and park	\$250,000	Miners' memorial	\$36,500
Cutter theater	\$71,000	Miracle league handicapped baseball	\$57,000
Deming library preconstruction activities	\$85,000	MOBIUS/Inland Northwest science and technology center	\$1,500,000
Des Moines beach park historic buildings	\$300,000	Mt. Baker theater	\$200,000
Discovery park	\$1,000,000	Mt. Vernon Jasper Gates statue	\$12,000
East Whatcom regional resource center	\$1,750,000	Multicultural center of Kitsap county	\$250,000
Eatonville family park	\$50,000	Nathaniel Orr home site museum interpretive center	\$29,000
El Centro de la Raza	\$900,000	Neighborhood house rainier vista	\$200,000
Filipino community center	\$200,000	New Lakewood clinic	\$350,000
Financial assistance to the town of Hamilton	\$150,000	Northeast community center expansion	\$250,000
Food bank refrigeration projects	\$365,000	Northshore performing arts center	\$1,000,000
Foster creek	\$150,000	Northwest communities education center	\$1,000,000
Fox theater	\$2,398,000	Oak Harbor multi-purpose community and sports facility	\$50,000
Garfield county agricultural museum	\$150,000	Omak grandstand	\$250,000
GC health clinic	\$12,000	Orting fire station	\$250,000
Grand Army of the Republic cemetery	\$5,000	Pacific Northwest salmon center	\$1,000,000
Granite Falls museum expansion	\$50,000	Pacific science center	\$900,000
Greenbridge plaza in White Center	\$200,000	Performing arts center (PACE)	\$500,000
Habitat park south hill	\$400,000	Pike Place Market health center emergency repairs	\$1,000,000
Hidden river environmental education center	\$50,000	Port of Quincy	\$400,000
ICL education center	\$200,000	Puget Sound freight building warehouse--Thea Foss	\$2,000,000
Japanese cultural and community center	\$200,000		

waterway		Youth housing/drop-in center	\$400,000
Puyallup river walking trail	\$200,000	<b>Total</b>	<b><u>(\$47,799,500)</u></b>
Rainier historical heating system	\$75,000		<b><u>\$46,399,500</u></b>
Red mountain	\$200,000	Appropriation:	
Relocation of Sieke Japanese gardens	\$250,000	State Building Construction Account--State .....	
River walk and Sammamish river restoration	\$200,000	<u>\$46,399,500</u>	
Roslyn city hall	\$150,000	Prior Biennia (Expenditures).....	
Ruth Dykeman children's center	\$27,000	Future Biennia (Projected Costs).....	
Sandman historical tug restoration	\$10,000	TOTAL <u>(\$47,799,500)</u>	
Seattle Aquarium	\$2,000,000	<u>\$46,399,500</u>	
Seattle community center (1115 E. Pike street)	\$13,000	<b>Sec. 1002.</b> 2009 c 497 s 1005 (uncodified) is amended to read as follows:	
Seattle mental health emerald house	\$28,000	<b>FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE</b>	
Seward park environmental and audubon center	\$400,000	Local and Community Projects (20064008)	
<del>((Snohomish senior center</del>	<del>(\$150,000))</del>	The reappropriation in this section is subject to the following conditions and limitations: (1) \$64,319 of the remaining reappropriation for El Centro de la raza may be used for building infrastructure. (2) \$10,000 of the remaining reappropriation for miracle league handicapped baseball may be used for pre-grading and resurfacing construction. (3) \$1,394,107 of the remaining reappropriation for MOBIUS/inland northwest science and technology center may be used for <u>building design</u> ( <del>and</del> ), <u>construction, and renovation.</u>	
Sno-Valley senior activity center kitchen	\$50,000	Reappropriation:	
Sound way property preservation	\$500,000	State Building Construction Account--State .....	
Spokane river whitewater course	\$400,000	<u>\$9,258,000</u>	
Sumas ballpark	\$250,000	Prior Biennia (Expenditures).....	
Synthetic sportsfield partnership at Robinswood park	\$400,000	Future Biennia (Projected Costs).....	
Tall ships moorage	\$300,000	TOTAL <u>(\$47,799,000)</u>	
Tukwila kayak and canoe launching facility	\$20,000	<u>\$46,399,000</u>	
Undeveloped woodlands linked to interurban nature trail	\$150,000	<b>Sec. 1003.</b> 2008 c 328 s 1008 (uncodified) is amended to read as follows:	
Vancouver museum	\$125,000	<b>FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE</b>	
<del>((Vancouver national historical reserve west barracks</del>	<del>(\$1,000,000))</del>	Local and Community Projects (08-4-001)	
Veterans memorial museum	\$100,000	The appropriation in this section is subject to the following conditions and limitations:	
Wapato Lake renovations and water quality	\$250,000	(1) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriations in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature.	
West Seattle community resource center	\$500,000	(2) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement shall not apply to appropriations for preconstruction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.	
West central community center	\$500,000	(3) Projects funded in this section may be required to comply with Washington's high performance building standards as required by chapter 39.35D RCW.	
West Hylebos wetlands boardwalk	\$100,000	(4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.	
Wilson playfield land acquisition	\$200,000	(5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in RCW 43.63A.125(2)(c).	
Wing Luke Asian art museum	\$2,000,000		

(6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.

(7) The appropriation provided in this section for the bridge for kids project shall not be released until the department obtains a report from the project sponsor updating the cost of the project and the current fund raising plan.

(8) The appropriation provided in this section for the Fox theater shall be provided only under an agreement that the theater shall retain its current name as the Fox theater.

(9) The appropriation in this section for the life support and emergency medical services infrastructure build-out project is provided solely for emergency medical services and medical care infrastructure consistent with the adopted mission, goals, and capital plan of the 501(c)(3) life support.

(10) The appropriation is provided solely for the following list of projects:

Project Name	Amount
800 Mhz interoperability public safety communication	\$1,000,000
Aberdeen union gospel mission	\$562,000
Arts west playhouse and gallery	\$150,000
Ashford cultural center and mountaineering museum	\$800,000
Asian counseling/referral services	\$2,000,000
Ballard corners park	\$125,000
Beaver mitigation of Little Spokane river	(\$75,000)
Benton City food bank	\$350,000
Bethel community center	\$1,000,000
Blueberry park improvements	\$5,000
Bothell crossroads/state route 522 realignment - land acquisition and preconstruction activities	\$7,000,000
Bowen field	\$500,000
Bremerton downtown economic revitalization projects	\$5,000,000
Bridge for kids	\$500,000
Burbank water improvement	\$1,621,000
Burien town square	\$1,600,000
<del>(Camp kilworth land acquisition - Federal Way</del>	<del>(\$1,100,000)</del>
Cannon house	\$750,000
Chambers creek pedestrian bridge	\$2,400,000
Chehalis middle school track improvement	\$350,000
Chehalis veterans wall of honor security enclosure	\$25,000
Chelan county public utility district monitor domestic water system	
Children's hospital	
Cities of Camas and Washougal community/recreation center preconstruction activities	
City of Everett - senior center expansion and upgrade	\$400,000
City of Everett minor league baseball - aquasox	\$433,000
City of Kent event center	\$3,000,000
City of Mount Vernon downtown and waterfront flood control	\$1,000,000
City of Puyallup riverwalk trail project	\$600,000
City of Tacoma minor league baseball - rainiers	\$2,500,000
City of Yakima minor league baseball	\$594,000
Civil war cemetery near volunteer park	\$5,000
Columbia Springs environmental learning center preconstruction or construction activities	\$200,000
Confluence project	\$1,000,000
Counter balance park	\$100,000
Coupeville covered play area	\$113,000
Covered bridge park land acquisition (Grays river)	\$90,000
Cowlitz drug treatment center	\$580,000
Darrington water system improvements	\$100,000
Dawson place child advocacy center land acquisition and renovation	\$650,000
Daybreak star in Discovery park	\$300,000
Dining car historic preservation	\$50,000
Discovery park - Fort Lawton	
Duwamish education center	
Duwamish longhouse	
Eatonville family park	
Evergreen school district health and biosciences academy	
Federal Way little league field lighting	
Ferndale boys and girls club - urgent needs and preconstruction activities	
Fish lake trail	
Fort Dent sewer	
Foss waterway	
Fox theater	
Friends of hidden river preconstruction activities	
Goodwill of Tacoma	
Granite Falls museum	
High Point neighborhood center in West Seattle	
Highline school district noise mitigation	
Hill ward building removal	
Innovative services northwest	\$1,000,000
Institute for community leadership	\$562,000
Jewish federation of greater Seattle	\$150,000
Kent alliance center	\$800,000
Kirkland public safety campus land acquisition and preconstruction activities	\$2,000,000
<del>(Kitsap SEED</del>	<del>\$75,000</del>
Klickitat law enforcement firing range	\$350,000
Kruckeberg botanical garden	\$1,000,000
Lake Stevens civic center	\$5,000
Lake Stevens senior center	
Lake Waughop/department of ecology aquatic weeds	\$7,000,000
Library connection at greenbridge	\$500,000
Life support and emergency medical services infrastructure build-out	\$500,000
Lions club renovation	\$1,621,000
Long lake nutrient reduction	\$1,600,000
Loon lake wood waste removal pilot study	(\$1,100,000)
Lucy Lopez center land acquisition	\$750,000
Maple Valley lake wilderness lodge and conference center	\$2,400,000
Maple Valley legacy site planning and infrastructure development	\$350,000
McCaw hall	
McDonald park	\$800,000
Mercer slough environmental center	\$2,500,000
Mill creek senior center	
Mirabeau Point children's universal park	\$500,000
Mobius building design, construction, and renovation	\$400,000
Monroe rotary field	\$433,000
Morning star cultural center	\$3,000,000
Mountains to sound - SR18/190 interchange	
Nisei veterans committee	\$1,000,000
NORCOM public safety communication	\$600,000
Nordic heritage museum preconstruction activities	\$2,500,000
Northwest African American museum	\$594,000
Northwest harvest	\$5,000
Northwest stream center	
Oak Harbor dredging preconstruction activities	\$200,000
Oak Harbor veterans memorial	\$1,000,000
Okanogan Valley equestrian and cultural heritage center	\$100,000
Palouse street safety improvements	\$113,000
Performing arts center eastside preconstruction activities	\$90,000
Perry technical institute hanger	\$100,000
Pike Place market	
Port of Benton transloader (railex)	\$650,000
Port of Walla Walla wine incubator	\$300,000
Poulsbo marine science center floating classroom	\$50,000

Prime time repairs (terminally ill children).....	(3) \$1,000,000 of the remaining reappropriation for the	\$500,000
Puyallup town square.....	school district health and biosciences academy may be used for	\$200,000
Rainier lifelong learning center.....	acquisition. If the facility is not constructed by June 30, 2015, the	\$201,500
Richland Babe Ruth field complex.....	school district shall reimburse the state an amount	\$1,000,000
((Seatac World War I memorial plaza	\$1,000,000 increased by the average percentage appreciation	\$200,000
Seattle art museum.....	property values for undeveloped land in the surrounding area	\$236,000
Seattle children's play garden.....	the date the school district acquired the property and June 30, 2010 or	\$320,000
Seattle Chinese garden.....	the date the school district disposes of the property.....	\$500,000
Shoreline YMCA.....	(4) \$600,000 of the remaining reappropriation for the	\$500,000
Simon youth foundation resource center.....	community leadership may be used for land acquisition....	\$150,000
Skagit recreation and event center.....	(5) \$250,000 of the remaining reappropriation for	\$100,000
Snoqualmie railway history preconstruction activities.....	Northwest ilocandia association may be used for acquisition	\$600,000
Somerset village - Snohomish Y.....	renovation.....	\$200,000
South Tacoma community center.....	(6) \$200,000 of the remaining reappropriation for	\$100,000
Spokane county minor league baseball - Indians.....	connection at Greenbridge may be used for construction	\$2,000,000
Spokane Valley community center and foodbank.....	equipment.....	\$260,000
Spokane YWCA/YMCA joint project.....	(7) \$1,000,000 of the remaining reappropriation for the	\$500,000
Springwood youth center.....	school district health and biosciences academy may be used for	\$500,000
SR 395/court street pedestrian overpass.....	acquisition.....	\$400,000
Suquamish inviting house construction.....	Reappropriation:.....	\$1,000,000
Tacoma narrows bridge lights.....	State Building Construction Account--State.....	(\$1,500,000)
<u>\$100,000</u>	<u>\$56,650,000</u>	
Tonasket viewing platform.....	Prior Biennia (Expenditures).....	\$100,000
Tanbara clinic - East Tacoma community.....	Future Biennia (Projected Costs).....	\$850,000
The Northwest maritime center.....	TOTAL.....	(\$132,894,000)
The Tri Cities minor league baseball.....	<u>\$128,344,000</u>	\$666,000
Thurston county small business incubator.....	Sec. 1005. 2008 c 328 s 1014 (uncodified) is amended to read as	\$750,000
Tokeland/North Cove water tank for fire.....	follows:.....	\$10,000
Town square grid - drexler drive.....	<b>FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND</b>	
Tukwila southcenter parkway infrastructure.....	<b>ECONOMIC DEVELOPMENT)) COMMERCE</b> .....	\$4,000,000
Turning point domestic violence shelter.....	Community Development Fund (08-4-850).....	\$700,000
University Place town square.....	The appropriation in this section is subject to the	\$4,000,000
VaHalla hall.....	conditions and limitations:.....	\$750,000
((Vancouver national historic reserve	(1) The projects listed in this section must comply with	\$750,000
Vernetta Smith Chehalis timberland library.....	43.63A.125(2)(c).....	\$500,000
Waitsburg flood control feasibility report.....	(2) Except as directed otherwise prior to the effective date of this	\$29,000
Walla Walla county health center annex.....	section, the department shall not expend the appropriation in this	\$100,000
White Center heights park.....	section unless and until the nonstate share of project cost is	\$500,000
White Salmon water improvement.....	either expended, or firmly committed, or both, in an amount	\$1,500,000
Willapa harbor community center.....	to complete the project or a distinct phase of the project that is	\$300,000
Wing-It productions historic theater.....	to the public for the purpose intended by the legislature.....	\$20,000
Washington State University/Shoreline Community	(3) Prior to receiving funds, project recipients must demonstrate	
College zero energy house.....	that the project site is under control for a minimum of ten years	\$200,000
Yakima domestic violence shelter.....	through ownership or a long-term lease. This requirement does not	\$200,000
Yakima downtown futures initiative phase 3.....	apply to appropriations for preconstruction activities or appropriations	\$1,000,000
Total.....	whose sole purpose is to purchase real property that is to be used	(\$364,604,000)
<u>\$130,144,000</u>	a construction or renovation component.	
Appropriation:	(4) Projects funded in this section may be required to comply	
State Building Construction Account--State.....	with Washington's high performance building statute as amended	(\$134,694,000)
<u>\$130,144,000</u>	by chapter 39.35D RCW.	
Prior Biennia (Expenditures).....	(5) Project funds are available on a reimbursement basis only and	\$0
Future Biennia (Projected Costs).....	may not be advanced under any circumstances.....	\$0
TOTAL.....	(6) Projects funded in this section, including those that are owned	(\$134,694,000)
<u>\$130,144,000</u>	and operated by nonprofit organizations, are generally required to pay	
Sec. 1004. 2009 c 497 s 1029 (uncodified) is amended to read as	state prevailing wages.	
follows:	(7) The appropriation is provided solely for the following list of	
<b>FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND</b>	projects:	
<b>ECONOMIC DEVELOPMENT)) COMMERCE</b>	Project Name.....	
Local and Community Projects (20084001)	CASA Latina.....	
The reappropriation in this section is subject to the following	Divine alternatives for dads services (DADS) center.....	
conditions and limitations:	El Centro de la Raza center.....	
(1) The projects must comply with RCW 43.63A.125 and other	Hilltop renaissance community - Centro Latino.....	
requirements for community projects administered by the department.	Hilltop renaissance community - MLK development	
(2) The reappropriation is subject to the provisions of section	association preconstruction activities.....	
1008, chapter 328, Laws of 2008.	((HomeSight center	
	Ilwaco community building.....	

Japanese cultural center of Washington.....	Community Development Fund (20084850).....	(\$1,000,000)
<u>\$900,000</u>	The reappropriation in this section is subject to the following	
KCR Bremerton community services center.....	conditions and limitations:.....	\$900,000
KDNA community center (Granger community center).....	(1). The reappropriation is subject to the provisions of section	\$500,000
Korean women's association center.....	1014, chapter 328, Laws of 2008.....	\$1,500,000
North helpline lake city court.....	(2). \$105,521 of the remaining reappropriation for El Centro	\$300,000
Salishan housing community.....	raza center may be used for building infrastructure.....	\$2,900,000
Sea Mar family housing community.....	Reappropriation:.....	\$1,500,000
Spokane east central community center.....	State Building Construction Account--State.....	\$150,000
Spokane emmanuel center.....	<u>\$9,365,000</u>	\$500,000
Spokane Northeast community center.....	Prior Biennia (Expenditures).....	\$1,000,000
Wapato Filipino American center.....	Future Biennia (Projected Costs).....	\$135,000
Total.....	TOTAL.....	(\$21,166,000) (\$21,166,000)
<u>\$20,816,000</u>	<u>\$20,816,000</u>	

Appropriation: **Sec. 1009.** 2009 c 497 s 1034 (uncodified) is amended to read as follows:..... (\$21,166,000)

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

State Building Construction Account--State.....	Quillayute Valley Wood-Fire Boiler (20084858).....	\$0
<u>\$20,816,000</u>		\$0
Prior Biennia (Expenditures).....		
Future Biennia (Projected Costs).....		
TOTAL (( <u>\$21,166,000</u> ))		
<u>\$20,816,000</u>		

**Sec. 1006.** 2009 c 497 s 1019 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Public Works Trust Fund (20074005)

Reappropriation:

Public Works Assistance Account--State.....	Energy Freedom Account--State.....	\$20,000
<u>\$132,000,000</u>		
State Taxable Building Construction Account--State \$95,000,000		
Subtotal Reappropriation.....		
<u>\$227,000,000</u>		

**Sec. 1010.** 2009 c 497 s 1035 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Snohomish County Biodiesel (20084859)..... (\$327,000,000)

Reappropriation:

Energy Freedom Account--State.....		
<u>\$419,000</u>		

Appropriation:

State Taxable Building Construction Account--	Appropriation:.....	State	<u>\$100,000,000</u>
Prior Biennia (Expenditures).....	State Building Construction Account--State.....		\$0
Future Biennia (Projected Costs).....	Prior Biennia (Expenditures).....		\$0
TOTAL \$327,000,000	Future Biennia (Projected Costs).....		
	TOTAL \$500,000		

**Sec. 1007.** 2009 c 497 s 1023 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Job Development Fund Grants (20074010)

The ((re))appropriation in this section is subject to the following conditions and limitations:

(1) The ((re))appropriation is subject to the provisions of section 1032, chapter 520, Laws of 2007.

((The appropriation in this section is subject to the following conditions and limitations: The)) (2) \$3,000,000 of the appropriation is provided solely for a grant to the port of Grays Harbor for the bulk liquid facility project.

Reappropriation:

Job Development Account--State.....	Drinking Water State Revolving Fund Loan Program (30000005)	
<u>\$1,298,000</u>	Appropriation:	
	Drinking Water Assistance Account--State.....	\$10,930,000
	Drinking Water Assistance Repayment Account--State.....	
	Subtotal Appropriation.....	<u>\$42,131,000</u>
	Prior Biennia (Expenditures).....	
	Future Biennia (Projected Costs).....	
	TOTAL.....	(\$255,175,000) (\$22,228,000)
	<u>\$258,105,000</u>	

**Sec. 1011.** 2009 c 497 s 1039 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Drinking Water State Revolving Fund Loan Program (30000005)

Appropriation:

Drinking Water Assistance Account--State.....		
<u>\$10,930,000</u>		
Drinking Water Assistance Repayment Account--State.....		
Subtotal Appropriation.....		
<u>\$42,131,000</u>		
Prior Biennia (Expenditures).....		
Future Biennia (Projected Costs).....		
TOTAL.....		(\$255,175,000) (\$22,228,000)
<u>\$258,105,000</u>		

**Sec. 1012.** 2009 c 497 s 1040 (uncodified) is amended to read as follows:..... \$3,000,000)

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Building for the Arts Grants (30000006)..... \$0

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

- (1) Projects must be selected based on their readiness to proceed.
- (2) The appropriation is provided solely for the following list of projects:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Admiral Theatre-No Theatre Left Behind	\$140,000
<del>(Artspace Everett Lofts)</del>	<del>(\$1,000,000)</del>
Building a Foundation for Discovery	\$250,000
Campus Consolidation (Cornish)	\$375,000
Convert Key Bank to Everett's Plaza Theatre	\$500,000
Cottage Renovation (Hedgebrook)	\$20,000
Downstairs at the 5th	\$800,000
Federal Way Performing Arts Center	\$325,000
Gateway Center (Lummi)	\$150,000
James Center for the Performing Arts (Sequim)	\$150,000
Langston Hughes Performing Arts Center	\$475,000
Legacy Project (Imagine)	\$200,000
Modular Classrooms for Dance (Gladish)	\$30,000
Mt. Baker Theatre	\$1,000,000
Museum Expansion (Maryhill)	\$1,500,000
New Hands On Children's Museum	\$1,000,000
Reconstruction of First Stage (Issaquah)	\$400,000
Seattle Opera Center	\$650,000
Stage Two (Whidbey)	\$450,000
Vashon Arts Center	\$1,115,000
Visual Arts Education Center (Snohomish County)	\$1,000,000
Viva Vera Capital Campaign	\$70,000
Total	<del>(\$11,600,000)</del> <u>\$10,600,000</u>

Appropriation:

State Building Construction Account--State.....	<del>(\$11,600,000)</del>
<u>\$10,600,000</u>	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
TOTAL <del>(\$59,600,000)</del>	
<u>\$58,600,000</u>	

Sec. 1013. 2009 c 497 s 1045 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Housing Assistance, Weatherization, and Affordable Housing (30000013)

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

(1) \$7,000,000 of the appropriations is provided solely for facilities housing low-income migrant, seasonal, or temporary

farmworkers. The operation of the facilities built under this section shall be in compliance with 8 U.S.C. Sec. 1342. The department shall work with the farmworker housing advisory committee to prioritize funding of projects to the areas of highest need. Funding may also be provided, to the extent qualified projects are submitted, for health and safety projects. Any of this appropriation that is not obligated by June 30, 2011, shall be added to the amount appropriated for the general pool of projects.

(2) \$3,000,000 of the appropriations is provided solely to promote development of safe and affordable housing units for persons eligible for services from the division of developmental disabilities within the department of social and health services.

(3) \$10,000 of the appropriations is provided solely to the ~~((Ballard food bank/Ballard homes for all coalition))~~ St. Luke's Lutheran Church/Interfaith Task Force on Homelessness for the construction of a mobile camp facility.

(4) \$2,500,000 of the appropriations is provided solely for the development of farm infrastructure improvements. Any of this appropriation that is not obligated by June 30, 2011, must be added to the amount appropriated for the general pool of projects.

(5) \$1,000,000 from the taxable bonds account is provided solely for the development or preservation of farmworker housing for migrant and seasonal farmworkers located on private farms.

(6) ~~(\$5,000,000)~~ \$10,000,000 of the appropriation ~~(from the state building construction account)~~ is provided solely to build low-income housing units in underserved communities and to concurrently develop capacity in these same communities. Underserved communities of concern are those that have high levels of poverty, specifically, thirty percent of the local median income; experience chronic homelessness; and lack affordable housing. Underserved communities include veterans, immigrants, refugees, and those communities of color disproportionately impacted by chronic homelessness and lack of affordable housing. The department shall collaborate with representatives of underserved communities and organizations committed to assistance in these efforts to prioritize and plan distribution of funding.

(7) The department may not make loans from capital bond proceeds appropriated in this section if the appropriations are also obligated for other grants or loans or if the anticipated repayments of the loans are from future state legislative appropriations.

(8) The legislature recognizes and supports the housing priorities reflected in the American recovery and reinvestment act of 2009 with the estimated amount of \$144,000,000 provided solely for the following programs:

(a) The community development fund's neighborhood stabilization fund to purchase and rehabilitate foreclosed vacant properties and to help create affordable housing and stabilize neighborhoods.

(b) The public housing capital fund to assist housing authorities build and rehabilitate low-income housing stock. ~~Housing authorities are required to give priority consideration to the rehabilitation of vacant rental units and capital projects that are already underway or included in the five-year capital fund plans.~~ ~~(\$11,600,000)~~ \$0

(c) HOME funding to the Washington state housing finance commission for a competitive program pursuant to the qualified allocation plan to owners of projects who have received or receive simultaneously an award of low-income housing tax credits under section 42(h) of the internal revenue code of 1986.

(d) Weatherization appropriated in section 1052 of this act for grants and loans to local energy programs for weatherization of multifamily and single family homes.

(9) \$5,000,000 is provided solely for two geographically diverse projects that serve disability lifeline clients who are homeless and have a mental or behavioral health disorder. This housing must be provided in coordination with community agencies who can offer supportive services.

(10) \$7,459,000 of the new appropriation from the Washington housing trust account is provided solely to implement Substitute House Bill No. 3177 (funds for certain affordable housing purposes). If the bill is not enacted by June 30, 2010, the amount provided in this subsection shall lapse.

(11) Up to \$5,000,000 of the appropriation is for the department of commerce to contract with the Washington state housing finance commission to administer the Washington works housing program to facilitate nonprofit entities' use of tax-exempt multifamily bonds issued by the Washington state housing finance commission. The projects receiving these funds shall meet the affordability requirement for the period after initial bond indebtedness, as established in section 2(2) of chapter . . . , Laws of 2010 (ESHB 2753).

Appropriation:

State Building Construction Account--State .....	
State Taxable Building Construction Account--State .....	
<u>\$102,541,000</u>	
Washington Housing Trust Account--State .....	
<u>\$17,459,000</u>	
Subtotal Appropriation .....	
<u>\$150,000,000</u>	
Prior Biennia (Expenditures) .....	
Future Biennia (Projected Costs) .....	
TOTAL (( <u>\$500,000,000</u> ))	
<u>\$550,000,000</u>	

**Sec. 1014.** 2009 c 497 s 1046 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Community Schools (91000002)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for the following:

(1) The acquisition, rehabilitation, expansion, or improvement of surplus school buildings to be converted into community facilities for the delivery of nonresidential coordinated services for children and families.

(a) Eligible applicants include local governments, nonprofit organizations, nonprofit early learning providers, and tribal governments. Only the following surplus schools may be eligible for grant funding under this section: Fauntleroy school, University Heights school, and Martin Luther King elementary school.

(b) As part of the grant process, applicants must submit a comprehensive plan for the use of the surplus school that includes information on the following:

- (i) A list of partner entities that will assist the lead eligible applicant to provide or coordinate services for children and families;
- (ii) A memorandum of understanding between the lead eligible applicant and each partner; and
- (iii) An examination of capital and operating funding sources that applicants intend to apply to the project and coordinated services at each school to be served, whether such funding is derived from grants under this section or from other federal, state, local, or private sources.

(c) Project applicants must demonstrate that the proposed project is ready to proceed, will make timely use of the funds, and requires state funding to accomplish a discrete, usable phase of the project that may include acquisition.

(d) If grant funds under this subsection are used for the acquisition of surplus school facilities, the sale proceeds must be used by the local school board disposing of such property for renovation, replacement, or new construction of school facilities in the district, but shall not be used as local match for projects receiving state school construction assistance grants.

(e) In contracts for grants authorized under this subsection, the department shall include provisions that require that capital improvements must be held by the grantee for a specified period of time appropriate to the amount of the grant and that facilities must be used for the express purpose of the grant. If the grantee is found to be out of compliance with provisions of the contract, the grantee shall repay to the state general fund the principal amount of the grant plus interest calculated at the rate of interest on state of Washington general obligation bonds issued most closely to the date of authorization of the grant.

(2) The construction of a non-mobile facility, accessible to students in central and eastern Washington for the purpose of financial literacy education, for the eastern and western Washington junior achievement world initiative.

~~(3) \$1,500,000 of the appropriation in this section is provided solely for acquisition of the Martin Luther King elementary school. This is in addition to the amount provided for the Martin Luther King elementary school in section 1033, chapter 497, Laws of 2009.~~

Appropriation: .....	(( <u>\$10,000,000</u> ))
State Building Construction Account--State .....	
<u>\$6,500,000</u>	(( <u>\$100,000,000</u> ))
Prior Biennia (Expenditures) .....	
Future Biennia (Projected Costs) .....	\$0
TOTAL .....	(( <u>\$5,000,000</u> ))
<u>\$6,500,000</u>	\$400,000,000

**Sec. 1015.** 2009 c 497 s 1048 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**

Local and Community Projects (30000019)

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

(1) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement does not apply to appropriations for preconstruction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.

(3) Projects funded in this section may be required to comply with Washington's high performance building standards as required by chapter 39.35D RCW.

(4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.

(5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in RCW 43.63A.125(2)(c).

(6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.

(7) The appropriation is provided solely for the following list of projects:

**Local Community Projects**

7th St. Theater	\$330,000
Arc of Tri-Cities	\$900,000
Bellevue Clinic--Seattle Children's Hospital	\$2,000,000
Blessed Sacrament Food and Emergency Facilities Renovation	\$200,000

Children's Village Expansion Project	\$500,000
Clark County Food Distribution Facility	\$1,500,000
Coal Creek YMCA (Newcastle)	\$800,000
Dawson Place Child Advocacy Center	\$1,000,000
Federal Way National Little League Field Lighting Project and Monument Entry Sign	\$177,000
Harlequin Theater	\$235,000
Home Dialysis Center and Professional Workforce Training	\$250,000
<u>Junior Achievement (Statewide JA World Initiative)</u>	<u>\$1,500,000</u>
Kirkland Park Place Redevelopment	\$2,000,000
Livingston Baker Fire and Life Safety	\$750,000
Marshland Diking District	\$500,000
Marysville Boys & Girls Club	\$500,000
McClure Middle School Energy Saving Performance Contract Demonstration Project	\$1,000,000
Mountains to Sound Greenway	\$100,000
Mukilteo Boys & Girls Club	\$150,000
Neighborcare Health Clinic and Rainier Beach Medical Clinic	\$1,000,000
Parkland at Japanese Gulch	\$1,000,000
Petrovitsky Park Upgrade	\$750,000
Phoenix House	\$200,000
Poulsbo Marine Center	\$500,000
Public Broadcasting Frequency Expansion	\$223,000
<del>((Ready by Five Early Learning Center</del>	<del>\$1,000,000))</del>
Renovations to Mill Creek City Annex Building	\$30,000
Snohomish County Emergency Center	\$1,000,000
South Tacoma Community Center	\$1,000,000
<u>Urban League Village at Colman School and Northwest African American Museum</u>	<u>\$100,000</u>
<u>West Hill/Skyway Area preconstruction activities</u>	<u>\$250,000</u>
Whatcom Hospice House	\$700,000
Zina Linnik	\$950,000
Appropriation:	
State Building Construction Account--State	\$22,095,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
TOTAL	((21,245,000))

\$22,095,000  
**Sec. 1016.** 2009 c 497 s 1050 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ((COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT)) COMMERCE**  
 Temporary Public Works Grant Program (92000021)  
 The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for grants for the specified public works projects and competitive public works grant programs specified below. The public works board (board) shall administer the following competitive public works grant programs within the amounts specified, provided that up to ten percent of the amounts provided for competitive grant programs may be transferred to other competitive grant categories if acceptable applications for any category do not total the amount available.  
 (1) \$9,531,000 is provided solely for a competitive public works grant program for local governments serving communities in rural counties as defined in RCW 43.160.020. The board shall prioritize applications for funding for this small community jobs program based on the following criteria:  
 (a) The unemployment rate of the community;  
 (b) The ability of the applicant to complete the project promptly; and  
 (c) The value the project presents to the community in lasting improvements to public safety, environmental quality, recreation and community life, or economic development.  
 (2) \$9,531,000 is provided solely for a competitive public works grant program for local governments serving high density urban communities. The board shall prioritize applications for funding from this urban vitality program based on the following criteria:  
 (a) The proposed project's ability to decrease the per capita vehicle miles driven in the community by increasing access to mass transit, supporting residential density in proximity to employment opportunities, and improving the safety and appeal of walking and biking in a community;  
 (b) The ability of the applicant to complete the project promptly; and  
 (c) The local support for the project as indicated by the level of local matching funds devoted to the project. Local matching funds do not include funds from other state sources.  
 (3) The state taxable building construction account--state appropriation is provided solely for emergency loans under RCW 43.155.065.  
 (4) \$23,535,000 is provided solely for the following list of projects. The appropriation for Airway Heights wastewater treatment plant is contingent upon a capacity agreement with the Kalispel Tribe that precludes the need to build multiple wastewater treatment facilities on the West Plains. If any project on the following list is unable to show reasonable progress towards accomplishing the intended project by December 31, 2010, the board may transfer the amount allocated for the project to the competitive grant categories in subsections (1) and (2) of this section.

Airway Heights Water Treatment Plant	\$1,000,000
Small Community Jobs - Assistance for Grand Coulee School	\$500,000
Small Community Jobs - Camano Island County Park Development	\$300,000
Small Community Jobs - Connell Infrastructure	<del>(\$1,100,000)</del>
Small Community Jobs - Dayton School Biomass Heating System	\$100,000
Small Community Jobs - Grandview Downtown Revitalization	\$500,000

Small Community Jobs - Green Acres Neighborhood Park	\$200,000
Small Community Jobs - Hoh Tribe Fire Station	\$623,000
Small Community Jobs - Longview Elementary Safety Underpass	\$250,000
Small Community Jobs - Mesa Playground	\$35,000
Small Community Jobs - Pasco Commercial Avenue Construction	\$800,000
Small Community Jobs - Union Gap School Crossing Improvement	\$227,000
Small Community Jobs - Yakima Downtown Futures	\$1,000,000
Small Community Jobs - Yelm Longmire Park	\$400,000
Urban Vitality - Federal Way Urban Infrastructure	\$5,000,000
Urban Vitality - Infrastructure for Puyallup (Parametrix)	\$2,000,000
Urban Vitality - Percival Landing	\$3,000,000
Urban Vitality - Redmond Square Development	\$2,000,000
Urban Vitality - Renton Hawks Landing	\$1,700,000
Water - Gig Harbor Waste Water Treatment	\$2,500,000
Water - Pine Terrace Water Association Project	\$300,000

Appropriation:

State Building Construction Account--State	\$34,097,000
<u>Public Facility Construction Loan Revolving Account--State</u>	
State Taxable Building Construction Account--State	
Subtotal Appropriation	
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
TOTAL	\$44,597,000

**Sec. 1017.** 2009 c 497 s 1054 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT**

Cowlitz River Dredging (20082856)

Reappropriation:

State Building Construction Account--State	
--	--

Appropriation:

State Building Construction Account--State	\$500,000
Prior Biennia (Expenditures)	\$687,000
Future Biennia (Projected Costs)	
TOTAL	(\$1,000,000)
	\$1,500,000

**Sec. 1018.** 2009 c 497 s 1055 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT**

Catastrophic Flood Relief (20084850)

The reappropriation in this section is subject to the following conditions and limitations:

(1) \$3,500,000 is provided solely for the Chehalis basin flood control authority or other authorized local government groups to develop governance agreements for development of flood hazard mitigation measures throughout the basin. The agreements must be executed by July 1, 2011. This is the maximum amount that may be expended for this purpose.

(2) \$800,000 of the reappropriation is provided solely for studies for development of flood hazard mitigation measures on the condition that the requirement in subsection (1) of this section is met. Studies funded by this reappropriation must consider nonstructural alternatives to retention.

(3) It is the intent of the legislature to fulfill the commitment of section 101, chapter 179, Laws of 2008 and chapter 180, Laws of 2008, by appropriating funds when the federal match requirement is needed.

Reappropriation:

State Building Construction Account--State	\$3,560,000
Prior Biennia (Expenditures)	\$3,450,000
Future Biennia (Projected Costs)	\$42,990,000
TOTAL	\$50,000,000

**NEW SECTION. Sec. 1019.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT**

Risk Pool (91000001)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for a risk pool to complete projects within the scope described in budget documents submitted as part of the governor's capital budget request and consistent with legislative history. This section only applies to projects included in this 2010 supplemental capital budget with reduced appropriations. The office of financial management may allot portions of this appropriation ten days after notifying the senate ways and means committee and the house of representatives capital budget committee. The notification must include an explanation of the need and the amount for the allotment to complete the scope of an approved project.

Appropriation:

State Building Construction Account--State	\$8,500,000
Prior Biennia (Expenditures)	\$2,000,000
Future Biennia (Projected Costs)	\$44,597,000
TOTAL	\$10,000,000

**NEW SECTION. Sec. 1020.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT.** (1) Due to the downturn of the economy and the direct effects on the state bond debt limit, the legislature intends to reduce bond debt while focusing resources on maintaining and creating jobs. Therefore, the legislature directs the office of financial management to work with state agencies to achieve savings in the amount of \$42,291,000 by reducing previously approved allotments or by withholding approval of planned allotments for those projects that have not shown substantial progress under the criteria established in subsection (2) of this section: \$687,000

(2) A project is subject to allotment reduction or non-approval of a planned allotment under this section if:

- (a)(i) It is a state project administered by a state agency; or
- (ii) It is a grant or a loan project for which a state agency allocates funding to a non-state entity;
- (b) Appropriations for the project were made in the 2009-11 or previous omnibus capital appropriations acts from the state building construction account, state taxable building construction account, or any other debt limit bond account; and
- (c) The project has failed to secure all required and appropriate transaction elements necessary to execute contracts with the administering state agency by November 30, 2010. Required and appropriate transaction elements include, but are not limited to, matching funds, permits, environmental reviews, and required contracts and partnership agreements.

(3) Amounts attributable to allotment reductions or non-approval of planned allotments made under this section must be placed in or remain in unallotted status and remain unexpended.

(4) By December 31, 2010, the office of financial management must report to the house of representatives capital budget committee and the senate ways and means committee on the projects for which allotments were reduced or for which approval was withheld, including a list of the specific projects and related funds remaining in unallotted status.

(5) Agencies and prospective grant or loan recipients are encouraged to reapply or request funds in the 2011-13 biennial capital appropriations act for projects for which allotments were reduced or not approved under this section.

Sec. 1021. 2009 c 497 s 1067 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

Legislative Building Improvements (20081011)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for the repair and patching of the outside of the legislative building.

Reappropriation:

State Building Construction Account--State.....

Appropriation: ((State Building Construction Account--State))

Thurston County Capital Facilities Account--State.....

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL \$6,390,000

Sec. 1022. 2009 c 497 s 1076 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

Facility Oversight Program: Staffing (30000063)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for the department of general administration to assist the office of financial management with the development and implementation of RCW 43.82.035 and 43.82.055.

Appropriation:

State Building Construction Account--State.....

Thurston County Capital Facilities Account--State.....

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL \$6,337,000

Sec. 1023. 2009 c 497 s 1065 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

O'Brien Building Improvements (20081007)

Reappropriation:

State Building Construction Account--State.....

Appropriation: ((State Building Construction Account--State))

Thurston County Capital Facilities Account--State.....

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

\$0

TOTAL (((\$17,981,000))

\$11,201,000

Sec. 1024. 2009 c 497 s 1071 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

Capital Lake Plan Completion (20082953)

Reappropriation:

State Building Construction Account--State.....

\$50,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL (((\$500,000))

\$350,000

Sec. 1025. 2009 c 497 s 1075 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

Powerhouse: Improvements and Preservation (30000056)

Appropriation: ((State Building Construction Account--State))

Thurston County Capital Facilities Account--State.....

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL (((\$1,459,000))

\$1,240,000

Sec. 1026. 2009 c 497 s 1081 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

Pro. Arts Building (91000002)..... \$172,000

Appropriation: ((The appropriation in this section is subject to the following conditions and limitations: Pre-design and design funds are provided solely to develop a new office building... Up to \$225,000 may be used to develop the pre-design for the Pro Arts site to include a new building that may house tenants from the general administration building including the office of financial management, the Puget Sound partnership, the office of the state treasurer, and other small commissions and agencies. The pre-design shall be developed with representatives from the capitol campus design advisory committee, the department of general administration, and the office of financial management. The pre-design shall be used to develop the optimum use of space for the Pro Arts site, identify any required mitigation, parking requirements, schedule of construction, and cost of construction. The pre-design shall be provided to the appropriate fiscal committees of the legislature and the office of financial management by February 1, 2010. The allotment for design funds will be made after the pre-design is approved by the office of financial management and the appropriate fiscal committees of the legislature.))..... \$740,000

State Building Construction Account--State..... \$0

Thurston County Capital Facilities Account--State..... \$5,597,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL (((\$2,000,000))

\$225,000

NEW SECTION. Sec. 1027. A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE MILITARY DEPARTMENT**

Camp Murray New Primary Gate Entrance (30000482)

Appropriation:..... \$9,671,000)

General Fund--Federal..... \$8,220,000

Military Department Capital Account--State..... \$1,481,000

Subtotal Appropriation..... (((\$5,329,000))

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL \$4,927,000

Sec. 1028. 2009 c 497 s 1086 (uncodified) is amended to read as follows:

**FOR THE MILITARY DEPARTMENT**

Minor Works Preservation (30000002)

Appropriation: General Fund--Federal.....

<u>\$8,672,000</u>	State Building Construction Account--State .....	<u>\$1,100,000</u>	\$1,709,000
State Building Construction Account--State .....			
Subtotal Appropriation .....			(\$4,778,000)
<u>\$10,381,000</u>	Prior Biennia (Expenditures).....		\$0
Prior Biennia (Expenditures).....	Future Biennia (Projected Costs).....		\$18,700,000
Future Biennia (Projected Costs) .....	<u>\$0</u>		
TOTAL (( <u>\$23,478,000</u> ))	TOTAL (( <u>\$1,046,000</u> ))		
<u>\$29,081,000</u>	<u>\$1,100,000</u>		

Sec. 1029. 2009 c 497 s 1087 (uncodified) is amended to read as follows:

**FOR THE MILITARY DEPARTMENT**

Minor Works Program (30000003)

Appropriation:

General Fund--Federal .....	
<u>\$3,139,000</u>	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
TOTAL (( <u>\$10,908,000</u> ))	

\$13,368,000

NEW SECTION. Sec. 1030. A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE MILITARY DEPARTMENT**

Combined Support Maintenance Shop (20082006)

Appropriation:

General Fund--Federal .....	
<u>\$3,139,000</u>	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
TOTAL \$26,900,000	

(End of part)

**PART 2  
HUMAN SERVICES**

Sec. 2001. 2009 c 497 s 2001 (uncodified) is amended to read as follows:

**FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

Replace Hawthorne Hall Dormitory (20082001)

~~((The appropriation in this section is subject to the following conditions and limitations: The office of financial management shall allot funds for the dormitory construction at the criminal justice training commission only after the recommendation of the steering committee participating in the analysis in section 1057 of this act has been provided to the legislative fiscal committees and submitted to the office of financial management for review.~~

Appropriation:

~~State Building Construction Account--State .....~~

Reappropriation:

State Building Construction Account--State .....

Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
<u>\$16,934,000</u>	
TOTAL (( <u>\$18,670,000</u> ))	

\$18,859,000

Sec. 2002. 2009 c 497 s 2002 (uncodified) is amended to read as follows:

**FOR THE CRIMINAL JUSTICE TRAINING COMMISSION**

School Mapping (30000011)

~~((The appropriation in this section is subject to the following conditions and limitations: The legislature intends to complete half of the remaining community and technical college mapping with this appropriation and to appropriate funding for the remaining half of unmapped square feet in community and technical colleges in the 2011-13 biennium.))~~

Appropriation:

NEW SECTION. Sec. 2003. A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

Central Office Roof Replacement and Fall Restraint Upgrade (30000012)

Appropriation:

Accident Account--State .....	\$0
Medical Aid Account--State .....	\$10,229,000
Subtotal Appropriation .....	(\$679,000)

Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL \$2,500,000	

Sec. 2004. 2009 c 497 s 2027 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

Eastern State Hospital: Roof Replacements (30000825)

Appropriation:

State Building Construction Account--State .....

Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL (( <u>\$2,173,000</u> ))	

\$2,010,000

Sec. 2005. 2009 c 497 s 2014 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

Special Commitment Center: Utility Replacements (20081504)

The reappropriation and appropriation in this section are subject to the following conditions and limitations: It is the intent of the appropriation and reappropriation to replace essential utilities, such as sanitary sewer, high voltage electrical, and fiber optic communications, serving the special commitment center, the oil corrections center on McNeil Island by replacing the Island's electrical feed from the shoreline landing to the McNeil Island corrections center generator building, and continuing on to the special commitment center. The department shall coordinate the work with the department of corrections for the most cost-effective approach to the work.

Reappropriation:

State Building Construction Account--State .....

Appropriation:

State Building Construction Account--State .....

Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL (( <u>\$6,530,000</u> ))	

\$6,006,000

Sec. 2006. 2009 c 497 s 2034 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF HEALTH**

Drinking Water Assistance Program (30000013)

The appropriation in this section is subject to the following conditions and limitations: \$38,462,000 is provided from the American recovery and reinvestment act of 2009.

Appropriation:

Drinking Water Assistance Account--Federal .....	(\$24,348,000))
<u>\$38,348,000</u>	
Drinking Water Assistance Account--Federal	
American Recovery and Reinvestment Act .....	TOTAL .....
Subtotal Appropriation .....	<u>\$2,550,000</u>
<u>\$76,810,000</u>	(\$62,810,000))
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
TOTAL .....	(\$62,810,000))
<u>\$76,810,000</u>	

Sec. 2007. 2009 c 497 s 2037 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF VETERANS AFFAIRS**

State Veterans Cemetery (20082004)

Reappropriation:

General Fund--Federal .....	
-----------------------------	--

Appropriation:

General Fund--Federal .....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
TOTAL .....	(\$7,825,000))
<u>\$9,734,000</u>	

Sec. 2008. 2009 c 497 s 2067 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

Washington Corrections Center for Women: Roof Replacement (30000178)

Appropriation:

State Building Construction Account--State.....	<u>\$1,557,000</u>
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
TOTAL .....	(\$1,832,000))
<u>\$1,557,000</u>	

NEW SECTION. Sec. 2009. A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

Washington State Penitentiary: Housing Units, Kitchen, and Site Work (30000482)

Appropriation:

State Building Construction Account--State.....	<u>\$171,000</u>	\$5,990,000
Public Safety Reimbursable Bond Account.....		<u>\$809,000</u>
Subtotal Appropriation .....		\$6,819,000
Prior Biennia (Expenditures).....		
Future Biennia (Projected Costs) .....		
TOTAL .....	\$50,819,000	

Sec. 2010. 2009 c 497 s 2072 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

Clallam Bay Corrections Center: Replace 5 Towers and Housing Roofs (30000108)

The appropriation in this section is subject to the following conditions and limitations: The funding is provided solely for the replacement of roofs on offender housing units.

Appropriation:

State Building Construction Account--State .....	<u>\$2,550,000</u>
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL .....	(\$3,000,000))
<u>\$2,550,000</u>	\$38,462,000
	(\$62,810,000))

Sec. 2011. 2009 c 497 s 2075 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

Monroe Corrections Center: Water Line Replacement (30000137)

Appropriation:

State Building Construction Account--State .....	<u>\$1,538,000</u>
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL .....	(\$1,809,000))
<u>\$1,538,000</u>	\$6,815,000

Sec. 2012. 2009 c 497 s 2078 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

Washington State Penitentiary: Kitchen Improvements (20061007)

Reappropriation:

State Building Construction Account--State .....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL .....	(\$630,000))

Sec. 2013. 2009 c 497 s 2068 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

300 Minimum Security Bed Expansion - Three Locations (20082850)

Reappropriation:

State Building Construction Account--State .....	<u>\$15,000</u>
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL .....	(\$477,000))

Sec. 2014. 2009 c 497 s 2054 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

Washington State Penitentiary: Replace Roofs (20081007) .. \$0

Future Biennia (Projected Costs) .....

    TOTAL .....

Reappropriation:

State Building Construction Account--State .....	<u>\$180,000</u>
Prior Biennia (Expenditures).....	

Future Biennia (Projected Costs).....	State and Local Improvements Revolving Account.....	\$0
TOTAL (( <del>\$1,789,000</del> ))	(Water Supply Facilities)--State .....	

\$769,000

Sec. 2015. 2009 c 497 s 2064 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF CORRECTIONS**

Mission Creek Corrections Center for Women: 100-Bed Expansion (20082020)

Reappropriation:

State Building Construction Account--State.....	.....	(( <del>\$5,331,000</del> ))
<u>\$4,419,000</u>		

Prior Biennia (Expenditures).....	.....	
Future Biennia (Projected Costs) .....	.....	

TOTAL (( <del>\$6,627,000</del> ))		
<u>\$5,715,000</u>		

(End of part)

**PART 3**

**NATURAL RESOURCES**

Sec. 3001. 2009 c 497 s 3059 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

Kittitas Groundwater Study (30000029)

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

By September 30, 2010, if, after consultation with major Yakima basin governments and stakeholders, the department of ecology and Kittitas county reach an agreement on a preferred approach, including the appropriate geographic scope and administering entity, the appropriation may be fully or partially redirected for the following purposes:

(1) Funds may be provided to develop and implement water banking and transfer methods and agreements that are fully protective of senior water rights and that protect domestic groundwater users and improve the profitability of farming operations. The legislature finds such activities to be in the public interest because they can help sustain the viability of the agricultural economy and enhance the certainty of water supplies for domestic groundwater users.

(2) Funds may be provided to lease or purchase water rights to create a reserve water supply for domestic groundwater users that have a groundwater right with a priority date later than May 10, 1905, as well as for all out-of-priority groundwater users. In securing water for such domestic groundwater users, strong preference shall be given to the use of water banking and transfer methods that provide alternatives to permanent purchase and dry-up of agricultural water rights in the basin, including dry-year options, water banking, long-term water supply lease agreements, long-term agricultural land following agreements, and reduced consumptive use through efficiency or alternative cropping arrangements while maintaining historic return flows.

(3) A portion of the appropriation may be used for administrative costs, not to exceed four percent, and other costs associated with leasing or acquiring and transferring the water rights. All costs shall be fully recovered from participating domestic water users for their prorated portion of the cost, including but not limited to the costs of securing a water right or rights for this purpose, costs associated with the development and implementation of alternative agricultural water transfer methods, associated annual operational costs, and federal water service contract costs owed to the United States bureau of reclamation. Funds recovered in this manner shall be deposited in the state and local improvement revolving fund and may be used for any purpose provided in this section.

Appropriation:

Prior Biennia (Expenditures).....	.....	
Future Biennia (Projected Costs).....	.....	
TOTAL \$700,000		

Sec. 3002. 2009 c 497 s 3039 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

Flood Protection Study (20082855)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation in this section is provided solely for the department to conduct a study to ~~identify the number of decertified levees in the state and to identify strategies for maintaining accreditation, re-accrediting, or recertifying ((the)) levees so that they ((provide)) are recognized by federal agencies as providing optimum protection for the communities protected by the levees. The department must prioritize areas to include in the study based on population and the economic impact of potential flood damage.~~

The study must include the following components:

- (1) A working group of levee managers, local agencies, and stakeholders to advise and inform the study;
- (2) ~~((A))~~ In-state examples of the costs and processes of technical review of the structural integrity of levee systems;
- (3) An inventory, map, and ~~((rate the effectiveness))~~ description of the level of protection of existing levee systems; ~~((and))~~
- (4) The development of strategies and actions needed to improve the existing levee system and to ensure certification by the United States army corps of engineers for one-hundred year flood protection;
- (5) The identification of current funding sources and the amounts available for levee improvements; and
- (6) Recommendation for additional new funding sources and options.
- (7) The study must be completed and a report provided to the appropriate legislative committees by ~~((July))~~ December 1, 2010.
- (8) The study under this section is exempt from the provisions of section 602, chapter 3, Laws of 2010 and section 7, chapter 5, Laws of 2009.

Reappropriation:

State Building Construction Account--State .....	.....	
--	-------	--

Prior Biennia (Expenditures).....	.....	
Future Biennia (Projected Costs).....	.....	
TOTAL \$280,000		

Sec. 3003. 2009 c 497 s 3007 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

Sunnyside Valley Irrigation District Water Conservation (20052851)

Reappropriation:

State Building Construction Account--State .....	.....	
--	-------	--

Appropriation:

State Building Construction Account--State .....	.....	
<u>\$7,250,000</u>		

Prior Biennia (Expenditures).....	.....	
Future Biennia (Projected Costs).....	.....	
TOTAL (( <del>\$13,797,000</del> ))		
<u>\$18,197,000</u>		

Sec. 3004. 2009 c 497 s 3026 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**

Centennial Clean Water Program (20084010)

Reappropriation:  
 State Building Construction Account--State .....  
\$24,750,000  
 State Toxics Control Account--State.....  
 Water Quality Capital Account--State .....  
 Subtotal Reappropriation.....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
 TOTAL \$66,883,000

**Sec. 3005.** 2009 c 497 s 3043 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Centennial Clean Water Program (30000008)

The appropriation in this section is subject to the following conditions and limitations: For the 2011 funding cycle, the department must accept applications for the program until December 1, 2009. The program must include competitive application processes for projects relating to storm water systems, sewer systems, and septic systems prioritized on a worst-case, first-need basis.

Appropriation:  
 ((State Building Construction Account--State))  
 State Toxics Control Account--State.....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
 TOTAL \$270,000,000

**Sec. 3006.** 2009 c 497 s 3049 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Upper Columbia River Black Sand Beach Cleanup (30000016)

Appropriation:  
 State Building Construction Account--State.....  
\$500,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
 TOTAL (((\$3,000,000))

**Sec. 3007.** 2009 c 497 s 3050 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Orphaned and Abandoned Site Cleanup Initiative (30000018)

Appropriation:  
 State Building Construction Account--State.....  
\$400,000  
 State Toxics Control Account--State.....  
 Cleanup Settlement Account--State .....  
 Subtotal Appropriation .....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
 TOTAL \$8,877,000

**Sec. 3008.** 2009 c 497 s 3053 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Skykomish Cleanup and Restoration (30000020)

Appropriation:  
 ((State Building Construction Account--State))

State Toxics Control Account--State .....  
 Cleanup Settlement Account--State .....  
 Subtotal Appropriation ..... (((\$34,870,000))

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL \$4,350,000

**Sec. 3009.** 2009 c 497 s 3054 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Storm Water Retrofit and Low-Impact Development Grant Program (30000097)

Appropriation:  
 ((State Building Construction Account--State))  
 State Toxics Control Account--State.....  
 State and Local Improvements Revolving Account - Waste Disposal Facilities.....  
 State and Local Improvements Revolving Account - Waste Disposal Facilities, 1980.....  
 Subtotal Appropriation .....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL \$4,609,000

**Sec. 3010.** 2009 c 497 s 3047 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Coordinated Prevention Grants (30000013).....

The appropriation in this section is subject to the following conditions and limitations: \$4,270,000 of the appropriation is provided solely for grants to local governments for local waste and pollution prevention projects. Grants must fund new organics composting and conversion, green building, and moderate risk waste initiatives described in the state "beyond waste" plan, including alternatives to backyard burning of organic materials.

Appropriation:  
 ((State Building Construction Account--State))  
 Local Toxics Control Account--State.....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL \$135,680,000

**Sec. 3011.** 2009 c 497 s 3060 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Remedial Action Grant Program (30000039)

Appropriation:..... (((\$1,000,000))  
 ((State Building Construction Account--State))  
 Local Toxics Control Account--State.....  
 State Toxics Control Account--State.....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL \$1,277,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL \$7,600,000

**Sec. 3012.** 2009 c 497 s 3020 (uncodified) is amended to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Breazeale Interpretive Center (20082856)

Reappropriation:  
 General Fund--Federal .....

\$419,000  
 Prior Biennia (Expenditures).....  
\$76,000  
 Future Biennia (Projected Costs) .....  
 TOTAL \$495,000  
**NEW SECTION. Sec. 3013.** A new section is added to 2009 c 497 (uncodified) to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Settlement Funding to Clean Up Toxic Sites (30000145)

Appropriation:  
 Cleanup Settlement Account--State .....  
 Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
 TOTAL \$8,500,000  
**NEW SECTION. Sec. 3014.** A new section is added to 2009 c 497 (uncodified) to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Cleanup Asarco Contamination on Vashon/Maury Islands and Mines (91000009)

The appropriation in this section is subject to the following conditions and limitations: \$15,000,000 of the cleanup settlement account appropriation is provided solely for the department of ecology to assist King County in the acquisition and remediation of property on Vashon and Maury Islands. The properties are in the Tacoma smelter plume area and are contaminated with arsenic and other heavy metals from the Asarco smelter.

Appropriation:  
 Cleanup Settlement Account--State .....  
 Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
 TOTAL \$15,000,000  
**NEW SECTION. Sec. 3015.** A new section is added to 2009 c 497 (uncodified) to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Clean Up Toxic Sites - Puget Sound (30000144)

Appropriation:  
 Cleanup Settlement Account--State .....  
 Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
 TOTAL \$800,000  
**NEW SECTION. Sec. 3016.** A new section is added to 2009 c 497 (uncodified) to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Reducing Diesel Particle Emissions in Tacoma (30000139)

Appropriation:  
 Air Pollution Control Account--State .....  
 Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
 TOTAL \$1,000,000  
**NEW SECTION. Sec. 3017.** A new section is added to 2009 c 497 (uncodified) to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Reducing Wood Smoke Particle Emissions in Tacoma (30000140)

Appropriation:

Air Pollution Control Account--State.....  
 Prior Biennia (Expenditures)..... ~~(\$225,000)~~  
 Future Biennia (Projected Costs).....  
 TOTAL \$600,000 \$0

**NEW SECTION. Sec. 3018.** A new section is added to 2009 c 497 (uncodified) to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Storm Water Projects (91000014)

Appropriation:  
 Storm Water Account--State ..... \$8,500,000  
 Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs)..... \$0  
 TOTAL \$101,700,000 \$0

**NEW SECTION. Sec. 3019.** A new section is added to 2009 c 497 (uncodified) to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Water Pollution Control Revolving Fund Program Match (91000008)

Appropriation:  
 Public Works Assistance Account--State.....  
 Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL \$1,400,000

**NEW SECTION. Sec. 3020.** A new section is added to 2009 c 497 (uncodified) to read as follows:  
**FOR THE DEPARTMENT OF ECOLOGY**  
 Water Pollution Control Revolving Fund Program (30000142)

Appropriation:  
 Water Pollution Control Revolving Account--State ..... \$0  
 Water Pollution Control Revolving Account--Federal ..... \$0  
 Subtotal Appropriation .....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL \$42,000,000

**Sec. 3021.** 2009 c 497 s 3048 (uncodified) is amended as follows:

**FOR THE DEPARTMENT OF ECOLOGY**..... \$0  
 Swift Creek Natural Asbestos Cleanup (30000015)..... \$0

Appropriation:  
~~((State Building Construction Account--State))~~  
State Toxics Control Account--State .....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL \$15,800,000 \$1,000,000

**Sec. 3022.** 2009 c 497 s 3044 (uncodified) is amended to read as follows:..... \$0

**FOR THE DEPARTMENT OF ECOLOGY**..... \$0  
 Reducing Health Threats from Woodstove Pollution (30000010)

Appropriation:  
~~((State Building Construction Account--State))~~  
State Toxics Control Account--State .....

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....

TOTAL \$9,000,000  
**Sec. 3023.** 2009 c 497 s 3052 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF ECOLOGY**  
 Safe Soils Remediation Program (30000019)

Appropriation:  
 State Building Construction Account--State.....  
\$920,000  
 State Toxics Control Account--State.....

Prior Biennia (Expenditures)..... \$0  
 Future Biennia (Projected Costs) ..... \$0  
 TOTAL \$4,000,000

**Sec. 3024.** 2009 c 497 s 3093 (uncodified) is amended to read as follows:

**FOR THE STATE PARKS AND RECREATION COMMISSION**

Flaming Geyser State Park Park-wide Infrastructure Redevelopment (30000173)

Appropriation:  
 State Building Construction Account--State.....  
\$3,003,000

Prior Biennia (Expenditures)..... \$0  
 Future Biennia (Projected Costs) ..... \$0  
 TOTAL ((\$3,533,000))  
\$3,003,000

**Sec. 3025.** 2009 c 497 s 3094 (uncodified) is amended to read as follows:

**FOR THE STATE PARKS AND RECREATION COMMISSION**

Dash Point State Park Sanitary Sewer Collection System (30000269)

Appropriation:  
 State Building Construction Account--State.....  
\$3,247,000

Prior Biennia (Expenditures)..... \$0  
 Future Biennia (Projected Costs) ..... \$0  
 TOTAL ((\$3,820,000))  
\$3,247,000

**Sec. 3026.** 2009 c 497 s 3090 (uncodified) is amended to read as follows:

**FOR THE STATE PARKS AND RECREATION COMMISSION**

Illahee State Park Wastewater Treatment Upgrade (30000447)

Appropriation:  
 State Building Construction Account--State.....  
\$1,572,000

Prior Biennia (Expenditures)..... \$0  
 Future Biennia (Projected Costs) ..... \$0  
 TOTAL ((\$1,850,000))  
\$1,572,000

**Sec. 3027.** 2009 c 497 s 3091 (uncodified) is amended to read as follows:

**FOR THE STATE PARKS AND RECREATION COMMISSION**

Cama Beach State Park (30000101)

Appropriation:

State Building Construction Account--State.....  
\$2,775,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL ((\$3,265,000))

\$2,775,000  
**Sec. 3028.** 2009 c 497 s 3085 (uncodified) is amended to read as follows:

**FOR THE STATE PARKS AND RECREATION COMMISSION**  
 Subtotal Appropriation \$4,000,000

Federal Grant Authority (30000006)..... \$0

Appropriation:..... \$0

General Fund--Federal .....  
\$1,990,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL ((\$4,990,000))

\$5,990,000

**Sec. 3029.** 2009 c 497 s 3109 (uncodified) is amended to read as follows:

**FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

Washington Wildlife and Recreation Program (20044002)..... \$0

The reappropriations in this section are subject to the following conditions and limitations: Any amount of the reappropriations that is not obligated to a specific project may be used to fund alternate projects approved by the legislature from the same account in biennia succeeding that in which the moneys were originally appropriated.

Reappropriation:

Outdoor Recreation Account--State.....  
 Habitat Conservation Account--State.....  
\$4,319,000

Subtotal Reappropriation .....  
\$5,818,000..... ((\$3,820,000))

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
 TOTAL ..... \$0

\$44,530,000

**Sec. 3030.** 2009 c 497 s 3133 (uncodified) is amended to read as follows:

**FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

Washington Wildlife Recreation Grants (20084011)

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

(1) The reappropriations are provided solely for ~~the~~ list of projects in LEAP capital document No. 2007-3 as developed on March 17, 2007, and LEAP capital document No. 2008-1 as developed on February 13, 2008..... \$0

(2) If additional funds are available after funding the farmlands preservation account projects approved in subsection (1) of this section, the committee may: Provide one-time grants of up to \$25,000 each to counties requesting assistance in developing farmlands preservation strategies for the purpose of seeking grants from the farmlands preservation account in future grant cycles.

(3) Funds reappropriated for distribution according to the provisions of RCW 79A.15.040(1)(c) must be allocated forty percent to local government projects and sixty percent to state agency projects. If the cumulative total of local government projects is less

than forty percent of the total distribution to this category, the difference may be allocated to state agency projects.

(4) Up to \$627,299 of the reappropriation from the riparian protection account is provided solely for the Chehalis river surge plain natural area preserve. This amount may not be expended for the project until the department of natural resources has completed a management plan for the preserve that maintains recreational access and that management plan is presented to the house of representatives capital budget and senate ways and means committees.

Reappropriation:

Farmlands Preservation Account--State.....  
\$4,319,000

Riparian Protection Account--State .....

Habitat Conservation Account--State .....

Outdoor Recreation Account--State .....

Subtotal Reappropriation.....

\$63,769,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((\$100,000,000))

\$99,019,000

**Sec. 3031.** 2009 c 497 s 3138 (uncodified) is amended to read as follows:

**FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

Aquatic Lands Enhancement Account (30000007)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for the list of projects in LEAP capital document No. 2009-3, developed March 9, 2009.

Appropriation:

State Building Construction Account--State.....  
\$555,000

Aquatic Lands Enhancement Account--State .....

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL \$25,125,000

**Sec. 3032.** 2009 c 497 s 3168 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF FISH AND WILDLIFE**

Mitigation Projects and Dedicated Funding (20082048)

The reappropriation in this section is subject to the following conditions and limitations: Up to \$2,300,000 of the reappropriation is provided solely for capital projects and engineering to pay the total cost of labor and materials provided by the department of fish and wildlife.

Reappropriation:

General Fund--Federal .....

Appropriation:

General Fund--Private/Local.....

Game Special Wildlife Account--Federal.....

Game Special Wildlife Account--Private/Local .....

General Fund--Federal .....

\$31,000,000

Subtotal Appropriation .....

\$35,000,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL ((\$171,925,000))

\$177,925,000

**NEW SECTION. Sec. 3033.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE PUGET SOUND PARTNERSHIP**

Puget Sound Aquatic Cleanup and Restoration (30000004)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for the Carpenter creek estuary restoration project..... ((\$5,300,000))

Appropriation:..... \$12,500,000

State Building Construction Account--State..... \$23,956,000

..... \$22,994,000

Prior Biennia (Expenditures)..... ((\$64,750,000))

Future Biennia (Projected Costs).....

TOTAL \$2,000,000

**Sec. 3034.** 2009 c 497 s 3203 (uncodified) is amended to read as follows:..... \$0

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

Trust Land Transfer (30000066)

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

(1) The total appropriation is provided to the department solely to transfer from trust status, or enter into fifty year leases for, certain trust lands of statewide significance deemed appropriate for state park, fish and wildlife habitat, natural area preserve, natural resources conservation area, open space, housing and essential government services, or recreation purposes. The approved list of properties for lease or transfer is identified in the LEAP capital document No. 2009-2a, developed April 23, 2009.

(2) Property transferred under this section must be appraised and transferred at fair market value. The value of the transferred property must be deposited by the department to the common school construction account in the same manner as timber revenues from other common school trust lands. No deduction from the common school resource management cost account under RCW 79.64.040. The value of the land transferred must be deposited in the natural resources real property replacement account..... \$20,100,000

(3) Property subject to lease agreements under this section must be appraised at fair market value. Lease terms must be fifty years with options to renew for an additional fifty years. Lease payments must be lump sum payments for the entire term of the lease at the beginning of the lease. The department shall calculate such lump sum payments using professional appraisal standards. These lease payments may not exceed the fee simple purchase price based on current fair market value and must be deposited by the department to the common school construction account in the same manner as lease revenues from other common school trust lands. No deduction may be made for the resource management cost account under RCW 79.64.040.

(4) All reasonable costs incurred by the department to implement this section are authorized to be paid out of the appropriation. Authorized costs include the actual cost of appraisals, staff time, environmental reviews, surveys, and other similar costs and shall not exceed ~~((one and nine tenths))~~ two and six tenths per cent of the appropriation..... \$600,000

(5) Intergrant exchanges between common school and trust lands of equal value may occur if the exchange is of equal value of each trust, as determined by the board of natural resources..... ((\$25,000,000))

(6) Prior to or concurrent with conveyance of the property to the department, with full cooperation of the receiving agencies, shall execute and record a real property instrument that dedicates the

transferred properties to the purposes identified in subsection (1) of this section. Transfer and lease agreements for properties identified in subsection (1) of this section must include terms that restrict the use of the property to the intended purpose. Transfer and lease agreements may include provisions for receiving agencies to request alternative uses of the property, provided the alternative uses are compatible with the original intended public purpose and the department and legislature approves such uses.

(7) The department and receiving agencies shall work in good faith to carry out the intent of this section. However, the department or receiving agencies may remove a property from the transfer list based on new, substantive information, if it is determined that transfer of the property is not in the statewide interest of either the common school trust or the receiving agency.

(8) The department shall execute trust land transfers that, after the deduction of reasonable costs as provided in subsection (4) of this section, eighty percent of the total value of transferred property is timber value and is deposited in the common school construction account. To achieve the eighty percent requirement, the department may choose to lease properties originally intended as transfers.

(9) \$4,189,000 of the amount appropriated is provided solely for fifty-year leases of development rights from timber lands at risk of conversion to non-timber land uses purchased from appropriations in the 2007-2009 fiscal period.

(10) ~~((On June 30, 2011,))~~ The state treasurer shall transfer all remaining uncommitted funds from this appropriation to the common school construction account and the appropriations in this section shall be reduced by an equivalent amount.

Appropriation:

State Building Construction Account--State.....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
TOTAL	\$500,133,000

**NEW SECTION. Sec. 3035.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**  
Forest Biomass (91000003)

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

The appropriation in this section is provided solely for the purchase of forest biomass feedstock processing equipment appropriate for forest biomass-to-energy projects in eastern Washington in areas with a scarcity of primary wood processing facilities, or for making grants on a competitive basis to local governments or nonprofit entities in such local areas for purchase of such equipment. Equipment purchased, either by the department or a grantee, must be made available for lease, or other lawful means of conveyance, or be operated directly, for use in forest biomass-to-energy projects in an area of eastern Washington with a scarcity of primary wood processing facilities. In providing for the use of such equipment, consideration shall be given by the department or grantee in the opportunity for the forest biomass-to-energy project to promote forest treatments to improve forest health and/or remove hazardous buildup of forest fuels. Consideration may also be given to generating jobs in counties with high rates of unemployment.

Appropriation:

State Building Construction Account--State.....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs) .....	
TOTAL	\$750,000

**NEW SECTION. Sec. 3036.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

Removal/Cleanup of Asarco Docks in Ruston/Commencement Bay (91000004)

Appropriation:

Resource Management Cost Account--State .....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL	\$2,050,000

**NEW SECTION. Sec. 3037.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

Forest and Fish Adaptive Management Program (91000006)

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

The appropriation is provided solely for activities related to the state's implementation of the forest and fish report as defined in chapter 76.09 RCW and related activities, including but not limited to adaptive management or monitoring.

Appropriation:

Storm Water Account--State.....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL.....	

(End of part)

**PART 4**

**TRANSPORTATION..... \$100,133,000**

**Sec. 4001.** 2009 c 497 s 4008 (uncodified) is amended to read as follows:..... \$0

~~**FOR THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**~~

Commute Trip Reduction for Thurston County State Agencies (92000001)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for implementation of chapter 427, Laws of 2009 (Substitute Senate Bill No. 6088 (commute trip reduction)).

Appropriation:

State Vehicle Parking Account--State.....	
<u>\$650,000</u>	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL	(\$734,000)

\$650,000

(End of part)

**PART 5**  
**EDUCATION**

**Sec. 5001.** 2009 c 497 s 5007 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**

Vocational Skills Centers (20084300)

Reappropriation:

State Building Construction Account--State.....	\$750,000
<u>\$55,546,000</u>	
Prior Biennia (Expenditures).....	\$0
Future Biennia (Projected Costs).....	\$0
TOTAL	(\$73,707,000)

\$70,707,000

Sec. 5002. 2009 c 497 s 5008 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**  
Northeast King County Skills Center (20084855)

Appropriation:

School Construction/Skills Center Building

Account--State .....

\$8,643,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((9,599,000))

\$9,193,000

Sec. 5003. 2009 c 497 s 5009 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**  
North Central Technical Skills Center (20084861)

Appropriation:

School Construction/Skills Center Building

Account--State .....

\$3,960,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((22,557,000))

\$22,510,000

Sec. 5004. 2009 c 497 s 5002 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**  
School Construction Assistance Grants (20084200)

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

For school construction projects funded through the school construction assistance grant program, the superintendent of public instruction shall require mapping the design of new facilities and remapping the design of facilities to be remodeled.

Reappropriation:

Common School Construction Account--State.....

Appropriation:

State Building Construction Account--State.....

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL \$791,759,000

Sec. 5005. 2009 c 497 s 5010 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**  
Pierce County Skills Center (20084856)

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

(1) \$150,000 of the appropriation is for the relocation and installation of two double portables for offices and classrooms.

(2) \$150,000 of the appropriation is for fiber optics.

Reappropriation:

School Construction/Skills Center Building

Account--State.....

Appropriation:

School Construction/Skills Center Building

Account--State .....

\$8,950,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL ((12,036,000))

\$10,986,000

Sec. 5006. 2009 c 497 s 5013 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**  
Vocational Skills Center Minor Capital Projects (30000000)

Appropriation:

School Construction and Skill Centers Building

Account--State .....

\$3,594,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL ((3,694,000))

\$3,594,000

Sec. 5007. 2009 c 497 s 5014 (uncodified) is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**  
2009-11 School Construction Assistance Grant (\$10,000,000)

Appropriation:

School Construction Assistance Grant (30000031).....

\$18,500,000

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

(1) The office of the superintendent of public instruction shall develop a tracking system to increase accuracy in predicting the timing of school district claims for reimbursement for school construction assistance grants. The office of the superintendent of public instruction shall also improve its communication with school districts regarding the status of grant projects and create requirements regarding the timing of reimbursement claims. The office of the superintendent of public instruction shall submit a report on the progress of the new tracking and communication system to the appropriate committees of the legislature by November 15, 2009. The report must include a list of school district capital projects receiving state funding and each project's anticipated final reimbursement date. \$176,922,000

(2) In calculating square foot eligibility for state assistance grants, kindergarten student headcount shall not be reduced by fifty percent.

(3) For school construction projects funded through the school construction assistance grant program, the superintendent of public instruction shall require mapping the design of new facilities and remapping the design of facilities to be remodeled. \$0

Appropriation:

State Building Construction Account--State .....

\$258,541,000

Common School Construction Account--State.....

\$200,826,000

Common School Construction Account--Federal.....

\$1,700,000

School Construction and Skill Centers Building

Account--Bond--State.....

\$59,887,000

Subtotal Appropriation .....

\$520,954,000

Prior Biennia (Expenditures)..... \$1,563,000

Future Biennia (Projected Costs).....

TOTAL ((4,610,733,000))

\$4,441,954,000

**NEW SECTION. Sec. 5008.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION**  
Jobs Act for K-12 Public Schools (91000010)

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

(1) The appropriation is provided solely for grants to K-12 public school districts for energy and operational cost savings improvements and related projects that result in energy and utility and operational cost savings. Related projects are those projects that must be completed in order for the energy efficiency improvement to be effective.

(2) The office of the superintendent of public instruction, in consultation with the department of general administration, the department of commerce, and the Washington State University energy program shall establish a competitive process to solicit and evaluate applications from K-12 public school districts. Final grant awards shall be determined by the office of the superintendent of public instruction.

(3) Grants must be awarded in competitive rounds, as provided in this subsection:

(a) Grants to K-12 public school districts, with at least five percent of the total grant round for small K-12 school districts with fewer than 1,000 full-time equivalent students.

(b) Grants shall be distributed in additional competitive rounds the same as established in (a) of this subsection.

(4) Within each competitive round, projects must be weighted and prioritized based on the following criteria and in the following order:

(a) Leverage ratio: In each round, the higher the leverage ratio of nonstate funding sources to state jobs act grant, the higher the project ranking.

(b) Energy savings: In each round, the higher the energy savings, the higher the project ranking. Applicants must submit documentation that demonstrates energy and operational cost savings resulting from the installation of energy equipment and improvements. The documentation must include, but is not limited to the following:

- (i) A description of energy equipment and improvements; and
- (ii) A description of energy and operational cost savings. The energy savings analysis must be performed by a licensed engineer.

(c) Expediency of expenditure: Project readiness to spend funds must be prioritized so that the legislative intent to expend funds quickly is met.

(5) Projects that do not use energy savings performance contracting must: (a) Verify energy and operational cost savings for ten years or until energy and operational costs savings pay for the project, whichever is shorter; (b) follow the department of general administration's energy savings performance contracting project guidelines; and (c) employ a licensed engineer for the energy audit and construction. The department of general administration may require third-party verification of savings if a project is not implemented by an energy savings performance contractor selected by the department of general administration through the request of qualifications process. Third-party verification must be conducted either by an energy savings performance contractor selected by the department of general administration through a request for qualifications or by a project or educational service district resource conservation manager.

(6) To intensify competition, the office of the superintendent of public instruction may only award funds to the top eighty-five percent of projects applying in a round until the office of the superintendent of public instruction determines a final round is appropriate. Projects

that do not receive a grant award in one round may reapply in subsequent rounds.

(7) Grant amounts awarded to each project must allow for the maximum number of projects funded with the greatest energy and cost benefit.

(8) The office of the superintendent of public instruction must use bond proceeds to pay one-half of the preliminary audit, up to five cents per square foot, if the project does not meet the school district's predetermined cost-effectiveness criteria. The school district must pay the other one-half of the cost of the preliminary audit if the project does not meet the school district's predetermined cost-effectiveness criteria. The energy savings performance contractor shall not charge for an investment grade audit if the project does not meet the school district's predetermined cost-effectiveness criteria. The school district must pay the full price of an investment grade audit if they do not proceed with a project that meets the school district's predetermined cost-effectiveness criteria.

(9) The office of the superintendent of public instruction may charge projects administrative fees. The office of the superintendent of public instruction may pay the department of general administration administrative fees in an amount determined through a memorandum of understanding.

(10) The office of the superintendent of public instruction and the department of general administration must submit a joint report to the appropriate committees of the legislature and the office of financial management on the timing and use of the grant funds, program administrative function, and administrative fees by the end of each fiscal year, until the funds are fully expended and all savings verification requirements are fulfilled.

Appropriation:

State Building Construction Account--State .....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL	\$150,000,000

**NEW SECTION. Sec. 5009.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS**

Lloyd Auditorium Emergency Repairs (30000012)

Appropriation:

State Building Construction Account--State .....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
TOTAL	\$2,500,000

**Sec. 5010.** 2009 c 497 s 5027 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**

Balmer Hall Reconstruction (20081004)

In conjunction with the appropriation in this section, University of Washington is authorized to issue a bond or bonds in an amount not to exceed \$38,600,000 in value for construction of the facility identified in this section. The bond must be financed from building fee and trust land revenue deposited into the university's bond retirement account in accordance with RCW 28B.20.700 through 28B.20.740.

Reappropriation:

State Building Construction Account--State .....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	

\$0  
TOTAL ((~~\$42,600,000~~))  
\$4,000,000

Sec. 5011. 2009 c 497 s 5023 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**  
Savery Hall Renovation (20061005)

Reappropriation:  
Gardner-Evans Higher Education Construction  
Account--State.....  
\$10,823,000

Prior Biennia (Expenditures).....  
Future Biennia (Projected Costs).....  
TOTAL ((~~\$61,510,000~~))  
\$61,333,000

Sec. 5012. 2009 c 497 s 5026 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**  
Denny Hall Renovation (20081002)

~~(Reappropriation:  
State Building Construction Account--State.....~~

Prior Biennia (Expenditures).....  
Future Biennia (Projected Costs).....  
\$49,692,000  
TOTAL ((~~\$53,692,000~~))  
\$52,892,000

Sec. 5013. 2009 c 497 s 5037 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**  
Lewis Hall Renovation (20081003)

Reappropriation:  
State Building Construction Account--State.....  
\$478,000

Prior Biennia (Expenditures).....  
Future Biennia (Projected Costs).....  
TOTAL ((~~\$25,585,000~~))  
\$25,063,000

Sec. 5014. 2009 c 497 s 5030 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**  
UW Tacoma (20082005)

Reappropriation:  
State Building Construction Account--State.....

Appropriation:  
State Building Construction Account--State.....  
\$30,775,000

Prior Biennia (Expenditures).....  
Future Biennia (Projected Costs).....  
TOTAL ((~~\$57,194,000~~))  
\$53,969,000

Sec. 5015. 2009 c 497 s 5035 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**  
UW Tacoma - Land Acquisition (20092003)

In conjunction with the appropriation in this section, University of Washington is authorized to issue a bond or bonds in an amount not to exceed \$2,000,000 for the purchase of the land identified in this

section. The bond must be financed from building fee and trust land revenue deposited into the university's bond retirement account in accordance with RCW 28B.20.700 through 28B.20.740.

Reappropriation:  
Education Construction Account--State.....

Prior Biennia (Expenditures).....  
Future Biennia (Projected Costs).....  
TOTAL \$2,000,000

Sec. 5016. 2009 c 497 s 5039 (uncodified) is amended to read as follows:

**FOR THE UNIVERSITY OF WASHINGTON**  
Minor Works - Facility Preservation (30000027)... \$50,510,000  
\$0

Appropriation:  
Education Construction Account--State.....  
State Building Construction Account--State.....  
\$23,471,000

University of Washington Building Account--State.....  
Subtotal Appropriation.....

Prior Biennia (Expenditures).....  
Future Biennia (Projected Costs).....  
TOTAL \$180,175,000

Sec. 5017. 2009 c 497 s 5047 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE UNIVERSITY**  
WSU Vancouver - Applied Technology and Classroom Building (20062950)

In conjunction with the appropriation in this section, Washington State University is authorized to issue a bond or bonds in an amount not to exceed \$10,000,000 in value for construction of the facility identified in this section. The bond must be financed from building fee and trust land revenues deposited into the university's bond retirement account in accordance with RCW 28B.20.700 through 28B.30.780.

Reappropriation:..... \$1,000,000  
State Building Construction Account--State..... \$23,585,000

Appropriation:  
State Building Construction Account--State.....  
\$23,593,000

Prior Biennia (Expenditures).....  
Future Biennia (Projected Costs).....  
TOTAL ((~~\$31,662,000~~))

\$28,513,000  
Sec. 5018. 2009 c 497 s 5064 (uncodified) is amended to read as follows:

**FOR THE EASTERN WASHINGTON UNIVERSITY**  
Patterson Hall Remodel (20062002)

Reappropriation:..... \$2,150,000  
State Building Construction Account--State..... \$17,044,000

Appropriation:  
State Building Construction Account--State.....  
\$24,170,000

Prior Biennia (Expenditures).....  
Future Biennia (Projected Costs).....  
TOTAL ((~~\$63,150,000~~))

\$60,720,000  
Sec. 5019. 2009 c 497 s 5077 (uncodified) is amended to read as follows:

**FOR THE CENTRAL WASHINGTON UNIVERSITY**

Hogue Hall Renovation and Addition (20082003)

Reappropriation:

Gardner-Evans Higher Education Construction

Account--State.....

Appropriation:

State Building Construction Account--State.....

\$19,468,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$49,102,000~~))

\$41,305,000

**Sec. 5020.** 2009 c 497 s 5094 (uncodified) is amended to read as follows:

**FOR THE EVERGREEN STATE COLLEGE**  
Laboratory and Art Annex Building Renovation (30000026)

Appropriation:

State Building Construction Account--State.....

\$4,122,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL.....

\$4,122,000

**Sec. 5021.** 2009 c 497 s 5100 (uncodified) is amended to read as follows:

**FOR THE WESTERN WASHINGTON UNIVERSITY**

Miller Hall Renovation (20041953)

Reappropriation:

State Building Construction Account--State.....

Appropriation:

State Building Construction Account--State.....

\$45,744,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$60,398,000~~))

\$51,517,000

**NEW SECTION. Sec. 5022.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**  
Vancouver National Historic Reserve West Barracks (91000002)

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

(1) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.

(2)(a) The Washington state historical society shall include provisions in the contract under this section that require that: (i) Capital improvements be held by the grantee for a specified period of time that is appropriate to the amount of the grant; and (ii) the facility be used to provide a public benefit.

(b) If the grantee is found to be out of compliance with provisions of the contract, the grantee shall repay to the state general fund the principal amount of the grant plus interest calculated at the rate of interest on state of Washington general obligation bonds issued most closely to the date of authorization of the grant.

Appropriation:

State Building Construction Account--State.....

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL \$1,000,000

**NEW SECTION. Sec. 5023.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

Vancouver National Historic Reserve Visitors Center (950000001)

Appropriation:..... ((~~\$27,265,000~~))

State Building Construction Account.....

Prior Biennia (Expenditures)..... \$1,500,000

Future Biennia (Projected Costs)..... \$18,837,000

TOTAL \$750,000

**Sec. 5024.** 2003 1st sp. sess. c 26 s 726 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**  
Washington Heritage Project (04-4-004)

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

(1) The appropriation is subject to the provisions of WAC 27.34.330.

(2) The appropriation is provided solely for the following list of projects:

Project..... Amount (Reimbursed)

American museum of radio \$151,799

~~(Bigelow House preservation association~~ \$33,900)

City of Port Angeles \$112,200

City of Roslyn \$2,000,000

City of Sprague ((~~\$54,625,998~~))

Duwamish tribal service, inc. \$350,000

Enumclaw plateau historical society \$54,954

Fort Nisqually living history museum \$350,000

Gallery one \$115,500

Georgetown community council \$50,000

Gig Harbor - peninsula historical society \$140,000

Historic Seattle PDA \$350,000

Ilwaco heritage foundation \$179,400

Jefferson county public works \$350,000

Lopez Island historical society \$60,000

Museum of flight \$350,000

Museum of history and industry \$350,000

Northwest maritime center \$350,000

Olympia Waldorf school \$45,000

\$1,000,000

\$0

Spokane parks and recreation	\$136,000
Spokane symphony	\$56,925
Suquamish museum and tribal cultural center	\$7,000
Vashon parks	\$12,906
World kite museum and hall of fame	\$115,500
Subtotal	<del>(\$4,000,000)</del>
	<u>\$3,966,000</u>
Alternates	
Vashon parks	\$24,818
Clymer museum	\$113,598
San Juan historical museum	\$8,800
Jefferson county historical society	\$115,500
City of Lynnwood	\$37,835
City of Mt. Vernon	\$66,664
White river valley museum	\$115,500
Town of La Conner	\$2,376
Subtotal alternates	\$485,091
<b>TOTAL</b>	<del>(\$4,485,091)</del>
	<u>\$4,451,191</u>

Appropriation:

State Building Construction Account--State	<u>\$3,966,100</u>
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
<b>TOTAL</b>	<del>(\$4,000,000)</del>

**Sec. 5025.** 2009 c 497 s 5115 (uncodified) is amended to read as follows:  
**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**  
 Washington Heritage Projects (20044004)

Reappropriation:

State Building Construction Account--State	<u>\$657,000</u>
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
<b>TOTAL</b>	<del>(\$4,000,000)</del>

**Sec. 5026.** 2006 c 371 s 212 (uncodified) is amended to read as follows:  
**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**  
 Statewide - Washington Heritage Project Grants (06-4-004)

The appropriation in this section is subject to the following conditions and limitations:  
 (1) The appropriation is subject to the provisions of RCW 27.34.330.  
 (2) The appropriation is provided solely for the following list of projects:

<b>Project</b>	
Whatcom museum of history and art	
Fort Walla Walla museum	
Northwest maritime center	
Squaxin Island tribal museum library and research center	
Confluence project	
City of Tumwater	
City of Tacoma	
Fox theater	
Shoreline historical museum	
Metro park district of Tacoma	
Seattle parks department	
Armed forces and aerospace museum	
City of Lynnwood	
Meadowbrook farm interpretive center	
Center for wooden boats	
Bainbridge Island historical society	
Quileute tribal council	
Northwest railway museum	
Port Gamble S'Klallam tribe	
Concrete heritage museum association	
Quincy Valley historical society and museum	
Foss waterway development authority	
Broadway center for the performing arts	
<del>(Village theatre</del>	
White river valley museum	
Cascade land conservancy	
Nunez Gaona veterans park	
<b>Total</b>	<u>\$4,597,919</u>

Appropriation:

State Building Construction Account--State	<u>\$4,597,919</u>
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
<b>TOTAL</b>	<del>(\$20,663,500)</del>

**Sec. 5027.** 2009 c 497 s 5116 (uncodified) is amended to read as follows:  
**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**  
 Statewide - Washington Heritage Project Grants (20064004)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section ~~((733))~~ 212, chapter ~~((488))~~ 371, Laws of ~~((2005))~~ 2006. ~~(\$690,000)~~

Reappropriation:

State Building Construction Account--State	<u>\$3,310,000</u>
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
<b>TOTAL</b>	<del>(\$4,664,000)</del>

**Sec. 5028.** 2009 c 497 s 6048 (uncodified) is amended to read as follows:  
**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**  
 Washington Heritage Grants (07-4-004)

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

(1) The appropriation is subject to the provisions of RCW 27.34.330.

(2) The appropriation is provided solely for the following list of projects:

**Project**.....

Cascade land conservancy .....	27.34.330.....
Suquamish museum and arts center.....	
Moses Lake museum and arts center .....	
White River Valley museum .....	
The Tulalip tribe .....	
City of Mukilteo.....	
Lewis county historical museum .....	
City of Gig Harbor.....	
Bainbridge Island metro parks and recreation .....	
Polson museum.....	
Washington trust for historic preservation.....	
<del>((Historic Seattle PDA))</del> The center for wooden boats.....	
City of Tacoma .....	
City of Des Moines.....	
Fort Walla Walla museum .....	
Foss waterway seaport.....	
LaConner quilt museum .....	
Cowlitz River Valley historical society .....	
Western forest industries museum.....	
San Juan historical society .....	
Central Washington fair association .....	
Urban league of metro Seattle.....	
The center for wooden boats.....	
Jefferson county historical society.....	
Mansfield museum.....	
<del>((Martin Luther King Ballet</del> .....	
The northwest railway museum.....	
Northpoint cooperative preschool.....	

Total.....  
\$9,905,000

Appropriation:  
 State Building Construction Account--State.....  
\$9,905,000  
 Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....

TOTAL ((~~\$49,955,000~~))

\$49,905,000

**Sec. 5029.** 2009 c 497 s 5118 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**  
 Washington Heritage Grants (20074004)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the project list in section 5137, chapter 520, Laws of 2007.

Reappropriation:  
 State Building Construction Account--State.....  
\$7,580,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$10,000,000~~))

\$9,950,000

**Sec. 5030.** 2009 c 497 s 5120 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE HISTORICAL SOCIETY**  
 Washington Heritage Project Capital Grants (30000011)

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

- (1) The appropriation is subject to the provisions of RCW 27.34.330.....
- (2) The appropriation is provided solely for the following projects.....
- (3) The 2011-13 projects must be selected based on their readiness to proceed.....

<b>Project</b> .....	<b>Recommended</b> .....	<b>Amount Recommended</b> .....
Wenatchee Valley Museum.....	\$150,000.....	\$70,000
West Point Light Station.....	\$300,000.....	\$83,000
Des Moines Field House.....	\$420,000.....	\$77,000
Washington Hall.....	\$381,000.....	\$1,000,000
Percival Landing.....	\$567,000.....	\$125,000
Roslyn City Hall & Library.....	\$194,000.....	\$158,000
<del>((Spokane County courthouse</del> .....	<del>\$500,000))</del> .....	\$48,000
Snoqualmie Chapel car #5.....	\$125,000.....	\$235,000
Edmonds Carnegie Library.....	\$48,000.....	\$10,000
museum.....		<del>\$50,000))</del>
Iwaco museum collections.....	\$41,000.....	\$75,000
Minkler Mansion.....	\$200,000.....	\$40,000
Cheney house for a museum.....	\$87,000.....	<del>((9,955,000))</del>
Longview Columbia theatre.....	\$1,000,000.....	
Chinook School.....	\$350,000.....	<del>((9,955,000))</del>
Territorial Courthouse of 1858.....	\$167,000.....	\$0
Hanford Interpretive Center.....	\$147,000.....	\$40,000,000
Carnegie Library Museum.....	\$883,000.....	
Dynamite Train Canopy.....	\$50,000.....	
King Street Station.....	\$750,000.....	
Lakewood Carriage House.....	\$110,000.....	
Lincoln School.....	\$175,000.....	
Quincy Pioneer Church.....	\$195,000.....	<del>((7,630,000))</del>
Ezra Meeker Mansion.....	\$100,000.....	
Port Townsend Storage Facility.....	\$450,000.....	\$2,370,000
Puyallup Church Spire.....	\$17,000.....	\$0

Morris House and Washington Harbor School	\$27,000
Kalama Interpretive Center	\$212,000
Foss Waterway Seaport Building	\$750,000
Pioneer State Bank Building	\$201,000
Kirkman House	\$32,000
Malo Sawmill	\$70,000
Stimson-Green Mansion	\$23,000
Lightship #83	\$335,000
Masonic Temple Building	\$350,000
Wilkeson Centennial Monument	\$10,000
Eddon Boatyard ways and dock	\$243,000
Commencement Restoration	\$86,000
Vessel Shenandoah	\$179,000
<del>(Walt's Mill)</del>	<del>(\$75,000)</del>
<b>TOTAL</b>	<b><del>(\$10,000,000)</del></b>
	<b><u>\$9,425,000</u></b>

Appropriation:

State Building Construction Account--State	.....	<u>\$9,425,000</u>
Prior Biennia (Expenditures)	.....	
Future Biennia (Projected Costs)	.....	
<b>TOTAL</b>	<b><del>(\$50,000,000)</del></b>	
		<b><u>\$49,425,000</u></b>

**Sec. 5031.** 2009 c 497 s 5174 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Seattle Central Community College: Wood Construction Center (20081216)

Reappropriation:

State Building Construction Account--State	.....	\$2,000,000
--	-------	-------------

Appropriation:

State Building Construction Account--State	.....	<u>\$21,275,000</u>
Prior Biennia (Expenditures)	.....	
Future Biennia (Projected Costs)	.....	
<b>TOTAL</b>	<b><del>(\$27,194,000)</del></b>	
		<b><u>\$23,824,000</u></b>

**Sec. 5032.** 2009 c 497 s 5176 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Peninsula College: Business and Humanities Center (20081218)

Reappropriation:

State Building Construction Account--State	.....	\$1,200,000
--	-------	-------------

Appropriation:

State Building Construction Account--State	.....	<u>\$30,247,000</u>
Prior Biennia (Expenditures)	.....	
Future Biennia (Projected Costs)	.....	
<b>TOTAL</b>	<b><del>(\$35,927,000)</del></b>	
		<b><u>\$32,547,000</u></b>

**Sec. 5033.** 2009 c 497 s 5180 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Green River Community College - Trades and Industry Building (20081222)

Reappropriation:

State Building Construction Account--State	.....	
--	-------	--

Appropriation:

State Building Construction Account--State	.....	<u>\$1,707,000</u>
--	-------	--------------------

Prior Biennia (Expenditures)	.....	
Future Biennia (Projected Costs)	.....	
<b>TOTAL</b>	<b>\$31,500,000</b>	

**Sec. 5034.** 2009 c 497 s 5182 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Skagit Valley College - Academic and Student Services Building (20081224)

Reappropriation:

State Building Construction Account--State	.....	<del>(\$10,000,000)</del>
--	-------	---------------------------

Appropriation:

State Building Construction Account--State	.....	\$0
		\$40,000,000

Prior Biennia (Expenditures)	.....	
Future Biennia (Projected Costs)	.....	
<b>TOTAL</b>	<b>\$31,201,000</b>	

**Sec. 5035.** 2009 c 497 s 5183 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Lower Columbia College - Health and Science Building (20081225)

Appropriation:

State Building Construction Account--State	.....	<u>\$2,187,000</u>
--	-------	--------------------

Prior Biennia (Expenditures)	.....	\$549,000
Future Biennia (Projected Costs)	.....	\$0
<b>TOTAL</b>	<b>\$41,874,000</b>	

**Sec. 5036.** 2009 c 497 s 5184 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Grays Harbor College - Science and Math Building (20081226)

Reappropriation:

State Building Construction Account--State	.....	\$1,200,000
--	-------	-------------

Appropriation:

State Building Construction Account--State	.....	
--	-------	--

\$2,292,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
\$41,769,000  
 TOTAL.....

**Sec. 5037.** 2009 c 497 s 5217 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**  
 Seattle Central Community College - Seattle Maritime Academy (30000120)

Appropriation:  
 State Building Construction Account--State.....  
\$1,337,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
\$16,985,000  
 TOTAL \$18,322,000

**Sec. 5038.** 2009 c 497 s 5218 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**  
 Yakima Valley Community College - Palmer Martin Building (30000121)

Appropriation:  
 State Building Construction Account--State.....  
\$997,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
\$13,976,000  
 TOTAL \$14,973,000

**Sec. 5039.** 2009 c 497 s 5219 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**  
 North Seattle Community College - Technology Building Renewal (30000129)

Appropriation:  
 State Building Construction Account--State.....  
\$2,084,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
\$23,229,000  
 TOTAL \$25,313,000

**Sec. 5040.** 2009 c 497 s 5220 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**  
 Green River Community College - Science Math and Technology Building (30000130)

Appropriation:  
 State Building Construction Account--State.....  
\$1,315,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs) .....  
\$15,930,000  
 TOTAL \$17,245,000

**Sec. 5041.** 2009 c 497 s 5204 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**.....  
 Tacoma Community College - Health Careers Center (20082701)  
 \$44,337,000

Reappropriation:  
 State Building Construction Account--State.....  
 Appropriation:  
 State Building Construction Account--State.....  
\$1,811,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
\$36,700,000.....  
 TOTAL \$38,766,000

**Sec. 5042.** 2009 c 497 s 5205 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**.....  
 Bellevue Community College - Health Science Building (20082702)

Appropriation:  
 State Building Construction Account--State.....  
\$2,910,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
\$37,946,000.....  
 TOTAL \$41,000,000

**Sec. 5043.** 2009 c 497 s 5206 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**.....  
 Bates Technical College - Mohler Communications Technology Center (20082703)

Reappropriation:  
 State Building Construction Account--State.....  
 Appropriation:  
 State Building Construction Account--State.....  
\$1,192,000

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
\$23,961,000  
 TOTAL \$25,326,000

**Sec. 5044.** 2009 c 497 s 5208 (uncodified) is amended to read as follows:  
**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**  
 Clark College - Health and Advanced Technologies Building (20082705)

Reappropriation:  
 State Building Construction Account--State.....  
 Appropriation:  
 State Building Construction Account--State.....  
\$2,324,000.....  
 (((\$1,700,000))

Prior Biennia (Expenditures).....  
 Future Biennia (Projected Costs).....  
\$33,780,000.....  
 TOTAL \$36,354,000

**Sec. 5045.** 2009 c 497 s 5165 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Lake Washington Technical College - Allied Health Building (20062697)

Reappropriation:

State Building Construction Account--State.....

Appropriation:

State Building Construction Account--State.....  
\$24,770,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$27,915,000~~))

\$26,699,000

**Sec. 5046.** 2009 c 497 s 5177 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Spokane Falls Community College - Chemistry and Life Science Building (20081219)

Reappropriation:

State Building Construction Account--State.....

Appropriation:

State Building Construction Account--State.....  
\$21,007,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$30,320,000~~))

\$23,527,000

**Sec. 5047.** 2009 c 497 s 5178 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Spokane Community College - Technical Education Building (20081220)

Reappropriation:

State Building Construction Account--State.....

Appropriation:

State Building Construction Account--State.....  
\$23,918,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$33,111,000~~))

\$26,311,000

**Sec. 5048.** 2009 c 497 s 5191 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Spokane Falls Community College - Music Building 15 Renovation (20081320)

Reappropriation:

State Building Construction Account--State.....

Appropriation:

State Building Construction Account--State.....  
\$11,264,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....  
 TOTAL ((~~\$14,948,000~~))

\$12,406,000

**NEW SECTION. Sec. 5049.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Green River Community College New Classrooms Facility Debt Service.(91000014)..... \$900,000

Appropriation:

Community/Technical College Capital Projects ((~~\$25,986,000~~))

Account--State .....

Prior Biennia (Expenditures)..... \$1,029,000

Future Biennia (Projected Costs)..... \$0

TOTAL \$40,476,000

**NEW SECTION. Sec. 5050.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Bellingham Tech College Inst Resource Center Debt Service (91000013)

Appropriation:

Community/Technical College Capital Projects

Account--State..... \$1,200,000

Prior Biennia (Expenditures)..... ((~~\$27,800,000~~))

Future Biennia (Projected Costs).....

TOTAL \$43,314,000

**Sec. 5051.** 2009.c.497.s.5190.(uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Spokane Community College - Building 7 Renovation (20081319)

Reappropriation:

State Building Construction Account--State .....

Appropriation:

State Building Construction Account--State .....

\$9,076,000

Prior Biennia (Expenditures)..... \$1,600,000

Future Biennia (Projected Costs)..... ((~~\$30,718,000~~))

TOTAL ((~~\$10,757,000~~))

\$10,085,000

**Sec. 5052.** 2009.c.497.s.5192.(uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Pierce College Fort Steilacoom - Cascade Core (20081321)

Reappropriation:

State Building Construction Account--State .....

Appropriation:

State Building Construction Account--State .....

\$14,204,000

Prior Biennia (Expenditures)..... \$475,000

Future Biennia (Projected Costs).....

TOTAL ((~~\$17,242,000~~)) ((~~\$13,806,000~~))

\$16,446,000

**Sec. 5053.** 2009 c 497 s 5168 (uncodified) is amended to read as follows:

..... \$667,000

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

North Seattle Community College - Employment Resource Center (20062851)

Reappropriation:

State Building Construction Account--State.....

Appropriation:

State Building Construction Account--State.....  
\$4,195,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$7,490,000~~))

\$6,685,000

**Sec. 5054.** 2009 c 497 s 5135 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Clark College - East County Satellite (20041689)

Reappropriation:

Gardner-Evans Higher Education Construction Account--State.....

\$4,780,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$29,876,000~~))

\$29,656,000

**Sec. 5055.** 2009 c 497 s 5195 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Bellevue Community College - L Building Emergency Repairs (20081850)

Reappropriation:

State Building Construction Account--State.....

\$387,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$1,663,000~~))

\$590,000

**Sec. 5056.** 2009 c 497 s 5187 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

South Puget Sound Community College - Building 22 Renovation (20081316)

Reappropriation:

State Building Construction Account--State.....

Appropriation:

State Building Construction Account--State.....  
\$9,580,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((~~\$20,361,000~~))

\$19,939,000

**Sec. 5057.** 2009 c 497 s 5179 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Everett Community College - Index Hall Replacement (20081221)

Reappropriation:

State Building Construction Account--State..... \$700,000.....

Appropriation:

State Building Construction Account--State.....  
\$2,157,000..... ((~~\$5,000,000~~))

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs)..... \$1,790,000.....

\$40,349,000..... \$0

TOTAL \$45,306,000

**Sec. 5058.** 2009 c 497 s 5164 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Spokane Falls Community College - Campus Classrooms (20062696)

Reappropriation:

State Building Construction Account--State.....

\$883,000..... ((~~\$5,000,000~~))

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs)..... \$24,876,000.....

TOTAL ((~~\$1,884,000~~))..... \$0

\$1,317,000

**Sec. 5059.** 2009 c 497 s 5167 (uncodified) is amended to read as follows:

**FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Clover Park Technical College - Allied Health Care Facility (20062699)

Reappropriation:

State Building Construction Account--State.....

\$323,000..... ((~~\$1,460,000~~))

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs)..... \$203,000.....

TOTAL ((~~\$2,445,000~~))\$1,748,000..... \$0

(End of part)

**PART 6**

**MISCELLANEOUS AND SUPPLEMENTAL PROVISIONS**

**Sec. 6001.** 2009 c 497 s 6009 (uncodified) is amended to read as follows:

**ACQUISITION OF PROPERTIES AND FACILITIES THROUGH FINANCIAL CONTRACTS.**

The following agencies may enter into financial contracts, paid from any funds of an agency, appropriated or nonappropriated, for the purposes indicated and in not more than the principal amounts indicated, plus financing charges and required reserves pursuant to chapter 39.94 RCW. When securing properties under this section, agencies shall first use the most economical financial contract option available, including long-term leases, lease-purchase agreements, lease-development with option to purchase, agreements or financial contracts using certificates of participation. Expenditures made by an agency for one of the indicated purposes before the issue date of the authorized financial contract and any certificates of participation therein are intended to be reimbursed from proceeds of the financial contract and any certificates of participation therein to the extent provided in the agency's financing plan approved by the state finance committee.

State agencies may enter into agreements with the department of general administration and the state treasurer's office to develop requests to the legislature for acquisition of properties and facilities through financial contracts. The agreements may include charges for services rendered.

Those noninstructional facilities of higher education institutions authorized in this section to enter into financial contracts are not eligible for state funded maintenance and operations. Instructional space that is available for regularly scheduled classes for academic transfer, basic skills, and workforce training programs may be eligible for state funded maintenance and operations.

~~(1) (Department of corrections: Enter into a financing contract for up to \$17,958,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase or build work release beds, violator beds, or other community-based re-entry facilities.~~

—(2)) Community and technical colleges:

(a) Enter into a financing contract on behalf of Walla Walla Community College for up to \$1,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase up to 40 acres of land.

(b) Enter into a financing contract on behalf of Bellingham Technical College for up to \$1,390,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to develop an instructional resource center.

(c) Enter into a financing contract on behalf of Bellingham Technical College for up to \$28,968,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to develop an instructional resource center. The cost of this financing contract shall be paid from the community and technical colleges capital projects account. This facility shall be eligible for maintenance and operations funding on the same terms as if constructed with state general obligation bonds.

(d) Enter into a financing contract on behalf of Edmonds Community College for up to \$5,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to provide space for allied health and construction industry.

(e) Contingent upon the sale and purchase specified in section 5071 of this act, enter into a financing contract on behalf of Spokane Community College for up to \$3,400,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase the Riverpoint One building.

(f) Enter into a financing contract on behalf of North Seattle Community College for up to \$8,900,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to develop an employment resource center.

(g) Enter into a financing contract on behalf of Everett Community College for up to \$25,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to develop a student fitness and health center.

(h) Enter into a financing contract on behalf of Wenatchee Valley Community College for up to \$2,700,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase a music and art center.

(i) Enter into a financing contract on behalf of Green River Community College for up to \$20,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to develop a 40,000 square foot addition to Green River Kent station.

(j) Enter into a financing contract on behalf of Walla Walla Community College for up to \$1,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the water and environment center.

(k) Enter into a financing contract pursuant to chapter 39.94 RCW on behalf of Green River Community College for up to \$26,532,000 plus financing expenses and required reserves to construct a new classrooms facility as specified in project 20061205. The cost of this financing contract shall be paid from the community

and technical colleges capital projects account. This facility shall be eligible for maintenance and operations funding on the same terms as if constructed with state general obligation bonds.

~~((3))~~ (2) Parks and recreation commission: Enter into a financing contract for up to \$2,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the Mount Spokane lodge. The parks and recreation commission shall use energy savings performance contracting if practicable. The lodge shall be operated by a private concessionaire under a contract with the parks and recreation commission that is a qualified management contract under the applicable internal revenue service guidelines.

~~((4))~~ (3) Department of general administration: Enter into a financing contract for up to \$27,144,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the rehabilitation of the John L. O'Brien building, subject to approval of the project scope by the speaker of the house of representatives and the chief clerk of the house of representatives.

~~((5))~~ (4) Department of ecology: Enter into a financing contract for up to \$11,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to rebuild the east wall of the department of ecology's headquarters building in Lacey, Washington.

(5) Washington State University: Enter into a financing contract for up to \$15,000,000 plus financing expenses and required reserve pursuant to chapter 39.94 RCW for a student information system.

NEW SECTION. Sec. 6002. A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF GENERAL ADMINISTRATION--ENERGY SAVINGS PERFORMANCE CONTRACTING.**

(1) The department of general administration, in fulfilling its requirement to maintain a registry of energy service contractors pursuant to RCW 39.35A.050, shall update the preapproved list of energy services companies that are qualified to provide services to public facilities in the state by June 30, 2010.

(2) The department of general administration must develop guidelines that are consistent with national and international energy savings performance standards for the implementation of energy savings performance contracting projects June 30, 2010.

NEW SECTION. Sec. 6003. A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT.**

The office of financial management budget instructions, required by chapter 43.88 RCW, must instruct all agencies submitting budget requests for building renovations and improvements and operating budget requests for facility leases to conduct preliminary energy audits if proposed renovations or improvements involve building envelope, heating, ventilating, air conditioning, controls, and lighting. The budget instructions must also direct agencies to contact the department of general administration for assistance, if necessary.

NEW SECTION. Sec. 6004. A new section is added to 2009 c 497 (uncodified) to read as follows:

**DEBT AFFORDABILITY STUDY.**

The office of the state treasurer shall prepare a debt affordability study by October 1, 2010, that provides an assessment of the state's current debt portfolio and an analysis of the impact of future debt issuance. The study must include but is not limited to: An overview of the state's outstanding and projected debt; the structure of the debt portfolio; the cost of existing debt; sources of funds for interest, principal, or lease payments; and the purposes for which debt instruments and financing contracts are issued. To assist with this work, the office of the state treasurer shall convene and staff a work group to include staff from the fiscal committees of the state house of representatives and state senate and the office of financial management.

NEW SECTION. Sec. 6005. A new section is added to 2009 c 497 (uncodified) to read as follows:

The operating and maintenance costs associated with Tolmie state park shall be shared equally by Thurston county, the state parks and

recreation commission, and the Nisqually tribe, when a memorandum of understanding by all parties takes effect, until June 30, 2011. The state parks and recreation commission shall transfer Tolmie state park to Thurston county and the Nisqually tribe by June 30, 2011.

**NEW SECTION. Sec. 6006.** A new section is added to 2009 c 497 (uncodified) to read as follows:

The state parks and recreation commission shall transfer the Lake Osoyoos veteran memorial state park to the confederated tribes of the Colville reservation if the confederated tribes of the Colville reservation agrees to accept the transfer and preserve and provide public access to the land for the purpose of outdoor recreation.

**Sec. 6007.** 2008 c 5 s 1 (uncodified) is amended to read as follows:

Pursuant to chapter 43.155 RCW, the following project loans recommended by the public works board are authorized to be made with funds appropriated from the public works assistance account, and no loan authorized in this act shall bear an interest rate greater than one-half of one percent:

(1) Arlington--sanitary sewer project--expand and upgrade the wastewater treatment plant and biosolids composting facility to meet new discharge limitations, produce a higher quality effluent, and accommodate future growth .....

(2) Auburn--street project--reconstruct approximately 0.3 miles of roadway with four travel lanes to bring up to current arterial and truck route standards and modify intersection to optimize efficiency and level of service .....

(3) Blaine--sanitary sewer project--construct a new wastewater treatment plant and section of outfall pipe to increase treatment capacity, produce reuse quality water, and improve Puget Sound water quality for shellfish .....

(4) Bonney Lake--domestic water project--replace approximately 71,000 linear feet of leaky water mains to reduce current water loss by ten percent .....

(5) Bonney Lake--sanitary sewer project--replace approximately 12,000 linear feet of failing interceptor sewer pipes .....

(6) Buckley--sanitary sewer project--rebuild the wastewater treatment plant to provide nutrient removal and meet state and federal discharge regulations and the construction of an interceptor .....

(7) Camas--sanitary sewer project--construct improvements to the wastewater treatment facilities to provide class A biosolids at the main sewage pump station .....

(8) Clark county--road project--construct new road segments, widen roadways, improve and redesign intersections, and install and modify traffic signals necessary to improve a major interchange with two freeways .....

(9) Clark regional wastewater district--sanitary sewer project--modify existing and construct new wastewater facilities to process approximately 4.65 million gallons more of wastewater per day and ensure treatment processes continue to be in compliance with current regulations .....

(10) Coal creek utility district--sanitary sewer project--construct sewer lift station, approximately 1,250 lineal feet of gravity sewer main, and 500 feet of force main to provide public sewer to approximately 25 properties on a lake that have private septic systems that have failed or are in prefailure status .....

(11) College Place--domestic water project--construct two steel tanks, a booster station, approximately 6,000 feet of transmission line, 3,400 feet of water mains, three pressure reducing valves, and associated telemetry to rectify a deficiency in fire flow and standby water storage protection .....

(12) Cowlitz county public utility district No. 1--domestic water project--construction of approximately six new groundwater supply wells, 2,100 feet of raw water piping a new water treatment plant producing approximately 20 million gallons per day of potable water,

and approximately 4,350 feet of transmission main to connect to the system to replace current water supply that is being impacted by increasing water sediment.....

(13) Ephrata--domestic water project--replace approximately 68,000 feet of failing water mains, 50,000 feet of failing water service pipes, and the resurfacing of 20 miles of overlaying roadway, including approximately 100 fire hydrants, 400 catch basins, 15 storm sewer drywells, 22,000 feet of curb and gutter, and 16,000 feet of storm sewer pipe .....

(14) Freeland water district--domestic water project--connect a new well and new reservoir to the existing system, rehabilitate the existing well, and install new equipment to increase system reliability, redundancy, and capacity. Install new chlorination equipment to improve water quality .....

(15) Gig Harbor--sanitary sewer project--improvements to the wastewater treatment plant including new equipment and electrical work, add a third clarifier, install ultraviolet disinfection, and extend and upsize the outfall .....

(16) Highline water district--domestic water project--construction of 11,350 feet of transmission main and looping of pipes to eliminate low pressures and fire flows and improve water quality, and create a new pressure zone to correct high pressures.....\$10,000,000.

(17) Karcher creek sewer district--sanitary sewer project--install a new sewer system, including a lift station and approximately 3,600 lineal feet of sewer main, in conjunction with a road project to service approximately 17 homes that will lose their septic systems.....\$1,800,000 the road project.....

(18) Kennewick--sanitary sewer project--construct improvements to critical wastewater treatment plant processes to enhance reliability, improve energy efficiency and redundancy, as well as increase the capacity of the sludge pumping station.....\$10,000,000

(19) Kent--street project--construct two bridges, one for the roadway over a set of railroad tracks, and one for railroad over a lowered roadway. This will grade separate the tracks from the roadway to provide safe and reliable operations twenty-four days a day \$10,000,000

(20) King county--sanitary sewer project--construct 13,100 lineal feet of pipe to convey approximately 9 million gallons per day of reclaimed water to reduce withdrawals of 250-acre feet from the Sammamish river .....

(21) La Center--sanitary sewer project--upgrade wastewater treatment plant to reduce the levels of nitrogen discharge to the effluent and approximately doubling the operation of the plant and producing class A reuse water .....

(22) Lake Forest Park water district--domestic water project--replace approximately 6,915 lineal feet of undersized and corroded water pipes to improve safety and reliability of the system by reducing pipe failures and increasing fire flow .....

(23) Lake Stevens--sanitary sewer project--construct a new wastewater treatment plant, 9,500 feet of interceptor line, a pump station, and an outfall pipe in partnership with Lake Stevens sewer district. \$10,000,000.....\$8,000,000

(24) Lake Stevens sewer district--sanitary sewer project--construct a new wastewater treatment plant, 9,500 feet of interceptor line, a pump station, and an outfall pipe in partnership with the city of Lake Stevens .....

(25) Lakewood--sanitary sewer project--construct 898,875 pump stations, approximately 17,200 linear feet of force mains, 13,500 linear feet of gravity collector pipe line, and 320 side sewer stubs to service two neighborhoods currently served exclusively by septic systems .....

(26) LOTT alliance--sanitary sewer project--construct approximately 7,400 feet of force main and replace existing pump station with new 1,000 gallon per minute pump station .....

(27) Mansfield--sanitary sewer project--expand and rehabilitate wastewater treatment lagoons and effluent spray irrigation system as

well as remove the discharge of groundwater from basement sump pumps to the collection system.....

(28) Midway sewer district--sanitary sewer project--replace approximately 16,500 lineal feet of sewer mains and 50 manholes to reduce infiltration and inflow.....

(29) Mount Vernon--sanitary sewer project--upgrade existing wastewater treatment plant, including a new pretreatment facility, 4 additional clarifiers, upgrade aeration basins, installation of an ultraviolet disinfection system, and odor control system.....

(30) Newcastle--road project--reconstruct, widen, and signalize approximately 5,200 linear feet of road to 2 lanes in each direction, add left turn lanes, sidewalks, bicycle lanes, install lighting systems, replace two-lane bridge with a four-lane bridge, and install new traffic signals \$5,000,000

(31) Olympia--sanitary sewer project--install approximately 6,500 linear feet of sewer mains and construct a lift station to serve 63 homes with failing on-site sewage systems .....

(32) Olympys Terrace sewer district--sanitary sewer project--rehabilitate approximately 9,350 linear feet of sewer trunkline, construct approximately 9,800 linear feet of high-flow storm water bypass piping for excess flow, construct approximately 4,150 linear feet of road access, and restore creek habitat.....

(33) Omak--sanitary sewer project(~~--add 2 compost containers, convert storage tank to sludge holding tank, and install a second headworks screen to increase the wastewater treatment plant capacity by 35 percent~~).....

(34) Port Angeles--sanitary sewer project--construct approximately 11,500 feet of sewer main, modify a storage tank, and modify the wastewater treatment plant.....

(35) Regional board of mayors--solid waste project--close landfill site by capping and sealing with a soil cap .....

(36) Regional board of mayors--solid waste project--construct a new solid waste transfer station, including structures and equipment.....

(37) Ronald wastewater district--sanitary sewer project--rehabilitate 2 lift stations by replacing pumps, valves, fittings, piping, odor control systems, and electrical equipment.....

(38) Seattle--domestic water project--replace floating pumps with land-based pump station with a maximum capacity of approximately 250 million gallons per day, including 8 pumps, concrete structure, a tunnel, approximately 4,000 feet of pipeline, and a standby generator. ....

(39) Sedro-Woolley--sanitary sewer project--rehabilitate or replace 4 interceptor segments totaling approximately 29,700 linear feet, install 2 pump stations, and upgrade the secondary clarifier in order to lift a building moratorium .....

(40) Shelton--sanitary sewer project--construct a satellite reclamation plant with a capacity of approximately 0.4 million gallons per day to produce class A reclaimed water, approximately 22,000 linear feet of sewer pipelines, and approximately 25,000 linear feet of reclaimed water force main.....

(41) Shelton--sanitary sewer project--replace approximately 38,480 linear feet of mainline sewers to reduce inflow and infiltration.....

(42) Skagit county sewer district No. 2--sanitary sewer project--upgrade wastewater treatment plant to a water reclamation facility to provide class A reclaimed water with a capacity of approximately 0.35 million gallons per day.....

(43) Snohomish--sanitary sewer project--construct approximately 1,900 feet of sewer pipe, a new pump station with a capacity of approximately 8,000 gallons per minute, and approximately 4,300 feet of force main to reduce overflows .....

(44) Snohomish--sanitary sewer project(~~--upgrade existing wastewater treatment plant including a new influent flow structure, screens, aerators, effluent filtration, ultraviolet disinfection, effluent~~

~~pump station, improvements to the existing lagoons, and electrical improvements~~)..... \$235,600.....

(45) Snohomish county--road project--construct a new, approximately two-mile, two-lane truck route around the city of Granite Falls, including 3 roundabouts to improve safety and air quality in the downtown area..... \$3,782,000

(46) Southwest Suburban sewer district--sanitary sewer project--replace and/or slipline approximately 5,470 feet of trunk/interceptor sewer main and construct a new lift station to reduce.... \$10,000,000 overflows.....

(47) Tacoma--domestic water project--replace 3 open-topped concrete reservoirs with 2 enclosed concrete reservoirs of approximately 33 million gallons each and related piping to comply with the safe drinking water act and a bilateral compliance agreement.....

(48) Tekoa--sanitary sewer system--reconstruct approximately 1,000 feet of failing sewer line and manholes to reduce significant groundwater infiltration..... \$1,808,375.....

(49) Three rivers regional wastewater authority--sanitary sewer project--construct 2 clarifiers and associated piping to replace 2 failed clarifiers at the wastewater plant.....

(50) Washougal--sanitary sewer project--construct a new wastewater treatment plant headworks, including a fine grit removal, and replace approximately 150 linear feet of gravity sewer, and make improvements to the lagoons, including 450 linear feet of piping, modify overflow structures, and a new pump..... \$8,000,000

(51) Yakima--domestic water project--develop approximately 3,000 gallon per minute, domestic water well, including drilling, placement of casing, a new pump house, and connection to the existing water distribution system to augment the water supply during drought conditions..... \$450,000

(52) Yakima--street project--construct 2 underpasses and reconstruct 3 lanes on each roadway under a railroad mainline to accommodate additional rail and reduce traffic and emergency response delays and air pollution..... \$859,500

**Sec. 6008.** RCW 43.155.050 and 2009 c 564 s 940 are each amended to read as follows:

(1) ~~The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the annual capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency projects and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. During the 2009-2011 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund and the city-county assistance account such amounts as reflect the excess fund balance of the account. During the 2009-2011 fiscal biennium, sums in the public works assistance account may be used for the water pollution control revolving fund program match in section 3019 of this act.~~

(2) The job development fund is hereby established in the state treasury. Moneys in the job development fund may be transferred after appropriation.

**NEW SECTION. Sec. 6009.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE STATE TREASURER--TRANSFERS**

Public Works Assistance Account: For transfer to the State General Fund for fiscal year 2010.....  
 Washington State Heritage Center Account: For transfer to the Thurston County Capital Facilities Account.....

**Sec. 6010.** RCW 43.160.080 and 2008 c 327 s 11 are each amended to read as follows:

There shall be a fund in the state treasury known as the public facilities construction loan revolving account, which shall consist of all moneys collected under this chapter and any moneys appropriated to it by law. Disbursements from the revolving account shall be on authorization of the board. In order to maintain an effective expenditure and revenue control, the public facilities construction loan revolving account shall be subject in all respects to chapter 43.88 RCW. During the 2009-2011 biennium, sums in the public facilities construction loan revolving account may be used for the temporary public works grant program in section 1016 of this act.

**NEW SECTION. Sec. 6011.** A new section is added to 2009 c 497 (uncodified) to read as follows:

In developing its capital budget request for the 2011-13 biennium, the department of natural resources shall develop a prioritization process for purchasing easements currently eligible for purchase under the forest riparian easement program. The process should prioritize easements for landowners who: (1) Have the greatest proportion of riparian management zones in their total aggregated ownership; (2) are under the greatest pressures to convert their lands to nonforest land use; and (3) provide the greatest ecological benefits from these easements. By October 1, 2010, the department shall deliver to the governor and the legislature policy recommendations to reflect this prioritization process in statute.

**Sec. 6012.** 2009 c 497 s 6004 (uncodified) is amended to read as follows:

(1) The office of financial management may ~~((authorize a))~~ transfer ~~((of))~~ appropriation authority provided for a capital project that is in excess of the amount required for the completion of ~~((such))~~ the project ~~((to another capital project for which the appropriation is insufficient. No such transfer may be used to expand the capacity of any facility beyond that intended in making the appropriation. Such transfers may be effected only between capital appropriations to a specific department, commission, agency, or institution of higher education and only between capital projects that are funded from the same fund or account. No transfers may occur between projects to local government agencies except where the grants are provided within a single omnibus appropriation and where such transfers are specifically authorized by the implementing statutes that govern the grants.~~

~~—(2) The office of financial management may find that an amount is in excess of the amount required for the completion of a project only if: (a) The project as defined in the notes to the budget document is substantially complete and there are funds remaining; or (b) bids have been let on a project and it appears to a substantial certainty that the project as defined in the notes to the budget document can be completed within the biennium for less than the amount appropriated in this act.~~

~~—(3)), based on the authorized scope, to the risk pool in section 1020.~~

~~—(2) For the purposes of this section, the intent is that each project be defined as proposed to the legislature in the governor's budget document, unless it clearly appears from the legislative history that the legislature intended to define the scope of a project in a different way.~~

~~((4) Transfers of funds to an agency's infrastructure savings appropriation are subject to review and approval by the office of financial management. Expenditures from an infrastructure savings appropriation are limited to projects that have a primary purpose to correct infrastructure deficiencies or conditions that: (a) Adversely affect the ability to utilize the infrastructure for its current~~

~~programmatic use; (b) reduce the life expectancy of the infrastructure; or (c) increase the operating costs of the infrastructure.~~ **\$87,000,000** programmatic use. Eligible infrastructure projects may include structures and surface improvements, site amenities, ~~\$10,700,000~~ outside building footprints and natural environmental changes or requirements as part of an environmental regulation, a declaration of emergency for an infrastructure issue in conformance with RCW 43.88.250, or infrastructure planning as part of a facility master plan.

~~—(5) A report of any transfer effected under this section, except emergency projects or any transfer under \$250,000, shall be filed with the legislative fiscal committees of the senate and house of representatives by the office of financial management at least thirty days before the date the transfer is effected. The office of financial management shall report all emergency or smaller transfers within thirty days from the date of transfer.)~~

(3) The office of financial management shall not allot any portion of a capital budget appropriation for: (a) Contingencies above the amount required for completion of a project as described in budget documents submitted as part of the governor's capital budget request or consistent with legislative history; (b) proposed alternates submitted in bid documents if agencies cannot document a programmatic need and an operational budget savings resulting from the completion of the alternate project component that would pay for the cost of the alternate within eight years; or (c) for any equipment costs or project scope beyond what was described in the budget documents submitted as part of the governor's capital budget request.

(4) The office of financial management shall submit a monthly report of approved allotments, subject to this section, by project. The report shall include the accepted base bid and any approved alternates with the analysis demonstrating sufficient operational budget savings.

**Sec. 6013.** RCW 43.07.129 and 2007 c 523 s 4 are each amended to read as follows:

The Washington state heritage center account is created in the custody of the state treasurer. All moneys received under RCW 36.18.010(11) and 43.07.128 must be deposited in the account. Expenditures from the account may be made only for the following purposes:

- (1) Payment of the certificate of participation issued for the Washington state heritage center;
- (2) Capital maintenance of the Washington state heritage center; and
- (3) Program operations that serve the public, relate to the collections and exhibits housed in the Washington state heritage center, or fulfill the missions of the state archives, state library, and capital museum.

Only the secretary of state or the secretary of state's designee may authorize expenditures from the account. An appropriation is not required for expenditures, but the account is subject to allotment procedures under chapter 43.88 RCW. During the 2009-2011 fiscal biennium, the legislature may transfer from the heritage center account to the Thurston county capital facilities account such amounts as reflect excess fund balance in the account.

**Sec. 6014.** RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read as follows:

(1) The department shall work with ~~((the departments of natural resources, transportation, social and health services, corrections, and general administration))~~ state and local governmental entities to identify and catalog surplus or underutilized ~~((state-owned land and property))~~ real property owned by these governmental entities suitable for the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households. The state and local governmental entities subject to the requirements of this section are the departments of natural resources, transportation, social and health services, corrections, ((and)) general administration ((shall)), and public lands, and the state parks and recreation commission, counties, cities, and towns. These governmental entities

must provide an inventory of surplus or underutilized real property that is owned or administered by each ((agency)) governmental entity and is available for lease or sale. Each inventory must contain descriptive information about each property that includes, if known, the contact information for the property and the location, approximate size, sale or lease price and terms, and current zoning classification of the property. Each inventory must be updated at least once a year, and printed and electronic copies of each inventory must be provided upon request. The inventories ((shall)) must be provided to the department by November 1, ((1993)) 2010, with inventory revisions provided each November 1st thereafter.

(2) Surplus property for sale by the governmental entities subject to the requirements of this section, and which is suitable for the development of affordable housing, must be offered for at least the first one hundred eighty days after its availability for sale, exclusively to eligible organizations, for the purpose of developing affordable housing. Eligible organizations have the right of first opportunity to obtain these surplus properties by purchase, lease, exchange, or donation, under reasonable option and conveyance conditions, in return for a commitment to provide affordable housing for at least thirty years. Governmental entities subject to this section have the sole authority to determine: (a) Whether or not property is surplus; (b) whether or not the property is suitable for the development of affordable housing for extremely low-income, very low-income, and low-income persons or families; and (c) what constitutes reasonable option and conveyance conditions for the purchase, lease, exchange, or donation of the property.

(3) A governmental entity that sells real property to an eligible entity under this section may do so at a price that is less than fair market value, provided that the affordable housing developed on the property is occupied solely by individuals or families who are extremely low, very low, or low income.

(4) Each governmental entity subject to the requirements of this section must develop the criteria and procedures necessary for inventorying surplus property and offering it for sale, lease, exchange, or donation to eligible organizations.

(5) The department must present a written report to the appropriate committees of the legislature by December 1st of each year regarding the status of the surplus or underutilized real property inventory as required under this section, and which must include a comprehensive listing of all real property subject to the inventory during the preceding year.

(6) Upon written request, the department shall provide a copy of the inventory of state-owned and publicly owned lands and buildings to parties interested in developing ((the sites)) property for affordable housing.

((3)) (7) As used in this section:

(a) "Affordable housing" means residential housing that is rented or owned by a person who qualifies as ((a)) an extremely low-income, very low-income, low-income, or moderate-income household or who is from a special needs population, and whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income.

(b) "Very low-income household" means a single person, family, or unrelated persons living together whose income is at or below fifty percent of the median income, adjusted for household size, for the county where the affordable housing is located.

(c) "Low-income household" means a single person, family, or unrelated persons living together whose income is more than fifty percent but is at or below eighty percent of the median income where the affordable housing is located.

(d) "Moderate-income household" means a single person, family, or unrelated persons living together whose income is more than eighty percent but is at or below one hundred fifteen percent of the median income where the affordable housing is located.

(e) "Eligible organization" means any city, town, or county government, local housing authority, public development authority, community renewal agency, regional support network established under chapter 71.24 RCW, nonprofit community or neighborhood-based organization, federally recognized Indian tribe in the state of Washington, or regional or statewide nonprofit housing assistance organization, each having experience in the development of affordable housing.

(f) "Real property" means land, buildings, or buildings and land.

(g) "Extremely low-income household" means a single person, family, or unrelated persons living together whose income is at or below thirty percent of the median income, adjusted for household size, for the county where the affordable housing is located.

**Sec. 6015.** RCW 47.12.063 and 2006 c 17 s 2 are each amended to read as follows:

(1) It is the intent of the legislature to continue the department's policy giving priority consideration to abutting property owners in agricultural areas when disposing of property through its surplus property program under this section. With respect to surplus property in nonagricultural areas that is suitable for residential use, the department shall give priority to selling, leasing, exchanging, or donating the property to a public entity or private nonprofit entity dedicated to the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households, consistent with the requirements of this section and RCW 43.63A.510.

(2) Whenever the department determines that any real property owned by the state of Washington and under the jurisdiction of the department is no longer required for transportation purposes and that it is in the public interest to do so, the department may sell, lease, or exchange the property or exchange it in full or part consideration for land or improvements or for construction of improvements ((at fair market value to)). Except as authorized in (j) of this subsection, the department must receive fair market value for any such sale, lease, or exchange. The department may engage in the sale, lease, or exchange of its surplus property with any of the following governmental entities or persons:

(a) Any other state agency;

(b) The city or county in which the property is situated;

(c) Any other municipal corporation;

(d) Regional transit authorities created under chapter 81.112 RCW;

(e) The former owner of the property from whom the state acquired title;

(f) In the case of residentially improved property, a tenant of the department who has resided thereon for not less than six months and who is not delinquent in paying rent to the state;

(g) Any abutting private owner but only after each other abutting private owner (if any), as shown in the records of the county assessor, is notified in writing of the proposed sale. If more than one abutting private owner requests in writing the right to purchase the property within fifteen days after receiving notice of the proposed sale, the property shall be sold at public auction in the manner provided in RCW 47.12.283;

(h) To any person through the solicitation of written bids through public advertising in the manner prescribed by RCW 47.28.050;

(i) To any other owner of real property required for transportation purposes;

(j) In the case of property suitable for residential use, any nonprofit organization dedicated to providing affordable housing to extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510 and is eligible to receive assistance through the Washington housing trust fund created in chapter 43.185 RCW. The department may sell, lease, exchange, or donate the property for less than fair market value under this subsection (2)(j) if the affordable housing to be developed on the

property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510; or

(k) A federally recognized Indian tribe within whose reservation boundary the property is located.

(3) Sales to purchasers may at the department's option be for cash, by real estate contract, or exchange of land or improvements. Transactions involving the construction of improvements must be conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable, and must comply with all other applicable laws and rules.

(4) Conveyances made pursuant to this section shall be by deed executed by the secretary of transportation and shall be duly acknowledged.

(5) Unless otherwise provided, all moneys received pursuant to the provisions of this section less any real estate broker commissions paid pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

**Sec. 6016.** RCW 47.12.064 and 1995 c 399 s 121 are each amended to read as follows:

(1) In accordance with RCW 43.63A.510, the department shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of ((community, trade, and economic development)) commerce by November 1, ((1993)) 2010, and every November 1<sup>st</sup> thereafter.

(2) By November 1<sup>st</sup> of each year, beginning in ((1994)) 2011, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

**Sec. 6017.** RCW 43.20A.037 and 1995 c 399 s 65 are each amended to read as follows:

(1) In accordance with RCW 43.63A.510, the department shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of ((community, trade, and economic development)) commerce by November 1, ((1993)) 2010, and every November 1<sup>st</sup> thereafter.

(2) By November 1<sup>st</sup> of each year, beginning in ((1994)) 2011, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

(3) In selling, transferring, or otherwise disposing of surplus or under utilized property, the department shall give priority to selling, leasing, exchanging, or donating the property to a public or private entity dedicated to the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households, consistent with RCW 43.63A.510. The department may sell, lease, exchange, or donate the property for less than fair market value if the affordable housing to be developed on the property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510.

**Sec. 6018.** RCW 72.09.055 and 1995 c 399 s 202 are each amended to read as follows:

(1) In accordance with RCW 43.63A.510, the department shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of ((community, trade, and economic development)) commerce by November 1, ((1993)) 2010, and every November 1<sup>st</sup> thereafter.

(2) By November 1<sup>st</sup> of each year, beginning in ((1994)) 2011, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

(3) In selling, transferring, or otherwise disposing of surplus or under utilized property, the department shall give priority to selling, leasing, exchanging, or donating the property to a public or private entity dedicated to the development of affordable housing for very low-income, low-income, or moderate-income households, consistent with RCW 43.63A.510. The department may sell, lease, exchange, or donate the property for less than fair market value if the affordable housing to be developed on the property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510.

**Sec. 6019.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to read as follows:

(1) In accordance with RCW 43.63A.510, the department of general administration shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department of general administration shall provide a copy of the inventory to the department of ((community, trade, and economic development)) commerce by November 1, ((1993)) 2010, and every November 1<sup>st</sup> thereafter.

(2) By November 1<sup>st</sup> of each year, beginning in ((1994)) 2011, the department of general administration shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

(3) In selling, transferring, or otherwise disposing of surplus or under utilized property, the department shall give priority to selling, leasing, exchanging, or donating the property to a public or private entity dedicated to the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households, consistent with RCW 43.63A.510. The department may sell, lease, exchange, or donate the property for less than fair market value if the affordable housing to be developed on the property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510.

**Sec. 6020.** RCW 79A.05.170 and 1991 sp.s. c 13 s 23 are each amended to read as follows:

(1) In selling, transferring, or otherwise disposing of surplus or underutilized real property, the commission shall give priority to selling, leasing, exchanging, or donating the property to a public or private entity dedicated to the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households, consistent with RCW 43.63A.510. The commission may sell, lease, exchange, or donate the property for less than fair market value if the affordable housing to be developed on

the property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510.

~~(2) Except for those lands subject to RCW 43.63A.510, any lands owned by the ((state parks and recreation)) commission, which are determined to be surplus to the needs of the state for development for state park purposes and which the commission proposes to deed to a local government or other entity, shall be accompanied by a clause requiring that if the land is not used for outdoor recreation purposes, ownership of the land shall revert to the ((state parks and recreation)) commission.~~

~~((2) The state parks and recreation commission,)) (a) In cases where land subject to such a reversionary clause is proposed for use or disposal for purposes other than recreation, the commission shall require that, if the land is surplus to the needs of the commission for park purposes at the time the commission becomes aware of its proposed use for nonrecreation purposes, the holder of the land or property shall reimburse the commission for the release of the reversionary interest in the land. The reimbursement shall be in the amount of the fair market value of the reversionary interest as determined by a qualified appraiser agreeable to the commission. Appraisal costs shall be borne by the local entity which holds title to the land.~~

~~((3)) (b) Any funds generated under a reimbursement under this section shall be deposited in the parkland acquisition account which is hereby created in the state treasury. Moneys in this account are to be used solely for the purchase or acquisition of property for use as state park property by the commission, as directed by the legislature; all such funds shall be subject to legislative appropriation.~~

~~(3) In accordance with RCW 43.63A.510, the commission shall identify and catalog real property that is no longer required for commission purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory must include the location, approximate size, and current zoning classification of the property. The commission shall provide a copy of the inventory to the department of commerce by November 1, 2010, and every November 1st thereafter. By November 1st of each year, beginning in 2011, the commission shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The commission shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.~~

**Sec. 6021.** RCW 79A.05.175 and 2007 c 145 s 1 are each amended to read as follows:

Except for those lands subject to RCW 43.63A.510 and 79A.05.170(1), whenever the commission finds that any land under its control cannot advantageously be used for park purposes, it is authorized to dispose of such land by the method provided in this section or by the method provided in RCW 79A.05.170. If such lands are school or other grant lands, control thereof shall be relinquished by resolution of the commission to the proper state officials. If such lands were acquired under restrictive conveyances by which the state may hold them only so long as they are used for park purposes, they may be returned to the donor or grantors by the commission. All other such lands may be either sold by the commission to the highest bidder or exchanged for other lands of equal value by the commission, and all conveyance documents shall be executed by the governor. All such exchanges shall be accompanied by a transfer fee, to be set by the commission and paid by the other party to the transfer; such fee shall be paid into the parkland acquisition account established under RCW 79A.05.170. The commission may accept sealed bids, electronic bids, or oral bids at auction. Bids on all sales shall be solicited at least twenty days in advance of the sale date by an advertisement appearing at least once a week for two consecutive

weeks in a newspaper of general circulation in the county in which the land to be sold is located. If the commission feels that no bid received adequately reflects the fair value of the land to be sold, it may reject all bids, and may call for new bids. All proceeds derived from the sale of such park property shall be paid into the park land acquisition account. All land considered for exchange shall be evaluated by the commission to determine its adaptability to park usage. The equal value of all lands exchanged shall first be determined by the appraisals to the satisfaction of the commission. No sale or exchange of state park lands shall be made without the unanimous consent of the commission.

**Sec. 6022.** RCW 36.34.137 and 1993 c 461 s 5 are each amended to read as follows:

(1) In selling, transferring, or otherwise disposing of surplus or underutilized real property, every county shall give priority to selling, leasing, exchanging, or donating the property to a public or private entity dedicated to the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households, consistent with RCW 43.63A.510. A county may sell, lease, exchange, or donate the property for less than fair market value if the affordable housing to be developed on the property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510.

(2) In accordance with RCW 43.63A.510, every county shall identify and catalog real property owned by the county that is no longer required for its purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. Every county shall provide a copy of the inventory to the department of ((community development)) commerce by November 1, ((1993)) 2010, with inventory revisions each November 1st thereafter.

~~((2)) (3) By November 1st of each year, beginning in ((1994)) 2011, every county shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The inventory revision shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.~~

**Sec. 6023.** RCW 35.21.687 and 1995 c 399 s 37 are each amended to read as follows:

(1) In selling, transferring, or otherwise disposing of surplus or underutilized real property, every city and town, including every code city operating under Title 35A RCW, shall give priority to selling, leasing, exchanging, or donating the property to a public or private entity dedicated to the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households, consistent with RCW 43.63A.510. A city, town, or code city may sell, lease, exchange, or donate the property for less than fair market value if the affordable housing to be developed on the property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510.

(2) In accordance with RCW 43.63A.510, every city and town, including every code city operating under Title 35A RCW, shall identify and catalog real property owned by the city or town that is no longer required for its purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. Every city and town shall provide a copy of the inventory to the department of ((community, trade, and economic development)) commerce by

November 1, ~~((4993))~~ 2010, with inventory revisions each November 1st thereafter.

~~((2))~~ (3) By November 1st of each year, beginning in ~~((1994))~~ 2011, every city and town, including every code city operating under Title 35A RCW, shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The inventory revision shall also contain a list of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

**Sec. 6024.** RCW 79.11.005 and 2003 c 334 s 201 are each amended to read as follows:

(1) Subject to RCW 43.63A.510, the department is authorized to sell any real property not designated or acquired as state forest lands, but acquired by the state, either in the name of the forest board, the forestry board, or the division of forestry, for administrative sites, lien foreclosures, or other purposes whenever it shall determine that the lands are no longer or not necessary for public use.

(2) In selling, transferring, or otherwise disposing of surplus or underutilized real property, the department shall give priority to selling, leasing, exchanging, or donating the property to a public or private entity dedicated to the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households, consistent with RCW 43.63A.510. The department may sell, lease, exchange, or donate the property for less than fair market value if the affordable housing to be developed on the property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510.

(3) Except as otherwise provided under RCW 43.63A.510, the sale may be made after public notice to the highest bidder for such a price as approved by the governor, but not less than the fair market value of the real property, plus the value of improvements thereon. Any instruments necessary to convey title must be executed by the governor in a form approved by the attorney general.

~~((3))~~ (4) All amounts received from the sale must be credited to the fund of the department of government that is responsible for the acquisition and maintenance of the property sold.

(5) In accordance with RCW 43.63A.510, the department shall identify and catalog real property owned by the county that is no longer required for its purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory must include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of commerce by November 1, 2010, with inventory revisions each November 1st thereafter.

(6) By November 1st of each year, beginning in 2011, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The inventory revision must include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

**Sec. 6025.** RCW 79.22.060 and 2009 c 354 s 7 are each amended to read as follows:

(1) With the approval of the board and subject to RCW 43.63A.510, the department may directly transfer or dispose of state forest lands without public auction, if the lands:

- (a) Consist of ten contiguous acres or less;
- (b) Have a value of twenty-five thousand dollars or less; or
- (c) Are located in a county with a population of twenty-five thousand or less and are encumbered with timber harvest deferrals, associated with wildlife species listed under the federal endangered species act, greater than thirty years in length.

(2) Disposal under this section may only occur in the following circumstances:

- (a) Transfers in lieu of condemnation;
- (b) Transfers to resolve trespass and property ownership disputes; or
- (c) In counties with a population of twenty-five thousand or less, transfers to public agencies.

(3) Except as otherwise provided under RCW 43.63A.510 and 79.11.005(2), real property to be transferred or disposed of under this section shall be transferred or disposed of only after appraisal and for at least fair market value, and only if the transaction is in the best interest of the state or affected trust. Valuable materials attached to lands transferred to public agencies under subsection (2)(c) of this section must be appraised at the fair market value without consideration of management or regulatory encumbrances associated with wildlife species listed under the federal endangered species act.

(4) The proceeds from real property transferred or disposed of under this section shall be deposited into the park land trust revolving fund and be solely used to buy replacement land within the same county as the property transferred or disposed. In counties with a population of twenty-five thousand or less, the portion of the proceeds associated with valuable materials on the transferred land must be distributed as provided in RCW 79.64.110.

(5) In selling, transferring, or otherwise disposing of surplus or underutilized property, the department shall give priority to selling, leasing, exchanging, or donating the property to a public or private entity dedicated to the development of affordable housing for extremely low-income, very low-income, low-income, or moderate-income households, consistent with RCW 43.63A.510. The department may sell, lease, exchange, or donate the property for less than fair market value if the affordable housing to be developed on the property is to be occupied exclusively by extremely low-income, very low-income, or low-income households as provided in RCW 43.63A.510.

(6) In accordance with RCW 43.63A.510, the department shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for extremely low-income, very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory must include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of commerce by November 1, 2010, and every November 1st thereafter.

(7) By November 1st of each year, beginning in 2011, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

**Sec. 6026.** RCW 43.180.160 and 2009 c 291 s 1 are each amended to read as follows:

(1) The total amount of outstanding indebtedness of the commission may not exceed six billion dollars at any time. The calculation of outstanding indebtedness shall include the initial principal amount of an issue and shall not include interest that is either currently payable or that accrues as a part of the face amount of an issue payable at maturity or earlier redemption. Outstanding indebtedness shall not include notes or bonds as to which the obligation of the commission has been satisfied and discharged by refunding or for which payment has been provided by reserves or otherwise.

(2)(a) The Washington works housing program is created to increase opportunities for nonprofit organizations and public agencies to purchase, acquire, build, and own real property to be used for affordable housing for low and moderate-income households. The Washington works housing program is intended to provide access to new funding mechanisms and build long-term community equity by

increasing the stock of permanently affordable housing owned by nonprofit organizations and public agencies.

(b) The Washington works housing program is intended to provide these opportunities for public agencies and nonprofit organizations, including those materially participating as a managing member or general partner of a partnership, limited liability company, or equivalent organization, through the issuance of tax exempt or taxable revenue bonds issued by the commission in conjunction with a subsidy necessary to make bond issues to finance affordable housing properties financially feasible. The program is intended to provide financing for affordable housing that will meet the following income and rent restrictions during the period of initial bond indebtedness and thereafter:

(c) During the period of initial bond indebtedness under the program, the owner of the property must meet one of the following requirements: A minimum of twenty percent of the units will be occupied by households earning less than fifty percent of area median income and an additional thirty-one percent of the units will be occupied by persons earning less than eighty percent of area median income; or forty percent of the units will be occupied by households earning less than sixty percent of area median income and an additional eleven percent of the units will be occupied by households earning less than eighty percent of area median income.

(d) After the initial bond indebtedness is retired, the rents charged for units in the project will be adjusted to be sufficient to pay reasonable operation and maintenance expenses, including necessary capital needs, and to make reasonable deposits into a reserve account with the intent of providing affordable housing to very low or low-income households for the remaining useful life of the property. The reasonableness of the rent levels must be periodically approved by the commission based on information provided by the owner of the property about income, expenses, and necessary reserve levels. The determination of the commission regarding the reasonableness of the rent levels will be final.

(e) The commission will enter into a recorded regulatory agreement with the borrower at the time of the issuance of bonds under the program for the purpose of ensuring that the property will meet the income and rent restrictions established in this section. The commission may charge such compliance fees as necessary to ensure enforcement of the income and rent restrictions during the useful life of the property.

(3) One billion dollars of the outstanding indebtedness of the commission is for the primary purpose of implementing the Washington works housing program.

(4) If no subsidies are available to make the program in subsection (2) of this section feasible; then the commission may pass a resolution stating these facts and authorize the use of a portion of the one billion dollars of indebtedness intended for the program to support its other bond programs until such time as the one billion dollars is exhausted or subsidies are available to make the program feasible.

**Sec. 6027.** RCW 39.86.100 and 2001 c 330 s 1 are each amended to read as follows:

The federal ~~((tax reform act))~~ internal revenue code of 1986, as amended imposes ~~((an annual))~~ ceilings on the aggregate amount of ~~((federally tax-exempt private activity))~~ certain types of bonds, including tax-exempt private activity bonds ~~((for housing, student loans, exempt facilities, small issue industrial, redevelopment, and certain public utility projects))~~ and other types, that may be issued during any calendar year by or on behalf of states and their political subdivisions. ~~((In 2001, the ceiling will be increased to sixty two dollars and fifty cents per capita and in 2002 the ceiling will be increased to seventy five dollars per capita, to be indexed annually, for 2003 and every year thereafter. However, a study by the department of community development indicates that the dollar amount of the state ceiling is considerably less than the anticipated~~

~~dollar amount for which issuers would need an allocation from the state ceiling.))~~ The ~~((tax reform act of 1986))~~ code provides a formula for allocating the annual tax-exempt private activity bond ceiling among various issuers of private activity bonds for housing, student loans, exempt facilities, and redevelopment projects within a state, but permits each state to enact a different allocation method that is appropriate to that state's needs. In addition, congress might, from time to time, amend the code by authorizing state ceilings on additional types of bonds. The purpose of this chapter is to provide a flexible and efficient method of allocating the annual state ceiling in Washington in a manner that recognizes the need of the state and its political subdivisions to finance activities or projects that satisfy a substantial public purpose.

**Sec. 6028.** RCW 39.86.110 and 2009 c 565 s 23 are each reenacted and amended to read as follows:

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

(1) "Agency" means the department of commerce.

(2) ~~((“Board” means the community economic revitalization board established under chapter 43.160 RCW.~~

~~—(3))~~ "Bond use category" means: (a) Any of the following categories of bonds which are subject to the annual state tax-exempt private activity bond ceiling: ~~((a))~~ (i) Housing, ~~((b))~~ (ii) student loans, ~~((c))~~ (iii) small issue, ~~((d))~~ (iii) exempt facility, ~~((e))~~ (iv) redevelopment, ~~((f))~~ (v) public utility; and ~~((g))~~ (v) remainder; and (b) any other categories of bonds described in the code for which there is a separate ceiling, with the exception of bonds designated solely for school district purposes.

~~((4))~~ (3) "Bonds" means bonds, notes, or other obligations of an issuer.

~~((5))~~ (4) "Carryforward" is an allocation or reallocation of the state ceiling which is carried from one calendar year to a later year, in accordance with the code.

~~((6))~~ (5) "Code" means the federal internal revenue code of 1986 ~~((as it exists on May 8, 1987. It also means the code as amended after May 8, 1987, but only if the amendments are approved by the agency under RCW 39.86.180)),~~ as amended.

~~((7))~~ (6) "Director" means the director of the agency or the director's designee.

~~((8))~~ (7) "Exempt facility" means the bond use category which includes all bonds which are exempt facility bonds as described in the code, except those for qualified residential rental projects.

~~((9))~~ (8) "Firm and convincing evidence" means documentation that satisfies the director that the issuer is committed to the prompt financing of, and will issue ~~((tax-exempt))~~ bonds for, the project or program for which it requests an allocation from the state ceiling.

~~((10))~~ (9) "Housing" means the bond use category which includes: (a) Mortgage revenue bonds and mortgage credit certificates as described in the code; and (b) exempt facility bonds for qualified residential rental projects as described in the code.

~~((11))~~ (10) "Initial allocation" means the portion or dollar value of the annual state tax-exempt private activity bond ceiling which initially in each calendar year is allocated to a bond use category for the issuance of private activity bonds, in accordance with RCW 39.86.120.

~~((12))~~ (11) "Issuer" means the state, any agency or instrumentality of the state, any political subdivision, or any other entity authorized to issue ~~((private activity))~~ bonds under state law.

(12) "Original allocation" means any allocation of bond authority by a mandatory formula in the code, except for the initial allocations of the annual state ceiling on tax-exempt private activity bonds.

(13) "Private activity bonds" means obligations that are private activity bonds as defined in the code or bonds for purposes described in section 1317(25) of the ~~((tax reform act))~~ federal internal revenue code of 1986, as amended.

(14) "Program" means the activities for which housing bonds (~~or student loan bonds~~) may be issued.

(15) (~~"Public utility" means the bond use category which includes those bonds described in section 1317(25) of the tax reform act of 1986.~~)

~~(16))~~ "Redevelopment" means the bond use category which includes qualified redevelopment bonds as described in the code.

~~(17))~~ (16) "Remainder" means that portion of the annual state tax-exempt private activity bond ceiling remaining after initial allocations are made under RCW 39.86.120 for any other bond use category.

~~(18))~~ (17) "Small issue" means the bond use category which includes all industrial development bonds that constitute qualified small issue bonds, as described in the code.

~~(19))~~ (18) "State" means the state of Washington.

~~(20))~~ (19) "State ceiling" means the volume limitation for each calendar year on ~~(tax exempt private activity)~~ specific bond(s) types, including tax-exempt private activity bonds and other bonds, as imposed by the code.

~~(21) "Student loans" means the bond use category which includes qualified student loan bonds as described in the code.)~~

NEW SECTION. Sec. 6029. A new section is added to chapter 39.86 RCW to read as follows:

Original allocations or any reallocations of state bond ceilings other than the tax-exempt private activity bond ceiling must be determined by formula as provided in the code, or by department rule if no formula is provided in the code.

**Sec. 6030.** RCW 39.86.120 and 2001 c 330 s 2 are each amended to read as follows:

(1) Except as provided in subsections (2) and (4) of this section, the initial allocation of the state ceiling shall be for each year as follows:

BOND USE CATEGORY	ALTERNATIVE ALLOCATION))		
	<del>(2001</del> 2002 and THEREAFTER	2002 and THEREAFTER	2010 and THEREAFTER
Housing	<del>((27.5%</del> 30.0%	30.0%	32.0%)47.0%
Small Issue	<del>((24.5%</del> 24.0%))	24.0%	25.0%
Exempt Facility	<del>((19.5%</del> 19.0%))	19.0%	20.0%
<del>((Student Loans</del> 14.5%	14.0%	15.0%))	
Public Utility	<del>((10.0%</del> 10.0%))	10.0%	0.0%
Remainder and Redevelopment	<del>((4.0%</del> 3.0%))	3.0%	8.0%

(2) Initial allocations may be modified by the agency only to reflect an issuer's carryforward amount. Any reduction of the initial allocation shall be added to the remainder and be available for allocation or reallocation.

(3) The remainder shall be allocated by the agency among one or more issuers from any bond use category with regard to the criteria specified in RCW 39.86.130.

(4) Should any bond use category no longer be subject to the state ceiling due to federal or state provisions of law, the agency shall divide the amount of that initial allocation among the remaining categories as necessary or appropriate with regard to the criteria specified in RCW 39.86.130. ~~((Upon the earlier of: (a) Exhaustion of the seven hundred fifty million dollar authority under I.R.C. 1317(25), or any new federal legislation increasing the amount of authority, or creating additional authority; or (b) waiver of the~~

~~authority described under (a) of this subsection due to alternative federal authority that does not use a state volume cap, then the alternative allocation schedule in subsection (1) of this section will be used.)~~

(5)(a) Prior to ~~((September 4))~~ July 1st of each calendar year, any available portion of an initial allocation may be allocated or reallocated only to an issuer within the same bond use category, except that the remainder category, or portions thereof, may be allocated at any time to any bond use category.

(b) Beginning ~~((September 4))~~ July 1st of each calendar year, the agency may allocate or reallocate any available portion of the state ceiling to any bond use category with regard to the criteria specified in RCW 39.86.130.

**Sec. 6031.** RCW 39.86.130 and 1987 c 297 s 4 are each amended to read as follows:

(1) In granting an allocation, reallocation, or carryforward of the state ceiling as provided in this chapter, the agency shall consider existing state priorities and other such criteria, including but not limited to, the following criteria:

- (a) Need of issuers to issue ~~((private activity))~~ bonds within a bond use category subject to a state ceiling;
- (b) Amount of the state ceiling available;
- (c) Public benefit and purpose to be satisfied, including economic development, educational opportunity, and public health, safety, or welfare;
- (d) Cost or availability of alternative methods of financing for the project or program; and
- (e) Certainty of using the allocation which is being requested.

(2) In determining whether to allocate an amount of the state ceiling to an issuer within any bond use category, the agency shall consider, but is not limited to, the following criteria for each of the bond use categories:

- (a) Housing: Criteria which comply with RCW 43.180.200.
- (b) ~~((Student loans: Criteria which comply with the applicable provisions of Title 28B RCW and rules adopted by the higher education coordinating board or applicable state agency dealing with student financial aid.~~
- ~~—(c))~~ Small issue: ~~((Recommendation by the board regarding how the amount of the state ceiling set aside for the small issue bond use category shall be allocated among issuers.))~~ Factors which may include:
  - (i) The number of employment opportunities the project is likely to create or retain in relation to the amount of the bond issuance;
  - (ii) The level of unemployment existing in the geographic area likely to be affected by the project;
  - (iii) A commitment to providing employment opportunities to low-income persons in cooperation with the employment security department;
  - (iv) Geographic distribution of projects;
  - (v) The number of persons who will benefit from the project;
  - (vi) Consistency with criteria identified in subsection (1) of this section; and
  - (vii) Order in which requests were received~~((; and~~
  - ~~—(viii) Requirements of the board's umbrella bond program)).~~

~~((d))~~ (c) Exempt facility or redevelopment: Factors which may include:

- (i) State issuance needs;
- (ii) Consistency with criteria identified in subsection (1) of this section;
- (iii) Order in which requests were received;
- (iv) The proportionate number of persons in relationship to the size of the community who will benefit from the project; and
- (v) The unique timing and issuance needs of large scale projects that may require allocations in more than one year.

~~((e))~~ (d) Public utility: Factors which may include:

(i) Consistency with criteria identified in subsection (1) of this section; and

(ii) Timing needs for issuance of bonds over a multi-year period.

**Sec. 6032.** RCW 39.86.140 and 1987 c 297 s 5 are each amended to read as follows:

(1) No issuer may receive an allocation of the state ceiling without a certificate of approval from the agency.

(2) ~~((a))~~ For each state ceiling allocation request, an issuer shall submit to the agency, no sooner than ninety days prior to the beginning of a calendar year for which an allocation of the state ceiling is being requested, a form identifying:

~~((i))~~ (a) The amount of the allocation sought;

~~((ii))~~ (b) The bond use category from which the allocation sought would be made;

~~((iii))~~ (c) The project or program for which the allocation is requested;

~~((iv))~~ (d) The financing schedule for which the allocation is needed; and

~~((v))~~ (e) Any other such information required by the agency, including information which corresponds to the allocation criteria of RCW 39.86.130.

~~((b) Nothing in (a) of this subsection precludes a public utility issuer from filing and the agency from considering a request at such times as may be appropriate in order to meet the criteria set forth in RCW 39.86.130(2)(e)(ii).)~~

(3) The agency may approve or deny an allocation for all or a portion of the issuer's request. Any denied request, however, shall remain on file with the agency for the remainder of the calendar year and shall be considered for receiving any allocation, reallocation, or carryforward of unused portions of the state ceiling during that period.

(4) After receiving an allocation request, the agency shall mail to the requesting issuer a written certificate of approval or notice of denial for an allocation amount, by a date no later than the latest of the following:

(a) ~~((Forty five days from May 8, 1987;~~

~~((b))~~ February 1st of the calendar year ~~((, other than 1987.))~~ for which the request is made;

~~((c))~~ (b) Fifteen days from the date the agency receives an allocation request; or

~~((d))~~ (c) Fifteen days from the date the agency receives a recommendation by the board with regard to a small issue allocation request, should the board choose to review individual requests.

(5)(a) For requests of the state ceiling of any calendar year, the following applies to all bond use categories except housing ~~((and student loans))~~:

(i) Except for housing ~~((and student loans))~~, any allocations granted prior to April 1st, for which bonds have not been issued by ~~((September 1))~~ July 1st of the same calendar year, shall revert to the agency on ~~((September 1))~~ July 1st of the same calendar year for reallocation unless an extension or carryforward is granted;

(ii) Except for housing ~~((and student loans))~~, any allocations granted on or after April 1st, for which bonds have not been issued by ~~((December 15))~~ October 15th of the same calendar year, shall revert to the agency on ~~((December 15))~~ October 15th of the same calendar year for reallocation unless an extension or carryforward is granted.

(b) For each calendar year, any housing ~~((or student loan))~~ allocations, for which bonds have not been issued by December 15th of the same calendar year, shall revert to the agency on December 15th of the same calendar year for reallocation unless an extension or carryforward is granted.

(6) An extension of the deadlines provided by subsection (5) of this section may be granted by the agency for the approved allocation amount or a portion thereof, based on:

(a) Firm and convincing evidence that the bonds will be issued before the end of the calendar year if the extension is granted; and

(b) Any other criteria the agency deems appropriate.

(7) If an issuer determines that bonds subject to the state ceiling will not be issued for the project or program for which an allocation was granted, the issuer shall promptly notify the agency in writing so that the allocation may be canceled and the amount may be available for reallocation.

(8) Bonds subject to the state ceiling may be issued only to finance the project or program for which a certificate of approval is granted.

(9) Within three business days of the date that bonds for which an allocation of the state ceiling is granted have been delivered to the original purchasers, the issuer shall mail to the agency a written notification of the bond issuance. In accordance with chapter 39.44 RCW, the issuer shall also complete bond issuance information on the form provided by the agency.

(10) If the total amount of ~~((tax exempt))~~ bonds issued under the authority of a state ceiling for a project or program is less than the amount allocated, the remaining portion of the allocation shall revert to the agency for reallocation in accordance with the criteria in RCW 39.86.130. If the amount of ~~((tax exempt))~~ bonds actually issued under the authority of a state ceiling is greater than the amount allocated, the entire allocation shall be disallowed.

**Sec. 6033.** RCW 39.86.150 and 1987 c 297 s 6 are each amended to read as follows:

(1) Beginning ~~((September 1))~~ July 1st of each calendar year, the agency may allocate or reallocate any portions of the annual state tax-exempt private activity bond ceiling for which no certificate of approval is in effect. Reallocations may also be made from the remainder category at any time during the year.

(2) Prior to the end of each calendar year, the agency shall allocate or reallocate any unused portions of the state ceiling among one or more issuers as carryforward, to be used within three years, in accordance with the code and relevant criteria described in RCW 39.86.130.

(3) Reallocations of state bond ceilings other than the annual tax-exempt private activity bond ceiling may be made by the agency in accordance with the code or as established in agency rule when not specified in the code.

**Sec. 6034.** RCW 39.86.170 and 1987 c 297 s 8 are each amended to read as follows:

A fee schedule shall be established by rule by the agency to assist in support of bond allocation activities. Fees shall reflect costs actually incurred or expected to be incurred by the agency in its bond allocation and bond users clearinghouse activities.

**Sec. 6035.** RCW 39.86.190 and 2009 c 518 s 19 are each amended to read as follows:

By February 1st of each even-numbered year, the agency shall summarize for the legislature each previous year's bond allocation requests and issuance. Beginning in ~~((June of 1988))~~ February 2010 and thereafter in ~~((June))~~ February of each even-numbered year, the agency shall also submit a biennial report summarizing usage of the bond allocation proceeds and any policy concerns for future bond allocations.

NEW SECTION. Sec. 6036. Section 6005 of this act expires June 30, 2011.

NEW SECTION. Sec. 6037. The following acts or parts of acts are each repealed:

- (1) 2009 c 497 s 1089 (uncodified);
- (2) 2009 c 497 s 2030 (uncodified);
- (3) 2009 c 497 s 2079 (uncodified);
- (4) 2009 c 497 s 3098 (uncodified);
- (5) 2009 c 497 s 4009 (uncodified);
- (6) 2009 c 497 s 5043 (uncodified);
- (7) 2009 c 497 s 5059 (uncodified);
- (8) 2009 c 497 s 5072 (uncodified);
- (9) 2009 c 497 s 5084 (uncodified);
- (10) 2009 c 497 s 5098 (uncodified);

(11) 2009 c 497 s 5112 (uncodified); and  
(12) RCW 39.86.200 (Ratification) and 1987 c 297 s 11.

**NEW SECTION. Sec. 6038.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**NEW SECTION. Sec. 6039.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Correct the title.

Representative Bailey moved the adoption of amendment (1704) to amendment (1695).

0)

On page 21, line 13, strike "\$102,541,000" and insert "\$77,541,000"

On page 34, after line 21, insert the following:

**NEW SECTION. Sec. 1031.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE MILITARY DEPARTMENT**

Enhanced 911 Capital Equipment

Appropriation:

State Building Construction Account--State	\$25,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
<b>TOTAL</b>	<b>\$25,000,000"</b>

Representatives Bailey and Klippert spoke in favor of the adoption of the amendment to the amendment.

Representative McCoy spoke against the adoption of the amendment to the amendment.

An electronic roll call was requested.

The Speaker (Representative Morris presiding) stated the question before the House to be the adoption of amendment (1704) to amendment (1695).

Representatives Bailey and Klippert spoke in favor of the adoption of the amendment to the amendment.

Representative McCoy spoke against the adoption of the amendment to the amendment.

**ROLL CALL**

The Clerk called the roll on the adoption of amendment (1704) to amendment (1695) and the amendment was not adopted by the following vote: Yeas, 35; Nays, 60; Absent, 0; Excused, 3.

Voting yea: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Haler, Herrera, Hinkle, Hope, Johnson, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Priest, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh and Warnick.

Voting nay: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Hurst, Jacks, Kagi, Kenney, Kessler, Kirby, Liias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Probst, Quall, Roberts, Rolfes, Santos,

Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Excused: Representatives Condotta, Kelley and Roach.

Amendment (1704) to amendment (1695) to Substitute House Bill No. 2836 was not adopted.

Representative Alexander moved the adoption of amendment (1703) to amendment (1695).

0)

On page 28, line 8 of the amendment, after "(1)" strike "\$3,500,000" and insert "\$3,600,000"

On page 28, line 14 of the amendment, after "(2)" strike "\$800,000" and insert "\$1,700,000"

On page 28, line 14 of the amendment, after "for" insert "the Lewis county public utility district to administer"

On page 28, beginning on line 17 of the amendment, after "consider" strike all material through "retention" on line 18 and insert "dams and lowland temporary water storage options"

On page 28, line 19 of the amendment, after "(3)" insert "\$200,000 of the reappropriation is provided solely for an early flood warning system.

(4)"

On page 28, line 25 of the amendment, strike "\$3,560,000" and insert "\$2,500,000"

On page 28, line 29 of the amendment, strike "\$42,990,000" and insert "\$44,050,000"

Representatives Alexander and Dunshee spoke in favor of the adoption of the amendment to the amendment.

Amendment (1703) to amendment (1695) was adopted.

Representative Smith moved the adoption of amendment (1699) to amendment (1695).

0)

On page 29, line 25 of the amendment, after "amount of" strike "\$42,291,000" and insert "\$46,312,000"

On page 60, after line 13 of the amendment, insert the following: **NEW SECTION. Sec. 3038.** A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

Forest Hazard Reduction (91000005)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for forest improvement treatments on forest lands of eastern Washington with the five highest priority fire and disease hazards in Stevens, Ferry, Lincoln, Pend Oreille, Okanogan, Spokane, Kittitas, and Yakima counties. Forest treatments on private lands funded by this appropriation require an agreement with the property owner that includes a commitment to maintain the improvements to forest health.

Appropriation:

State Building Construction Account--State .....	
Prior Biennia (Expenditures).....	
Future Biennia (Projected Costs).....	
<b>TOTAL</b>	<b>\$4,021,000"</b>

Representatives Smith, Pearson, Orcutt, Klippert and Kretz spoke in favor of the adoption of the amendment to the amendment.

Representatives Dunshee and Simpson spoke against the adoption of the amendment to the amendment.

Amendment (1699) to amendment (1695) was not adopted.

Representative Orcutt moved the adoption of amendment (1697) to amendment (1695).  
0)

On page 53, line 33 of the amendment, decrease the reappropriation by \$733,000

On page 54, line 1 of the amendment, correct the subtotal

On page 54, line 5 of the amendment, correct the total

On page 54, after line 5 of the amendment, insert the following:

"Sec. 3030. 2009 c 497 s 3117 (uncodified) is amended to read as follows:

**FOR THE RECREATION AND CONSERVATION FUNDING BOARD**

Washington Wildlife and Recreation Program (20064002)

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

(1) The reappropriations are provided solely for the approved list of projects in LEAP capital document No. 2005-14 as developed on April 9, 2005.

(2) Funds reappropriated for distribution according to RCW 79A.15.050 must fulfill the uses and restrictions of each category whether the funds are distributed according to the statutory allotment, the unallocated distribution, or a reassignment of reappropriations. If the cumulative total for acquisition projects is less than the statutory requirement, the difference may be allocated to the remaining development projects.

(3) Funds reappropriated for distribution according to the provisions of RCW 79A.15.040(1)(c) must be allocated forty percent to local government projects and sixty percent to state agency projects. If the cumulative total of local government projects is less than forty percent of the total distribution to this category, the difference may be allocated to state agency projects.

Reappropriation:

Habitat Conservation Account--State .....

\$6,479,000

Outdoor Recreation Account--State .....

\$6,705,000

Subtotal Reappropriation .....

\$13,184,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs) .....

TOTAL ((\$50,000,000))

\$49,600,000

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 55, line 3 of the amendment, decrease the appropriation by \$5,250,000

On page 55, line 4 of the amendment, decrease the appropriation by \$3,617,000

On page 55, line 6 of the amendment, correct the subtotal

On page 55, line 10 of the amendment, correct the total

On page 60, after line 13 of the amendment, insert the following:

"NEW SECTION. Sec. 3038. A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES**

Forest Riparian Easement Program (30000070)

The appropriation in this section is subject to the following conditions and limitations: Up to ten percent of the appropriation may be used for timber cruising to determine the volume of qualifying timber under the program and other administrative purposes.

Appropriation:

State Building Construction Account--State .....

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL \$10,000,000"

On page 104, beginning on line 27 of the amendment, strike all of section 6011

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representatives Orcutt and Short spoke in favor of the adoption of the amendment to the amendment.

Representative Dunshee spoke against the adoption of the amendment to the amendment.

Amendment (1697) to amendment (1695) was not adopted.

Representative Warnick moved the adoption of amendment (1700) to amendment (1695).  
0)

On page 55, line 3 of the amendment, decrease the appropriation by \$38,000

On page 55, line 6 of the amendment, correct the subtotal

On page 55, line 10 of the amendment, correct the total

On page 55, after line 26 of the amendment, insert the following:

"NEW SECTION. Sec. 3032. A new section is added to 2009 c 497 (uncodified) to read as follows:

**FOR THE STATE CONSERVATION COMMISSION**

Wild Horse Coordinated Resource Management Area - Infrastructure Improvements (30000003)

..... ((\$6,725,000))

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

to the Kittitas county conservation district for infrastructure improvements to facilitate and enhance wildlife habi

..... ((\$13,584,000))

Appropriation:

State Building Construction Account--State.....\$36,416,000.....

..... \$0

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs).....

TOTAL \$38,000"

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representative Warnick spoke in favor of the adoption of the amendment to the amendment.

Representative Dunshee spoke against the adoption of the amendment to the amendment.

Amendment (1700) to amendment (1695) was not adopted.

Representative Dunshee moved the adoption of amendment (1709) to amendment (1695).

On page 56, beginning on line 15 of the amendment, strike all of section 3033 and insert the following:

"NEW SECTION. Sec. 3033. A new section is added to 2009 c 497 (unmodified) to read as follows:

**FOR THE PUGET SOUND PARTNERSHIP**

Puget Sound Aquatic Cleanup and Restoration (30000004)

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

(1) Projects must be selected based on their readiness to proceed.

(2) The appropriation is provided solely for the following list of projects. The partnership may reallocate funding among projects on this list as appropriate based upon readiness to proceed and actual project bids. If funding needed for this list of projects is less than the total appropriation, the partnership may select additional projects from LEAP capital document No. 2010-XX, developed March 7, 2010.

(3) If additional federal funding is made available, the Puget Sound partnership may remove projects from this list that receive federal funding, or use only that portion of the appropriation necessary to match federal funds, and add projects for state funding from LEAP capital document No. 2010-XX, developed March 7, 2010.

South Fork Acme confluence reach logjam.....	\$746,508
Asarco contaminated piling removal and Commencement	
Bay habitat restoration.....	\$1,030,000
Carpenter Creek estuary restoration.....	\$2,783,597
Dungeness River engineered logjams.....	\$150,000
South Fork Nooksack River and tributaries restoration.....	\$85,400
Nooksack Forks large woody debris placement .....	\$381,100
Puget Sound Nearshore general investigation engineering .....	\$1,030,000
Venema natural drainage system .....	\$824,600
Bremerton storm water retrofit/low impact development.....	\$1,342,559
Toxics cleanup and remedial actions .....	\$526,836
Potlatch wastewater treatment plants.....	\$1,000,000

**Appropriation:**

State Building Construction Account--State.....	\$10,000,000
Prior Biennia (Expenditures).....	<b>ROLL CALL</b>
Future Biennia (Projected Costs) .....	\$0
<b>TOTAL</b> .....	\$10,000,000

Representatives Dunshee and Warnick spoke against the adoption of the amendment to the amendment.

Amendment (1709) to amendment (1695) was not adopted.

Representative Dunshee moved the adoption of amendment (1712) to amendment (1695).

On page 97, beginning on line 11 of the amendment, strike all of section 6006

Renummer the remaining sections consecutively and correct any internal references accordingly.

Representatives Dunshee and Short spoke in favor of the adoption of the amendment to the amendment.

Amendment (1712) to amendment (1695) was adopted.

Representative Orcutt moved the adoption of amendment (1698) to amendment (1695).

Beginning on page 104, line 29 of the amendment, strike all material through "statute" on page 105, line 4 and insert the following:

"It is the intent of the legislature to allow small forest landowners, as defined in RCW 76.13.120, to compensate for the lack of funding in the forestry riparian easement program by increasing the number of trees that can be harvested from riparian zones on their property. The department of natural resources shall develop a process that will allow small forest landowners currently enrolled in the forestry riparian easement program to harvest timber from their riparian zones with a value that closely approximates the value that is currently owed to them under the forestry riparian easement program"

Representative Orcutt spoke in favor of the adoption of the amendment to the amendment.

Representative Dunshee spoke against the adoption of the amendment to the amendment.

Amendment (1698) to amendment (1695) was not adopted.

Amendment (1695) was adopted as amended.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered, the third and the bill was placed on the passage. Representatives Dunshee, Warnick and White spoke in favor of the passage of the bill. Representatives Pearson and Orcutt spoke against the passage of the bill. The Speaker (Representative Morris presiding) asked the question before the House to be the final passage of Engrossed Substitute House Bill No. 2836.

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2836, and the bill passed the House by the following vote: Yeas, 59; Nays, 36; Absent, 0; Excused, 3.

Voting yea: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Jacks, Kagi, Kenney, Kessler, Kirby, Liias, Maxwell, McCoy, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Probst, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, Warnick, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Haler, Herrera, Hope, Hurst, Johnson, Klippert, Kretz, Kristiansen, Linville, McCune, Miloscia, Nealey, Orcutt, Parker, Pearson, Priest, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor and Walsh.

Excused: Representatives Condotta, Kelley and Roach.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2836, having received the constitutional majority, was declared passed.

**STATEMENT FOR THE JOURNAL**

I intended to vote NAY on Engrossed Substitute House Bill No. 2836.

Bill Hinkle, 13th District

### THIRD READING

**SECOND SUBSTITUTE HOUSE BILL NO. 2782, by House Committee on Ways & Means (originally sponsored by Representatives Dickerson, Appleton, McCoy, Carlyle, Morrell, Kagi, Kessler, Green, Ericks, Moeller, Roberts, Nelson and Orwall)**

**Reorganizing delivery of services to recipients of public assistance. Revised for 2nd Substitute: Concerning the security lifeline act.**

The bill was read the third time.

There being no objection, the rules were suspended and Second Substitute House Bill No. 2782 was returned to second reading for purpose of amendment.

The House reverted to the sixth order of business.

### SECOND READING

Representative Dickerson moved the adoption of amendment (1705).

Strike everything after the enacting clause and insert the following:

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

(a) Low-income families and individuals often face significant barriers to receiving the services and benefits that they are qualified to receive. These services are essential to meeting individuals' basic needs, and provide critical support to low-income individuals who are working or who have disabilities that prevent them from working;

(b) Each year millions of federal dollars go unclaimed due to underutilization of benefits such as tax credits, health care coverage, and food support;

(c) State agencies have been engaged in an effort to implement an online benefit portal to simplify and streamline access to state, federal, and local benefits that include a broad array of public benefits;

(d) Access to education and training gives low-income individuals and families the opportunity to acquire the skills they need to become successfully employed and attain self-sufficiency; and

(e) Agencies have been engaged in efforts to increase access to training and education for recipients of federal food assistance.

(2) The legislature therefore intends to strengthen existing efforts by providing enhanced structure and direction to ensure that a strong partnership among colleges, state agencies, community partners, and philanthropy be established. The legislature also intends to provide an efficient, effective, integrated approach to the delivery of basic support services and education and training programs. The integrated approach should include the creation of a one-stop-shop, online benefits portal where individuals can apply for a broad array of services, including public benefits and education and training support, and the expansion of the food stamp employment and training program.

(3) The legislature further finds that:

(a) The general assistance program can be reformed to better support the ability of persons who are unable to work due to physical or mental health impairments to either return to work, or transition to federal supplemental security income benefits; and

(b) Persons who are homeless and suffering from mental illness or chemical dependency are particularly vulnerable, because

homelessness is a substantial barrier to successful participation in, and completion of, needed treatment services.

(4) Through the reforms included in this act, the legislature intends to end the general assistance program and establish the disability lifeline program, and to implement multiple strategies designed to improve the employment and basic support outcomes of persons receiving disability lifeline benefits. The legislature further intends to focus services on persons who are homeless and have a mental illness or chemical dependency by providing housing vouchers as an alternative to a cash grant so that these persons can be in stable housing and thus have a greater opportunity to succeed in treatment.

**NEW SECTION. Sec. 2.** A new section is added to chapter 74.04 RCW to read as follows:

**OPPORTUNITY PORTAL.** (1) An online opportunity portal shall be established to provide the public with more effective access to available state, federal, and local services. The secretary of the department of social and health services shall act as the executive branch sponsor of the portal planning process. Under the leadership of the secretary, the department shall:

(a) Identify and select an appropriate solution and acquisition approach to integrate technology systems to create a user-friendly electronic tool for Washington residents to apply for benefits;

(b) Facilitate the adaptation of state information technology systems to allow applications generated through the opportunity portal and other compatible electronic application systems to seamlessly link to appropriate state information systems;

(c) Ensure that the portal provides access to a broad array of state, federal, and local services, including but not limited to: Health care services, higher education financial aid, tax credits, civic engagement, nutrition assistance, energy assistance, family support, and disability lifeline benefits as defined in sections 4 through 13 of this act;

(d) Design an implementation strategy for the portal that maximizes collaboration with community-based organizations to facilitate its use by low-income individuals and families;

(e) Provide access to the portal at a wide array of locations including but not limited to: Community or technical colleges, community college campuses where community service offices are collocated, community-based organizations, libraries, churches, food banks, state agencies, early childhood education sites, and labor unions;

(f) Ensure project resources maximize available federal and private funds for development and initial operation of the opportunity portal. Any incidental costs to state agencies shall be derived from existing resources. This subsection does not obligate or preclude the appropriation of future state funding for the opportunity portal;

(g) Determine the solution and acquisition approach by June 1, 2010.

(2) By December 1, 2011, and annually thereafter, the department of social and health services shall report to the legislature and governor. The report shall include data and information on implementation and outcomes of the opportunity portal, including any increases in the use of public benefits and increases in federal funding.

(3) The department shall develop a plan for implementing paperless application processes for the services included in the opportunity portal for which the electronic exchange of application information is possible. The plan should include a goal of achieving, to the extent possible, the transition of these services to paperless application processes by July 1, 2012. The plan must comply with federal statutes and regulations and must allow applicants to submit applications by alternative means to ensure that access to benefits will not be restricted.

(4) To the extent that the department enters into a contractual relationship to accomplish the purposes of this section, such contract or contracts shall be performance-based.

NEW SECTION. Sec. 3. A new section is added to chapter 74.04 RCW to read as follows:

**BASIC FOOD EMPLOYMENT AND TRAINING PROGRAM.**

(1) The department, the employment security department, and the state board for community and technical colleges shall work in partnership to expand the food stamp employment and training program. Subject to federal approval, the program shall be expanded to three additional community colleges or other community-based locations in 2010 and shall expand capacity at participating colleges. To the greatest extent possible, expansion shall be geographically diverse. The agencies shall:

(a) Identify and seek out partnerships with community-based organizations that can provide support services and case management to participants through performance-based contracts in the food stamp employment and training program, and do not replace the positions or work of department employees;

(b) Identify eligible nonfederal matching funds to draw down the federal match for food stamp employment and training services. Matching funds may include: Local funds, foundation grants, employer- paid costs, and the state allocation to community and technical colleges.

(2) Employment and training funds may be allocated for: Educational programs to develop skills for employability, vocational education, English as a second language courses, adult basic education, GED courses, remedial programs, job readiness training, case management, intake, assessment, evaluation, and barrier removal and support services such as tuition, books, child care, transportation, housing, and counseling services.

(3) The department shall annually track and report outcomes including those achieved through performance-based contracts as follows: Federal funding received, the number of participants served, achievement points, the number of participants who enter employment during or after participation in the food stamp employment and training program, and the average wage of jobs attained. The report shall be submitted to the governor and appropriate committees of the legislature on November 1st of each year, beginning in 2010.

(4) For purposes of this section, "food stamp employment and training program" refers to a program established and administered through the employment security department and the department of social and health services.

**Sec. 4.** RCW 74.04.005 and 2003 1st sp.s. c 10 s 1 are each amended to read as follows:

For the purposes of this title, unless the context indicates otherwise, the following definitions shall apply:

(1) "Public assistance" or "assistance"--Public aid to persons in need thereof for any cause, including services, medical care, assistance grants, disbursing orders, work relief, ~~((general assistance))~~ disability lifeline benefits and federal aid assistance.

(2) "Department"--The department of social and health services.

(3) "County or local office"--The administrative office for one or more counties or designated service areas.

(4) "Director" or "secretary" means the secretary of social and health services.

(5) "Disability lifeline program" means a program that provides aid and support in accordance with the conditions set out in this subsection.

(a) Aid and assistance shall be provided to persons who are not eligible to receive federal aid assistance, other than basic food benefits transferred electronically and medical assistance and meet one of the following conditions:

(i) Are pregnant and in need, based upon the current income and resource requirements of the federal temporary assistance for needy families program; or

(ii) Are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of ninety days as determined by the department; and

(A) Are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law;

(B) Have furnished the department their social security number. If the social security number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of benefits, and the social security number shall be provided to the department upon receipt;

(C) Have not refused or failed without good cause to participate in drug or alcohol treatment if an assessment by a certified chemical dependency counselor indicates a need for such treatment. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in drug or alcohol dependency treatment, when needed outpatient drug or alcohol treatment is not available to the person in the county of his or her residence or when needed inpatient treatment is not available in a location that is reasonably accessible for the person; and

(D) Have not refused or failed without good cause to participate in vocational rehabilitation services, if an assessment conducted under section 5 of this act indicates that the person might benefit from such services. Good cause must be found to exist when a person's physical or mental condition, as determined by the department, prevents the person from participating in vocational rehabilitation services, or when vocational rehabilitation services are not available to the person in the county of his or her residence.

(b)(i) Persons who initially apply and are found eligible for disability lifeline benefits based upon incapacity from gainful employment under (a) of this subsection on or after September 2, 2010, who are homeless and have been assessed as needing chemical dependency or mental health treatment or both, must agree, as a condition of eligibility for the disability lifeline program, to accept a housing voucher in lieu of a cash grant if a voucher is available. The department shall establish the dollar value of the housing voucher. The dollar value of the housing voucher may differ from the value of the cash grant. Persons receiving a housing voucher under this subsection also shall receive a cash stipend of fifty dollars per month.

(ii) If the department of commerce has determined under section 8 of this act that sufficient housing is not available, persons described in this subsection who apply for disability lifeline benefits during the time period that housing is not available shall receive a cash grant in lieu of a cash stipend and housing voucher.

(iii) Persons who refuse to accept a housing voucher under this subsection but otherwise meet the eligibility requirements of (a) of this subsection are eligible for medical care services benefits under RCW 74.09.035, subject to the time limits in (h) of this subsection.

(c) The following persons are not eligible for the disability lifeline program:

(i) Persons who are unemployable due primarily to alcohol or drug addiction. These persons shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. This subsection shall not be construed to prohibit the department from granting disability lifeline benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for the disability lifeline program;

(ii) Persons who refuse or fail to cooperate in obtaining federal aid assistance, without good cause.

(d) Disability lifeline benefits shall be provided only to persons who are not members of assistance units receiving federal aid assistance, except as provided in (a) of this subsection, and who will

accept available services that can reasonably be expected to enable the person to work or reduce the need for assistance unless there is good cause to refuse. Failure to accept such services shall result in termination until the person agrees to cooperate in accepting such services and subject to the following maximum periods of ineligibility after reapplication:

(i) First failure: One week;

(ii) Second failure within six months: One month;

(iii) Third and subsequent failure within one year: Two months.

(e) Persons who are likely eligible for federal supplemental security income benefits shall be moved into the disability lifeline expedited component of the disability lifeline program. Persons placed in the expedited component of the program may, if otherwise eligible, receive disability lifeline benefits pending application for federal supplemental security income benefits. The monetary value of any disability lifeline benefit that is subsequently duplicated by the person's receipt of supplemental security income for the same period shall be considered a debt due the state and shall by operation of law be subject to recovery through all available legal remedies.

(f) For purposes of determining whether a person is incapacitated from gainful employment under (a) of this subsection:

(i) The department shall adopt by rule medical criteria for disability lifeline incapacity determinations to ensure that eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information. The criteria should recognize that the standard for incapacity in this subsection, as evidenced by the ninety-day duration standard, is not intended to be as stringent as federal supplemental security income disability standards. In no case shall the criteria for disability lifeline incapacity determinations be more restrictive than the disability determination standards for the federal supplemental security income program; and

(ii) The process implementing the medical criteria shall involve consideration of opinions of the treating or consulting physicians or health care professionals regarding incapacity, and any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for doing so.

(g) Persons receiving disability lifeline benefits based upon a finding of incapacity from gainful employment who remain otherwise eligible shall have their benefits discontinued unless the recipient demonstrates no material improvement in their medical or mental health condition. The department may discontinue benefits when there was specific error in the prior determination that found the person eligible by reason of incapacitation.

(h)(i) Beginning September 1, 2010, no person who is currently receiving or becomes eligible for disability lifeline program benefits shall be eligible to receive benefits under the program for more than twenty-four months in a sixty-month period. For purposes of this subsection, months of receipt of general assistance-unemployable benefits count toward the twenty-four month limit. Months during which a person received benefits under the expedited component of the disability lifeline or general assistance program or under the aged, blind, or disabled component of the disability lifeline or general assistance program shall not be included when determining whether a person has been receiving benefits for more than twenty-four months. On or before July 1, 2010, the department must review the cases of all persons who have received disability lifeline benefits or general assistance unemployable benefits for at least twelve months as of that date. The review should determine whether the person meets the federal supplemental security income disability standard and, if the person does not meet that standard, whether the receipt of additional services could lead to employability. If a need for additional services is identified, the department shall provide case management services, such as assistance with arranging transportation or locating stable housing, that will facilitate the person's access to needed services. A person may not be determined ineligible due to exceeding the time limit unless he or she has received a case review under this subsection

finding that the person does not meet the federal supplemental security income disability standard.

(ii) The time limit in (h)(i) of this subsection may be modified to eighteen months in a thirty-six month period if the following conditions are met, as determined by the Washington state institute for public policy:

(A) The department is consistently reviewing the cases of all persons who have received disability lifeline benefits or general assistance unemployable benefits for twelve months, as described in (h)(i) of this subsection in a timely manner.

(B) The performance goals in section 7(2) of this act have been met consistently on a statewide basis by the department and its contracted entities for a continuous period of twelve months. Any modification of the time limit under this subsection must be accomplished through the adoption of rules under chapter 34.05 RCW.

(iii) The time limits established under this subsection expire June 30, 2013.

(i) No person may be considered an eligible individual for disability lifeline benefits with respect to any month if during that month the person:

(i) Is fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or

(ii) Is violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

(6) "Disability lifeline expedited" means a component of the disability lifeline program under which persons receiving disability lifeline benefits have been determined, after examination by an appropriate health care provider, to be likely to be eligible for federal supplemental security income benefits based on medical and behavioral health evidence that meets the disability standards used for the federal supplemental security income program.

(7) "Federal aid assistance"--The specific categories of assistance for which provision is made in any federal law existing or hereafter passed by which payments are made from the federal government to the state in aid or in respect to payment by the state for public assistance rendered to any category of needy persons for which provision for federal funds or aid may from time to time be made, or a federally administered needs-based program.

((6)(a) "General assistance"--Aid to persons in need who:

(i) Are not eligible to receive federal aid assistance, other than food stamps or food stamp benefits transferred electronically and medical assistance; however, an individual who refuses or fails to cooperate in obtaining federal aid assistance, without good cause, is not eligible for general assistance;

(ii) Meet one of the following conditions:

(A) Pregnant: PROVIDED, That need is based on the current income and resource requirements of the federal temporary assistance for needy families program; or

(B) Subject to chapter 165, Laws of 1992, incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of ninety days as determined by the department.

(C) Persons who are unemployable due to alcohol or drug addiction are not eligible for general assistance. Persons receiving general assistance on July 26, 1987, or becoming eligible for such assistance thereafter, due to an alcohol or drug related incapacity, shall be referred to appropriate assessment, treatment, shelter, or supplemental security income referral services as authorized under chapter 74.50 RCW. Referrals shall be made at the time of application or at the time of eligibility review. Alcoholic and drug addicted clients who are receiving general assistance on July 26, 1987, may remain on general assistance if they otherwise retain their

eligibility until they are assessed for services under chapter 74.50 RCW. Subsection (6)(a)(ii)(B) of this section shall not be construed to prohibit the department from granting general assistance benefits to alcoholics and drug addicts who are incapacitated due to other physical or mental conditions that meet the eligibility criteria for the general assistance program;

— (iii) Are citizens or aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law; and

— (iv) Have furnished the department their social security account number. If the social security account number cannot be furnished because it has not been issued or is not known, an application for a number shall be made prior to authorization of assistance, and the social security number shall be provided to the department upon receipt.

— (b) Notwithstanding the provisions of subsection (6)(a)(i), (ii), and (c) of this section, general assistance shall be provided to the following recipients of federal aid assistance:

— (i) Recipients of supplemental security income whose need, as defined in this section, is not met by such supplemental security income grant because of separation from a spouse; or

— (ii) To the extent authorized by the legislature in the biennial appropriations act, to recipients of temporary assistance for needy families whose needs are not being met because of a temporary reduction in monthly income below the entitled benefit payment level caused by loss or reduction of wages or unemployment compensation benefits or some other unforeseen circumstances. The amount of general assistance authorized shall not exceed the difference between the entitled benefit payment level and the amount of income actually received.

— (c) General assistance shall be provided only to persons who are not members of assistance units receiving federal aid assistance, except as provided in subsection (6)(a)(ii)(A) and (b) of this section, and will accept available services which can reasonably be expected to enable the person to work or reduce the need for assistance unless there is good cause to refuse. Failure to accept such services shall result in termination until the person agrees to cooperate in accepting such services and subject to the following maximum periods of ineligibility after reapplication:

— (i) First failure: One week;

— (ii) Second failure within six months: One month;

— (iii) Third and subsequent failure within one year: Two months.

— (d) Persons found eligible for general assistance based on incapacity from gainful employment may, if otherwise eligible, receive general assistance pending application for federal supplemental security income benefits. Any general assistance that is subsequently duplicated by the person's receipt of supplemental security income for the same period shall be considered a debt due the state and shall by operation of law be subject to recovery through all available legal remedies.

— (e) The department shall adopt by rule medical criteria for general assistance eligibility to ensure that eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information.

— (f) The process implementing the medical criteria shall involve consideration of opinions of the treating or consulting physicians or health care professionals regarding incapacity, and any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for doing so.

— (g) Recipients of general assistance based upon a finding of incapacity from gainful employment who remain otherwise eligible shall have their benefits discontinued unless the recipient demonstrates no material improvement in their medical or mental condition. The department may discontinue benefits when there was specific error in the prior determination that found the recipient eligible by reason of incapacitation. Recipients of general assistance

based upon pregnancy who relinquish their child for adoption, remain otherwise eligible, and are not eligible to receive benefits under the federal temporary assistance for needy families program shall not have their benefits terminated until the end of the month in which the period of six weeks following the birth of the recipient's child falls. Recipients of the federal temporary assistance for needy families program who lose their eligibility solely because of the birth and relinquishment of the qualifying child may receive general assistance through the end of the month in which the period of six weeks following the birth of the child falls.

— (h) No person may be considered an eligible individual for general assistance with respect to any month if during that month the person:

— (i) Is fleeing to avoid prosecution of, or to avoid custody or confinement for conviction of, a felony, or an attempt to commit a felony, under the laws of the state of Washington or the place from which the person flees; or

— (ii) Is violating a condition of probation, community supervision, or parole imposed under federal or state law for a felony or gross misdemeanor conviction.

— ((7)) (8) "Applicant"--Any person who has made a request, or on behalf of whom a request has been made, to any county or local office for assistance.

(((8))) (9) "Recipient"--Any person receiving assistance and in addition those dependents whose needs are included in the recipient's assistance.

(((9))) (10) "Standards of assistance"--The level of income required by an applicant or recipient to maintain a level of living specified by the department.

(((10))) (11) "Resource"--Any asset, tangible or intangible, owned by or available to the applicant at the time of application, which can be applied toward meeting the applicant's need, either directly or by conversion into money or its equivalent. The department may by rule designate resources that an applicant may retain and not be ineligible for public assistance because of such resources. Exempt resources shall include, but are not limited to:

(a) A home that an applicant, recipient, or their dependents is living in, including the surrounding property;

(b) Household furnishings and personal effects;

(c) A motor vehicle, other than a motor home, used and useful having an equity value not to exceed five thousand dollars;

(d) A motor vehicle necessary to transport a ((physically disabled)) household member with a physical disability. This exclusion is limited to one vehicle per ((physically disabled)) person with a physical disability;

(e) All other resources, including any excess of values exempted, not to exceed one thousand dollars or other limit as set by the department, to be consistent with limitations on resources and exemptions necessary for federal aid assistance. The department shall also allow recipients of temporary assistance for needy families to exempt savings accounts with combined balances of up to an additional three thousand dollars;

(f) Applicants for or recipients of ((general assistance)) disability lifeline benefits shall have their eligibility based on resource limitations consistent with the temporary assistance for needy families program rules adopted by the department; and

(g) If an applicant for or recipient of public assistance possesses property and belongings in excess of the ceiling value, such value shall be used in determining the need of the applicant or recipient, except that: (i) The department may exempt resources or income when the income and resources are determined necessary to the applicant's or recipient's restoration to independence, to decrease the need for public assistance, or to aid in rehabilitating the applicant or recipient or a dependent of the applicant or recipient; and (ii) the department may provide grant assistance for a period not to exceed nine months from the date the agreement is signed pursuant to this

section to persons who are otherwise ineligible because of excess real property owned by such persons when they are making a good faith effort to dispose of that property: PROVIDED, That:

(A) The applicant or recipient signs an agreement to repay the lesser of the amount of aid received or the net proceeds of such sale;

(B) If the owner of the excess property ceases to make good faith efforts to sell the property, the entire amount of assistance may become an overpayment and a debt due the state and may be recovered pursuant to RCW 43.20B.630;

(C) Applicants and recipients are advised of their right to a fair hearing and afforded the opportunity to challenge a decision that good faith efforts to sell have ceased, prior to assessment of an overpayment under this section; and

(D) At the time assistance is authorized, the department files a lien without a sum certain on the specific property.

~~((11))~~ (12) "Income"--(a) All appreciable gains in real or personal property (cash or kind) or other assets, which are received by or become available for use and enjoyment by an applicant or recipient during the month of application or after applying for or receiving public assistance. The department may by rule and regulation exempt income received by an applicant for or recipient of public assistance which can be used by him or her to decrease his or her need for public assistance or to aid in rehabilitating him or her or his or her dependents, but such exemption shall not, unless otherwise provided in this title, exceed the exemptions of resources granted under this chapter to an applicant for public assistance. In addition, for cash assistance the department may disregard income pursuant to RCW 74.08A.230 and 74.12.350.

(b) If, under applicable federal requirements, the state has the option of considering property in the form of lump sum compensatory awards or related settlements received by an applicant or recipient as income or as a resource, the department shall consider such property to be a resource.

~~((12))~~ (13) "Need"--The difference between the applicant's or recipient's standards of assistance for himself or herself and the dependent members of his or her family, as measured by the standards of the department, and value of all nonexempt resources and nonexempt income received by or available to the applicant or recipient and the dependent members of his or her family.

~~((13))~~ (14) For purposes of determining eligibility for public assistance and participation levels in the cost of medical care, the department shall exempt restitution payments made to people of Japanese and Aleut ancestry pursuant to the Civil Liberties Act of 1988 and the Aleutian and Pribilof Island Restitution Act passed by congress, P.L. 100-383, including all income and resources derived therefrom.

~~((14))~~ (15) In the construction of words and phrases used in this title, the singular number shall include the plural, the masculine gender shall include both the feminine and neuter genders and the present tense shall include the past and future tenses, unless the context thereof shall clearly indicate to the contrary.

NEW SECTION. Sec. 5. A new section is added to chapter 74.04 RCW to read as follows:

**REFERRAL TO THE DIVISION OF VOCATIONAL REHABILITATION.** (1) The economic services administration shall work jointly with the division of vocational rehabilitation to develop an assessment tool that must be used to determine whether the programs offered by the division of vocational rehabilitation could assist persons receiving disability lifeline benefits in returning to the work force. The assessment tool shall be completed no later than December 1, 2010. The economic services administration shall begin using the tool no later than January 1, 2011. No later than December 30, 2011, the department shall report on the use of the tool and to what extent the programs offered by the division of vocational rehabilitation have been successful in returning persons receiving disability lifeline benefits to the work force.

(2) After January 1, 2011, all persons receiving disability lifeline benefits shall be assessed to determine whether they would likely benefit from a program offered by the division of vocational rehabilitation. If the assessment indicates that the person might benefit, the economic services administration shall make a referral to the division of vocational rehabilitation. If the person is found eligible for a program with the division of vocational rehabilitation, he or she must participate in that program to remain eligible for the monthly stipend and housing voucher or a cash grant. If the person refuses to participate or does not complete the program, the department shall terminate the cash stipend and housing voucher or cash grant but may not terminate medical coverage and food benefits.

NEW SECTION. Sec. 6. A new section is added to chapter 74.04 RCW to read as follows:

**REFERRAL TO THE DEPARTMENT OF VETERANS AFFAIRS.** During the application process for disability lifeline benefits, the department shall inquire of each applicant whether he or she has ever served in the United States military service. If the applicant answers in the affirmative, the department shall confer with a veterans benefit specialist with the Washington state department of veterans affairs or a contracted veterans service officer in the community to determine whether the applicant is eligible for any benefits or programs offered to veterans by either the state or the federal government.

NEW SECTION. Sec. 7. A new section is added to chapter 74.04 RCW to read as follows:

**EARLY SSI TRANSITION PROJECT.** (1) To ensure that persons who are likely eligible for supplemental security income benefits are transitioned from disability lifeline benefits to disability lifeline expedited and the medicaid program, and then to the supplemental security income program as quickly as practicable, the department shall implement the early supplemental security income transition project starting in King, Pierce, and Spokane counties no later than July 1, 2010, and extending statewide no later than October 1, 2011. The program shall be implemented through performance-based contracts with managed health care systems providing medical care services under RCW 74.09.035 or other qualified entities. The participants shall have the following responsibilities and duties under this program:

(a) The entities with whom the department contracts to provide the program shall be responsible for:

(i) Systematically screening persons receiving disability lifeline benefits at the point of eligibility determination or shortly thereafter to determine if the persons should be referred for medical or behavioral health evaluations to determine whether they are likely eligible for supplemental security income;

(ii) Immediately sharing the results of the disability screening with the department;

(iii) Managing disability lifeline incapacity evaluation examinations to provide timely access to needed medical and behavioral health evaluations and standardizing health care providers' conduct of incapacity evaluations. To maximize the timeliness and efficiency of incapacity evaluation examinations, the department must strongly consider contracting with a managed health care system with a network of health care providers that are trained and have agreed to conduct disability lifeline medical and psychological incapacity and recertification exams. The department may obtain medical evidence and other relevant information from sources other than the contracted entity if such evidence is available at the time of a person's application for disability lifeline benefits and is sufficient to support a determination that the person is incapacitated;

(iv) Maintaining a centralized appointment and clinical data system; and

(v) Assisting persons receiving disability lifeline benefits with obtaining additional medical or behavioral health examinations needed to meet the disability standard for federal supplemental

security income benefits and with submission of applications for supplemental security income benefits.

(b) The department shall be responsible for:

(i) Determining incapacity and eligibility for disability lifeline benefits;

(ii) Making timely determinations that a person receiving disability lifeline benefits is likely eligible for supplemental security income based on medical evidence and other relevant information provided by a contracted entity, and immediately referring such persons to a contracted entity for services;

(iii) Developing standardized procedures for sharing data and information with the contracted entities to ensure timely identification of clients who have not been transferred to the disability lifeline expedited program within four months of their date of application, but who may, upon further review, be appropriately transferred to that program;

(iv) Providing case management, in partnership with the managed health care system or contracted entity, to support persons' transition to federal supplemental security income and medicaid benefits; and

(v) Identifying a savings determination methodology, in consultation with the contracted entities, the office of financial management, and the legislature, on or before implementation of the project.

(2) Early supplemental security income transition project contracts shall include the following performance goals:

(a) Persons receiving disability lifeline benefits should be screened within thirty days of entering the program to determine the propriety of their transfer to the disability lifeline expedited program; and

(b) Seventy-five percent of persons receiving disability lifeline benefits that are likely to qualify for supplemental security income benefits shall be transferred to the disability lifeline expedited program within four months of their application for disability lifeline benefits.

(3) The initial focus of the efforts of the early supplemental security income transition project shall be on persons who have been receiving disability lifeline or general assistance unemployable benefits for twelve or more months as of September 1, 2010.

(4) No later than December 1, 2011, the department shall report to the governor and appropriate policy and fiscal committees on whether the early supplemental security income transition project performance goals in subsection (2) of this section were met, including the reasons those goals were or were not met.

(5) Pursuant to RCW 41.06.142(3), performance-based contracting under this section is expressly mandated by the legislature and is not subject to the processes set forth in RCW 41.06.142 (1), (4), and (5).

The statewide expansion of the program under this section shall be considered expressly mandated by the legislature and not be subject to the provisions of RCW 41.06.142 (1), (4), and (5).

**NEW SECTION. Sec. 8.** A new section is added to chapter 43.330 RCW to read as follows:

**DISABILITY LIFELINE HOUSING VOUCHER PROGRAM.**

(1) To address the housing issues faced by the disability lifeline applicants in RCW 74.04.005(5)(b), the department of commerce and the department of social and health services shall jointly develop a housing voucher program. The departments also shall develop housing resources to be used by the applicants in RCW 74.04.005(5)(b). To the greatest extent possible, the housing resources shall follow the supportive housing model. The department of commerce shall administer the housing voucher program and shall:

(a) Identify the current supply of private and public housing including acquisition and rental of existing housing stock;

(b) Develop funding strategies for the development of housing resources; and

(c) Design the voucher program to maximize the ability of the department of social and health services to recover federal funding.

(2) If the department of commerce determines that the housing supply is inadequate to meet the need for those applicants qualifying for housing vouchers under RCW 74.04.005(5)(b), those applicants shall instead receive a cash grant administered by the department of social and health services. Upon the department of commerce's determination that the housing supply is adequate to meet the needs of the applicants in RCW 74.04.005(5)(b), housing vouchers rather than cash grants shall be issued to these applicants who apply on or after the department's determination.

(3) The department of commerce and the department of social and health services shall evaluate the impact of the use of housing vouchers under this section and report to the governor and relevant policy and fiscal committees of the legislature by November 30, 2012, on the following items:

(a) The supply, affordability, appropriateness, and use of stable housing;

(b) The following outcomes for persons receiving disability lifeline housing vouchers:

(i) Participation in and completion of chemical dependency or mental health treatment;

(ii) Contact with law enforcement, including arrest and conviction data;

(iii) Use of emergency room services; and

(iv) Involuntary commitment under chapter 71.05 RCW.

**NEW SECTION. Sec. 9.** A new section is added to chapter 70.47 RCW to read as follows:

**BASIC HEALTH PLAN ENROLLMENT.** In order to ensure continuity of health care coverage and avoid deterioration in health status, persons who have lost eligibility for disability lifeline benefits under RCW 74.04.005(5) due to improvement in their health status and who are eligible for subsidized basic health coverage shall be given priority for enrollment in the basic health plan. If the administrator closes or limits subsidized enrollment, to the extent funding is available, the basic health plan must continue to accept and process applications for subsidized enrollment from persons described in this section.

**NEW SECTION. Sec. 10.** A new section is added to chapter 70.96A RCW to read as follows:

**ACCESS TO CHEMICAL DEPENDENCY TREATMENT.** If an assessment by a certified chemical dependency counselor indicates a need for drug or alcohol treatment, in order to enable a person receiving disability lifeline benefits to improve his or her health status and transition from disability lifeline benefits to employment, or transition to federal disability benefits, the person must be given high priority for enrollment in treatment, within funds appropriated for that treatment. However, first priority for receipt of treatment services must be given to pregnant women and parents of young children. This section expires June 30, 2013. Persons who are terminated from disability lifeline benefits under RCW 74.04.005(5)(h) and are actively engaged in chemical dependency treatment during the month they are terminated shall be provided the opportunity to complete their current course of treatment.

**NEW SECTION. Sec. 11.** A new section is added to chapter 74.04 RCW to read as follows:

By December 1, 2012, the Washington state institute for public policy shall submit a report to the governor and the relevant policy and fiscal committees of the legislature that:

(1) Analyzes the experience of persons who have been terminated from disability lifeline benefits pursuant to RCW 74.04.005(5). The report shall include at least the following information:

(a) The number of persons terminated from the program who transition to supplemental security income benefits;

(b) The number of persons who become employed;

(c) The rate at which the affected persons use hospital emergency room services;

(d) The number of persons involuntarily committed under chapter 71.05 RCW;

(e) The number of persons arrested or convicted of criminal offenses; and

(f) The mortality rate of the affected persons; and

(2) Reports as to whether the case review standards and early supplemental security income transition project performance goals in RCW 74.04.005(5) have been met by the department.

**Sec. 12.** RCW 10.101.010 and 1998 c 79 s 2 are each amended to read as follows:

The following definitions shall be applied in connection with this chapter:

(1) "Indigent" means a person who, at any stage of a court proceeding, is:

(a) Receiving one of the following types of public assistance: Temporary assistance for needy families, ~~((general assistance))~~ disability lifeline benefits, poverty-related veterans' benefits, food stamps or food stamp benefits transferred electronically, refugee resettlement benefits, medicaid, or supplemental security income; or

(b) Involuntarily committed to a public mental health facility; or

(c) Receiving an annual income, after taxes, of one hundred twenty- five percent or less of the current federally established poverty level; or

(d) Unable to pay the anticipated cost of counsel for the matter before the court because his or her available funds are insufficient to pay any amount for the retention of counsel.

(2) "Indigent and able to contribute" means a person who, at any stage of a court proceeding, is unable to pay the anticipated cost of counsel for the matter before the court because his or her available funds are less than the anticipated cost of counsel but sufficient for the person to pay a portion of that cost.

(3) "Anticipated cost of counsel" means the cost of retaining private counsel for representation on the matter before the court.

(4) "Available funds" means liquid assets and disposable net monthly income calculated after provision is made for bail obligations. For the purpose of determining available funds, the following definitions shall apply:

(a) "Liquid assets" means cash, savings accounts, bank accounts, stocks, bonds, certificates of deposit, equity in real estate, and equity in motor vehicles. A motor vehicle necessary to maintain employment and having a market value not greater than three thousand dollars shall not be considered a liquid asset.

(b) "Income" means salary, wages, interest, dividends, and other earnings which are reportable for federal income tax purposes, and cash payments such as reimbursements received from pensions, annuities, social security, and public assistance programs. It includes any contribution received from any family member or other person who is domiciled in the same residence as the defendant and who is helping to defray the defendant's basic living costs.

(c) "Disposable net monthly income" means the income remaining each month after deducting federal, state, or local income taxes, social security taxes, contributory retirement, union dues, and basic living costs.

(d) "Basic living costs" means the average monthly amount spent by the defendant for reasonable payments toward living costs, such as shelter, food, utilities, health care, transportation, clothing, loan payments, support payments, and court-imposed obligations.

**Sec. 13.** RCW 13.34.030 and 2009 c 520 s 21 and 2009 c 397 s 1 are each reenacted and amended to read as follows:

For purposes of this chapter:

(1) "Abandoned" means when the child's parent, guardian, or other custodian has expressed, either by statement or conduct, an intent to forego, for an extended period, parental rights or responsibilities despite an ability to exercise such rights and

responsibilities. If the court finds that the petitioner has exercised due diligence in attempting to locate the parent, no contact between the child and the child's parent, guardian, or other custodian for a period of three months creates a rebuttable presumption of abandonment, even if there is no expressed intent to abandon.

(2) "Child" and "juvenile" means any individual under the age of eighteen years.

(3) "Current placement episode" means the period of time that begins with the most recent date that the child was removed from the home of the parent, guardian, or legal custodian for purposes of placement in out-of-home care and continues until: (a) The child returns home; (b) an adoption decree, a permanent custody order, or guardianship order is entered; or (c) the dependency is dismissed, whichever occurs first.

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

(5) "Dependency guardian" means the person, nonprofit corporation, or Indian tribe appointed by the court pursuant to this chapter for the limited purpose of assisting the court in the supervision of the dependency.

(6) "Dependent child" means any child who:

(a) Has been abandoned;

(b) Is abused or neglected as defined in chapter 26.44 RCW by a person legally responsible for the care of the child; or

(c) Has no parent, guardian, or custodian capable of adequately caring for the child, such that the child is in circumstances which constitute a danger of substantial damage to the child's psychological or physical development.

(7) "Developmental disability" means a disability attributable to mental retardation, cerebral palsy, epilepsy, autism, or another neurological or other condition of an individual found by the secretary to be closely related to mental retardation or to require treatment similar to that required for individuals with mental retardation, which disability originates before the individual attains age eighteen, which has continued or can be expected to continue indefinitely, and which constitutes a substantial handicap to the individual.

(8) "Guardian" means the person or agency that: (a) Has been appointed as the guardian of a child in a legal proceeding other than a proceeding under this chapter; and (b) has the legal right to custody of the child pursuant to such appointment. The term "guardian" shall not include a "dependency guardian" appointed pursuant to a proceeding under this chapter.

(9) "Guardian ad litem" means a person, appointed by the court to represent the best interests of a child in a proceeding under this chapter, or in any matter which may be consolidated with a proceeding under this chapter. A "court-appointed special advocate" appointed by the court to be the guardian ad litem for the child, or to perform substantially the same duties and functions as a guardian ad litem, shall be deemed to be guardian ad litem for all purposes and uses of this chapter.

(10) "Guardian ad litem program" means a court-authorized volunteer program, which is or may be established by the superior court of the county in which such proceeding is filed, to manage all aspects of volunteer guardian ad litem representation for children alleged or found to be dependent. Such management shall include but is not limited to: Recruitment, screening, training, supervision, assignment, and discharge of volunteers.

(11) "Housing assistance" means appropriate referrals by the department or other supervising agencies to federal, state, local, or private agencies or organizations, assistance with forms, applications, or financial subsidies or other monetary assistance for housing. For purposes of this chapter, "housing assistance" is not a remedial service or time-limited family reunification service as described in RCW 13.34.025(2).

(12) "Indigent" means a person who, at any stage of a court proceeding, is:

(a) Receiving one of the following types of public assistance: Temporary assistance for needy families, (~~general assistance~~) disability lifeline benefits, poverty-related veterans' benefits, food stamps or food stamp benefits transferred electronically, refugee resettlement benefits, medicaid, or supplemental security income; or

(b) Involuntarily committed to a public mental health facility; or

(c) Receiving an annual income, after taxes, of one hundred twenty-five percent or less of the federally established poverty level; or

(d) Unable to pay the anticipated cost of counsel for the matter before the court because his or her available funds are insufficient to pay any amount for the retention of counsel.

(13) "Out-of-home care" means placement in a foster family home or group care facility licensed pursuant to chapter 74.15 RCW or placement in a home, other than that of the child's parent, guardian, or legal custodian, not required to be licensed pursuant to chapter 74.15 RCW.

(14) "Preventive services" means preservation services, as defined in chapter 74.14C RCW, and other reasonably available services, including housing assistance, capable of preventing the need for out-of-home placement while protecting the child.

(15) "Shelter care" means temporary physical care in a facility licensed pursuant to RCW 74.15.030 or in a home not required to be licensed pursuant to RCW 74.15.030.

(16) "Sibling" means a child's birth brother, birth sister, adoptive brother, adoptive sister, half-brother, or half-sister, or as defined by the law or custom of the Indian child's tribe for an Indian child as defined in 25 U.S.C. Sec. 1903(4).

(17) "Social study" means a written evaluation of matters relevant to the disposition of the case and shall contain the following information:

(a) A statement of the specific harm or harms to the child that intervention is designed to alleviate;

(b) A description of the specific services and activities, for both the parents and child, that are needed in order to prevent serious harm to the child; the reasons why such services and activities are likely to be useful; the availability of any proposed services; and the agency's overall plan for ensuring that the services will be delivered. The description shall identify the services chosen and approved by the parent;

(c) If removal is recommended, a full description of the reasons why the child cannot be protected adequately in the home, including a description of any previous efforts to work with the parents and the child in the home; the in-home treatment programs that have been considered and rejected; the preventive services, including housing assistance, that have been offered or provided and have failed to prevent the need for out-of-home placement, unless the health, safety, and welfare of the child cannot be protected adequately in the home; and the parents' attitude toward placement of the child;

(d) A statement of the likely harms the child will suffer as a result of removal;

(e) A description of the steps that will be taken to minimize the harm to the child that may result if separation occurs including an assessment of the child's relationship and emotional bond with any siblings, and the agency's plan to provide ongoing contact between the child and the child's siblings if appropriate; and

(f) Behavior that will be expected before determination that supervision of the family or placement is no longer necessary.

(18) "Supervising agency" means an agency licensed by the state under RCW 74.15.090 or an Indian tribe under RCW 74.15.190 with whom the department has entered into a performance-based contract to provide child welfare services as defined in RCW 74.13.020.

**Sec. 14.** RCW 26.19.071 and 2009 c 84 s 3 are each amended to read as follows:

(1) **Consideration of all income.** All income and resources of each parent's household shall be disclosed and considered by the court

when the court determines the child support obligation of each parent. Only the income of the parents of the children whose support is at issue shall be calculated for purposes of calculating the basic support obligation. Income and resources of any other person shall not be included in calculating the basic support obligation.

(2) **Verification of income.** Tax returns for the preceding two years and current paystubs shall be provided to verify income and deductions. Other sufficient verification shall be required for income and deductions which do not appear on tax returns or paystubs.

(3) **Income sources included in gross monthly income.** Except as specifically excluded in subsection (4) of this section, monthly gross income shall include income from any source, including:

(a) Salaries;

(b) Wages;

(c) Commissions;

(d) Deferred compensation;

(e) Overtime, except as excluded for income in subsection (4)(h) of this section;

(f) Contract-related benefits;

(g) Income from second jobs, except as excluded for income in subsection (4)(h) of this section;

(h) Dividends;

(i) Interest;

(j) Trust income;

(k) Severance pay;

(l) Annuities;

(m) Capital gains;

(n) Pension retirement benefits;

(o) Workers' compensation;

(p) Unemployment benefits;

(q) Maintenance actually received;

(r) Bonuses;

(s) Social security benefits;

(t) Disability insurance benefits; and

(u) Income from self-employment, rent, royalties, contracts, proprietorship of a business, or joint ownership of a partnership or closely held corporation.

(4) **Income sources excluded from gross monthly income.** The following income and resources shall be disclosed but shall not be included in gross income:

(a) Income of a new spouse or new domestic partner or income of other adults in the household;

(b) Child support received from other relationships;

(c) Gifts and prizes;

(d) Temporary assistance for needy families;

(e) Supplemental security income;

(f) (~~General assistance~~) Disability lifeline benefits;

(g) Food stamps; and

(h) Overtime or income from second jobs beyond forty hours per week averaged over a twelve-month period worked to provide for a current family's needs, to retire past relationship debts, or to retire child support debt, when the court finds the income will cease when the party has paid off his or her debts.

Receipt of income and resources from temporary assistance for needy families, supplemental security income, (~~general assistance~~) disability lifeline benefits, and food stamps shall not be a reason to deviate from the standard calculation.

(5) **Determination of net income.** The following expenses shall be disclosed and deducted from gross monthly income to calculate net monthly income:

(a) Federal and state income taxes;

(b) Federal insurance contributions act deductions;

(c) Mandatory pension plan payments;

(d) Mandatory union or professional dues;

(e) State industrial insurance premiums;

(f) Court-ordered maintenance to the extent actually paid;

(g) Up to five thousand dollars per year in voluntary retirement contributions actually made if the contributions show a pattern of contributions during the one-year period preceding the action establishing the child support order unless there is a determination that the contributions were made for the purpose of reducing child support; and

(h) Normal business expenses and self-employment taxes for self-employed persons. Justification shall be required for any business expense deduction about which there is disagreement.

Items deducted from gross income under this subsection shall not be a reason to deviate from the standard calculation.

(6) **Imputation of income.** The court shall impute income to a parent when the parent is voluntarily unemployed or voluntarily underemployed. The court shall determine whether the parent is voluntarily underemployed or voluntarily unemployed based upon that parent's work history, education, health, and age, or any other relevant factors. A court shall not impute income to a parent who is gainfully employed on a full-time basis, unless the court finds that the parent is voluntarily underemployed and finds that the parent is purposely underemployed to reduce the parent's child support obligation. Income shall not be imputed for an unemployable parent. Income shall not be imputed to a parent to the extent the parent is unemployed or significantly underemployed due to the parent's efforts to comply with court-ordered reunification efforts under chapter 13.34 RCW or under a voluntary placement agreement with an agency supervising the child. In the absence of records of a parent's actual earnings, the court shall impute a parent's income in the following order of priority:

(a) Full-time earnings at the current rate of pay;

(b) Full-time earnings at the historical rate of pay based on reliable information, such as employment security department data;

(c) Full-time earnings at a past rate of pay where information is incomplete or sporadic;

(d) Full-time earnings at minimum wage in the jurisdiction where the parent resides if the parent has a recent history of minimum wage earnings, is recently coming off public assistance, (~~general assistance-unemployable~~) disability lifeline benefits, supplemental security income, or disability, has recently been released from incarceration, or is a high school student;

(e) Median net monthly income of year-round full-time workers as derived from the United States bureau of census, current population reports, or such replacement report as published by the bureau of census.

**Sec. 15.** RCW 31.04.540 and 2009 c 149 s 8 are each amended to read as follows:

(1) To the extent that implementation of this section does not conflict with federal law resulting in the loss of federal funding, proprietary reverse mortgage loan advances made to a borrower must be treated as proceeds from a loan and not as income for the purpose of determining eligibility and benefits under means-tested programs of aid to individuals.

(2) Undisbursed reverse mortgage funds must be treated as equity in the borrower's home and not as proceeds from a loan, resources, or assets for the purpose of determining eligibility and benefits under means-tested programs of aid to individuals.

(3) This section applies to any law or program relating to payments, allowances, benefits, or services provided on a means-tested basis by this state including, but not limited to, optional state supplements to the federal supplemental security income program, low-income energy assistance, property tax relief, (~~general assistance~~) disability lifeline benefits, and medical assistance only to the extent this section does not conflict with Title 19 of the federal social security act.

**Sec. 16.** RCW 70.123.110 and 1997 c 59 s 9 are each amended to read as follows:

(~~General assistance~~) Disability lifeline benefits or temporary assistance for needy families payments shall be made to otherwise eligible individuals who are residing in a secure shelter, a housing network or other shelter facility which provides shelter services to persons who are victims of domestic violence. Provisions shall be made by the department for the confidentiality of the shelter addresses where victims are residing.

**Sec. 17.** RCW 73.08.005 and 2009 c 35 s 1 are each amended to read as follows:

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

(1) "Direct costs" includes those allowable costs that can be readily assigned to the statutory objectives of this chapter, consistent with the cost principles promulgated by the federal office of management and budget in circular No. A-87, dated May 10, 2004.

(2) "Family" means the spouse or domestic partner, surviving spouse, surviving domestic partner, and dependent children of a living or deceased veteran.

(3) "Indigent" means a person who is defined as such by the county legislative authority using one or more of the following definitions:

(a) Receiving one of the following types of public assistance: Temporary assistance for needy families, (~~general assistance~~) disability lifeline benefits, poverty-related veterans' benefits, food stamps or food stamp benefits transferred electronically, refugee resettlement benefits, medicaid, or supplemental security income;

(b) Receiving an annual income, after taxes, of up to one hundred fifty percent or less of the current federally established poverty level, or receiving an annual income not exceeding a higher qualifying income established by the county legislative authority; or

(c) Unable to pay reasonable costs for shelter, food, utilities, and transportation because his or her available funds are insufficient.

(4) "Indirect costs" includes those allowable costs that are generally associated with carrying out the statutory objectives of this chapter, but the identification and tracking of those costs cannot be readily assigned to a specific statutory objective without an accounting effort that is disproportionate to the benefit received. A county legislative authority may allocate allowable indirect costs to its veterans' assistance fund if it is accomplished in a manner consistent with the cost principles promulgated by the federal office of management and budget in circular No. A-87, dated May 10, 2004.

(5) "Veteran" has the same meaning as defined in RCW 41.04.005 and 41.04.007, and includes a current member of the national guard or armed forces reserves who has been deployed to serve in an armed conflict.

(6) "Veterans' advisory board" means a board established by a county legislative authority under the authority of RCW 73.08.035.

(7) "Veterans' assistance fund" means an account in the custody of the county auditor, or the chief financial officer in a county operating under a charter, that is funded by taxes levied under the authority of RCW 73.08.080.

(8) "Veterans' assistance program" means a program approved by the county legislative authority under the authority of RCW 73.08.010 that is fully or partially funded by the veterans' assistance fund authorized by RCW 73.08.080.

**Sec. 18.** RCW 74.04.0052 and 1997 c 58 s 502 are each amended to read as follows:

(1) The department shall determine, after consideration of all relevant factors and in consultation with the applicant, the most appropriate living situation for applicants under eighteen years of age, unmarried, and pregnant who are eligible for (~~general assistance as defined in RCW 74.04.005(6)(a)(ii)(A))~~ disability lifeline benefits. An appropriate living situation shall include a place of residence that is maintained by the applicant's parents, parent, legal guardian, or other adult relative as their or his or her own home and that the department finds would provide an appropriate supportive living

arrangement. It also includes a living situation maintained by an agency that is licensed under chapter 74.15 RCW that the department finds would provide an appropriate supportive living arrangement. Grant assistance shall not be provided under this chapter if the applicant does not reside in the most appropriate living situation, as determined by the department.

(2) A pregnant minor residing in the most appropriate living situation, as provided under subsection (1) of this section, is presumed to be unable to manage adequately the funds paid to the minor or on behalf of the dependent child or children and, unless the minor provides sufficient evidence to rebut the presumption, shall be subject to the protective payee requirements provided for under RCW 74.12.250 and 74.08.280.

(3) The department shall consider any statements or opinions by either parent of the unmarried minor parent or pregnant minor applicant as to an appropriate living situation for the minor, whether in the parental home or other situation. If the parents or a parent of the minor request, they or he or she shall be entitled to a hearing in juvenile court regarding designation of the parental home or other relative placement as the most appropriate living situation for the pregnant or parenting minor.

The department shall provide the parents or parent with the opportunity to make a showing that the parental home, or home of the other relative placement, is the most appropriate living situation. It shall be presumed in any administrative or judicial proceeding conducted under this subsection that the parental home or other relative placement requested by the parents or parent is the most appropriate living situation. This presumption is rebuttable.

(4) In cases in which the minor is unmarried and unemployed, the department shall, as part of the determination of the appropriate living situation, provide information about adoption including referral to community-based organizations providing counseling.

(5) For the purposes of this section, "most appropriate living situation" shall not include a living situation including an adult male who fathered the qualifying child and is found to meet the elements of rape of a child as set forth in RCW 9A.44.079.

**Sec. 19.** RCW 74.04.120 and 1979 c 141 s 301 are each amended to read as follows:

Allocations of state and federal funds shall be made upon the basis of need within the respective counties as disclosed by the quarterly budgets, considered in conjunction with revenues available for the satisfaction of that need: PROVIDED, That in preparing his quarterly budget for federal aid assistance, the administrator shall include the aggregate of the individual case load approved by the department to date on the basis of need and the secretary shall approve and allocate an amount sufficient to service the aggregate case load as included in said budget, and in the event any portion of the budgeted case load cannot be serviced with moneys available for the particular category for which an application is made the committee may on the administrator's request authorize the transfer of sufficient ~~((general assistance))~~ disability lifeline program funds to the appropriation for such category to service such case load and secure the benefit of federal matching funds.

**Sec. 20.** RCW 74.04.230 and 1982 c 204 s 16 are each amended to read as follows:

Persons eligible for ~~((general assistance under RCW 74.04.005))~~ disability lifeline benefits are eligible for mental health services to the extent that they meet the client definitions and priorities established by chapter 71.24 RCW.

**Sec. 21.** RCW 74.04.266 and 1977 ex.s. c 215 s 1 are each amended to read as follows:

In determining need for ~~((general assistance for unemployable persons as defined in RCW 74.04.005(6)(a)))~~ disability lifeline benefits, the department may by rule and regulation establish a monthly earned income exemption in an amount not to exceed the

exemption allowable under disability programs authorized in Title XVI of the federal social security act.

**Sec. 22.** RCW 74.04.620 and 1983 1st ex.s. c 41 s 37 are each amended to read as follows:

(1) The department is authorized to establish a program of state supplementation to the national program of supplemental security income consistent with Public Law 92-603 and Public Law 93-66 to those persons who are in need thereof in accordance with eligibility requirements established by the department.

(2) The department is authorized to establish reasonable standards of assistance and resource and income exemptions specifically for such program of state supplementation which shall be consistent with the provisions of the Social Security Act.

(3) The department is authorized to make payments to applicants for supplemental security income, pursuant to agreements as provided in Public Law 93-368, who are otherwise eligible for ~~((general assistance))~~ disability lifeline benefits.

(4) Any agreement between the department and a supplemental security income applicant providing for the reimbursement of interim assistance to the department shall provide, if the applicant has been represented by an attorney, that twenty-five percent of the reimbursement received shall be withheld by the department and all or such portion thereof as has been approved as a fee by the United States department of health and human services shall be released directly to the applicant's attorney. The secretary may maintain such records as are deemed appropriate to measure the cost and effectiveness of such agreements and may make recommendations concerning the continued use of such agreements to the legislature.

**Sec. 23.** RCW 74.04.770 and 1997 c 59 s 11 are each amended to read as follows:

The department shall establish consolidated standards of need each fiscal year which may vary by geographical areas, program, and family size, for temporary assistance for needy families, refugee assistance, supplemental security income, and ~~((general assistance))~~ disability lifeline benefits. Standards for temporary assistance for needy families, refugee assistance, and ~~((general assistance))~~ disability lifeline benefits shall be based on studies of actual living costs and generally recognized inflation indices and shall include reasonable allowances for shelter, fuel, food, transportation, clothing, household maintenance and operations, personal maintenance, and necessary incidentals. The standard of need may take into account the economies of joint living arrangements, but unless explicitly required by federal statute, there shall not be proration of any portion of assistance grants unless the amount of the grant standard is equal to the standard of need.

The department is authorized to establish rateable reductions and grant maximums consistent with federal law.

Payment level will be equal to need or a lesser amount if rateable reductions or grant maximums are imposed. In no case shall a recipient of supplemental security income receive a state supplement less than the minimum required by federal law.

The department may establish a separate standard for shelter provided at no cost.

**Sec. 24.** RCW 74.08.043 and 1981 1st ex.s. c 6 s 12 are each amended to read as follows:

In determining the living requirements of otherwise eligible applicants and recipients of supplemental security income and ~~((general assistance))~~ disability lifeline benefits, the department is authorized to consider the need for personal and special care and supervision due to physical and mental conditions.

**Sec. 25.** RCW 74.08.278 and 1979 c 141 s 327 are each amended to read as follows:

In order to comply with federal statutes and regulations pertaining to federal matching funds and to provide for the prompt payment of initial grants and adjusting payments of grants the secretary is authorized to make provisions for the cash payment of assistance by

the secretary or county administrators by the establishment of a central operating fund. The secretary may establish such a fund with the approval of the state auditor from moneys appropriated to the department for the payment of ~~((general assistance))~~ disability lifeline benefits in a sum not to exceed one million dollars. Such funds shall be deposited as agreed upon by the secretary and the state auditor in accordance with the laws regulating the deposits of public funds. Such security shall be required of the depository in connection with the fund as the state treasurer may prescribe. Moneys remaining in the fund shall be returned to the general fund at the end of the biennium, or an accounting of proper expenditures from the fund shall be made to the state auditor. All expenditures from such central operating fund shall be reimbursed out of and charged to the proper program appropriated by the use of such forms and vouchers as are approved by the secretary of the department and the state auditor. Expenditures from such fund shall be audited by the director of financial management and the state auditor from time to time and a report shall be made by the state auditor and the secretary as are required by law.

**Sec. 26.** RCW 74.08.335 and 1997 c 59 s 13 are each amended to read as follows:

Temporary assistance for needy families and ~~((general assistance))~~ disability lifeline benefits shall not be granted to any person who has made an assignment or transfer of property for the purpose of rendering himself or herself eligible for the assistance. There is a rebuttable presumption that a person who has transferred or transfers any real or personal property or any interest in property within two years of the date of application for the assistance without receiving adequate monetary consideration therefor, did so for the purpose of rendering himself or herself eligible for the assistance. Any person who transfers property for the purpose of rendering himself or herself eligible for assistance, or any person who after becoming a recipient transfers any property or any interest in property without the consent of the secretary, shall be ineligible for assistance for a period of time during which the reasonable value of the property so transferred would have been adequate to meet the person's needs under normal conditions of living: PROVIDED, That the secretary is hereby authorized to allow exceptions in cases where undue hardship would result from a denial of assistance.

**Sec. 27.** RCW 74.08A.210 and 1997 c 58 s 302 are each amended to read as follows:

(1) In order to prevent some families from developing dependency on temporary assistance for needy families, the department shall make available to qualifying applicants a diversion program designed to provide brief, emergency assistance for families in crisis whose income and assets would otherwise qualify them for temporary assistance for needy families.

(2) Diversion assistance may include cash or vouchers in payment for the following needs:

- (a) Child care;
- (b) Housing assistance;
- (c) Transportation-related expenses;
- (d) Food;
- (e) Medical costs for the recipient's immediate family;
- (f) Employment-related expenses which are necessary to keep or obtain paid unsubsidized employment.

(3) Diversion assistance is available once in each twelve-month period for each adult applicant. Recipients of diversion assistance are not included in the temporary assistance for needy families program.

(4) Diversion assistance may not exceed one thousand five hundred dollars for each instance.

(5) To be eligible for diversion assistance, a family must otherwise be eligible for temporary assistance for needy families.

(6) Families ineligible for temporary assistance for needy families or ~~((general assistance))~~ disability lifeline benefits due to sanction,

noncompliance, the lump sum income rule, or any other reason are not eligible for diversion assistance.

(7) Families must provide evidence showing that a bona fide need exists according to subsection (2) of this section in order to be eligible for diversion assistance.

An adult applicant may receive diversion assistance of any type no more than once per twelve-month period. If the recipient of diversion assistance is placed on the temporary assistance for needy families program within twelve months of receiving diversion assistance, the prorated dollar value of the assistance shall be treated as a loan from the state, and recovered by deduction from the recipient's cash grant.

**Sec. 28.** RCW 74.09.010 and 2007 c 3 s 2 are each amended to read as follows:

As used in this chapter:

(1) "Children's health program" means the health care services program provided to children under eighteen years of age and in households with incomes at or below the federal poverty level as annually defined by the federal department of health and human services as adjusted for family size, and who are not otherwise eligible for medical assistance or the limited casualty program for the medically needy.

(2) "Committee" means the children's health services committee created in section 3 of this act.

(3) "County" means the board of county commissioners, county council, county executive, or tribal jurisdiction, or its designee. A combination of two or more county authorities or tribal jurisdictions may enter into joint agreements to fulfill the requirements of RCW 74.09.415 through 74.09.435.

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

(5) "Department of health" means the Washington state department of health created pursuant to RCW 43.70.020.

(6) "Internal management" means the administration of medical assistance, medical care services, the children's health program, and the limited casualty program.

(7) "Limited casualty program" means the medical care program provided to medically needy persons as defined under Title XIX of the federal social security act, and to medically indigent persons who are without income or resources sufficient to secure necessary medical services.

(8) "Medical assistance" means the federal aid medical care program provided to categorically needy persons as defined under Title XIX of the federal social security act.

(9) "Medical care services" means the limited scope of care financed by state funds and provided to ~~((general assistance))~~ disability lifeline benefits recipients, and recipients of alcohol and drug addiction services provided under chapter 74.50 RCW.

(10) "Nursing home" means nursing home as defined in RCW 18.51.010.

(11) "Poverty" means the federal poverty level determined annually by the United States department of health and human services, or successor agency.

(12) "Secretary" means the secretary of social and health services.

(13) "Full benefit dual eligible beneficiary" means an individual who, for any month: Has coverage for the month under a medicare prescription drug plan or medicare advantage plan with part D coverage; and is determined eligible by the state for full medicaid benefits for the month under any eligibility category in the state's medicaid plan or a section 1115 demonstration waiver that provides pharmacy benefits.

**Sec. 29.** RCW 74.09.035 and 1987 c 406 s 12 are each amended to read as follows:

(1) To the extent of available funds, medical care services may be provided to recipients of ~~((general assistance))~~ disability lifeline benefits, persons denied disability lifeline benefits under RCW

74.04.005(5)(b) or section 5 of this act who otherwise meet the requirements of RCW 74.04.005(5)(a), and recipients of alcohol and drug addiction services provided under chapter 74.50 RCW, in accordance with medical eligibility requirements established by the department. To the extent authorized in the operating budget, upon implementation of a federal medicaid 1115 waiver providing federal matching funds for medical care services, these services also may be provided to persons who have been terminated from disability lifeline benefits under RCW 74.04.005(5)(h).

(2) Determination of the amount, scope, and duration of medical care services shall be limited to coverage as defined by the department, except that adult dental, and routine foot care shall not be included unless there is a specific appropriation for these services.

(3) The department shall enter into performance-based contracts with one or more managed health care systems for the provision of medical care services to recipients of disability lifeline benefits. The contract must provide for integrated delivery of medical and mental health services.

(4) The department shall establish standards of assistance and resource and income exemptions, which may include deductibles and co-insurance provisions. In addition, the department may include a prohibition against the voluntary assignment of property or cash for the purpose of qualifying for assistance.

~~((4))~~ (5) Residents of skilled nursing homes, intermediate care facilities, and intermediate care facilities for the mentally retarded, as that term is described by federal law, who are eligible for medical care services shall be provided medical services to the same extent as provided to those persons eligible under the medical assistance program.

~~((5))~~ (6) Payments made by the department under this program shall be the limit of expenditures for medical care services solely from state funds.

~~((6))~~ (7) Eligibility for medical care services shall commence with the date of certification for ~~((general assistance))~~ disability lifeline benefits or the date of eligibility for alcohol and drug addiction services provided under chapter 74.50 RCW.

**Sec. 30.** RCW 74.09.555 and 2005 c 503 s 12 are each amended to read as follows:

(1) The department shall adopt rules and policies providing that when persons with a mental disorder, who were enrolled in medical assistance immediately prior to confinement, are released from confinement, their medical assistance coverage will be fully reinstated on the day of their release, subject to any expedited review of their continued eligibility for medical assistance coverage that is required under federal or state law.

(2) The department, in collaboration with the Washington association of sheriffs and police chiefs, the department of corrections, and the regional support networks, shall establish procedures for coordination between department field offices, institutions for mental disease, and correctional institutions, as defined in RCW 9.94.049, that result in prompt reinstatement of eligibility and speedy eligibility determinations for persons who are likely to be eligible for medical assistance services upon release from confinement. Procedures developed under this subsection must address:

(a) Mechanisms for receiving medical assistance services applications on behalf of confined persons in anticipation of their release from confinement;

(b) Expedient review of applications filed by or on behalf of confined persons and, to the extent practicable, completion of the review before the person is released;

(c) Mechanisms for providing medical assistance services identity cards to persons eligible for medical assistance services immediately upon their release from confinement; and

(d) Coordination with the federal social security administration, through interagency agreements or otherwise, to expedite processing

of applications for federal supplemental security income or social security disability benefits, including federal acceptance of applications on behalf of confined persons.

(3) Where medical or psychiatric examinations during a person's confinement indicate that the person is disabled, the correctional institution or institution for mental diseases shall provide the department with that information for purposes of making medical assistance eligibility and enrollment determinations prior to the person's release from confinement. The department shall, to the maximum extent permitted by federal law, use the examination in making its determination whether the person is disabled and eligible for medical assistance.

(4) For purposes of this section, "confined" or "confinement" means incarcerated in a correctional institution, as defined in RCW 9.94.049, or admitted to an institute for mental disease, as defined in 42 C.F.R. part 435, Sec. 1009 on July 24, 2005.

(5) For purposes of this section, "likely to be eligible" means that a person:

(a) Was enrolled in medicaid or supplemental security income or ~~((general assistance))~~ the disability lifeline program immediately before he or she was confined and his or her enrollment was terminated during his or her confinement; or

(b) Was enrolled in medicaid or supplemental security income or ~~((general assistance))~~ the disability lifeline program at any time during the five years before his or her confinement, and medical or psychiatric examinations during the person's confinement indicate that the person continues to be disabled and the disability is likely to last at least twelve months following release.

(6) The economic services administration shall adopt standardized statewide screening and application practices and forms designed to facilitate the application of a confined person who is likely to be eligible for medicaid.

**Sec. 31.** RCW 74.50.060 and 1989 1st ex.s. c 18 s 3 are each amended to read as follows:

(1) The department shall establish a shelter assistance program to provide, within available funds, shelter for persons eligible under this chapter. "Shelter," "shelter support," or "shelter assistance" means a facility under contract to the department providing room and board in a supervised living arrangement, normally in a group or dormitory setting, to eligible recipients under this chapter. This may include supervised domiciliary facilities operated under the auspices of public or private agencies. No facility under contract to the department shall allow the consumption of alcoholic beverages on the premises. The department may contract with counties and cities for such shelter services. To the extent possible, the department shall not displace existing emergency shelter beds for use as shelter under this chapter. In areas of the state in which it is not feasible to develop shelters, due to low numbers of people needing shelter services, or in which sufficient numbers of shelter beds are not available, the department may provide shelter through an intensive protective payee program, unless the department grants an exception on an individual basis for less intense supervision.

(2) Persons continuously eligible for the ~~((general assistance--unemployable program))~~ disability lifeline program since July 25, 1987, who transfer to the program established by this chapter, have the option to continue their present living situation, but only through a protective payee.

**NEW SECTION. Sec. 32.** A new section is added to chapter 74.08A RCW to read as follows:

Recipients exempted from active work search activities due to incapacity or a disability shall receive disability lifeline benefits as they relate to the facilitation of enrollment in the federal supplemental security income program, access to chemical dependency treatment, referrals to vocational rehabilitation, and other services needed to assist the recipient in becoming employable. Disability lifeline benefits shall not supplant cash assistance and other services provided

through the temporary assistance for needy families program. To the greatest extent possible, services shall be funded through the temporary assistance for needy families appropriations.

**NEW SECTION. Sec. 33.** This act shall be known and cited as the security lifeline act.

**NEW SECTION. Sec. 34.** Except for section 10 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**NEW SECTION. Sec. 35.** Section 10 of this act takes effect July 1, 2010.

**NEW SECTION. Sec. 36.** If private funding sufficient to implement and operate the portal authorized under section 2 of this act is not secured by December 31, 2010, section 2 of this act is null and void.

**NEW SECTION. Sec. 37.** Sections 1 through 10 and 29 of this act shall be implemented within the amounts appropriated specifically for these purposes in the omnibus operating appropriations act."

Correct the title.

Representative Dammeier moved the adoption of amendment (1711) to amendment (1705).

On page 8, beginning on line 23 of the striking amendment, after "(h)" strike all material through "2013" on page 9, line 24 and insert the following:

"Beginning September 1, 2010, no person who is currently receiving or becomes eligible for disability lifeline program benefits shall be eligible to receive benefits under the program for more than six months. For purposes of this subsection (5)(h), months of receipt of general assistance-unemployable benefits count toward the six-month limit. Months during which a person received benefits under the expedited components of the general assistance-unemployable or disability lifeline program or under the aged, blind, or disabled components of the disability lifeline program shall not be included when determining whether a person has been receiving benefits for more than six months under this subsection (5)(h)"

Representatives Dammeier, Alexander, Bailey and Chandler spoke in favor of the adoption of the amendment to the amendment.

Representatives Dickerson, Pettigrew, Orwall and Cody spoke against the adoption of the amendment to the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Morris presiding) divided the House. The result was 38 - YEAS; 57 - NAYS.

Amendment (1711) to amendment (1705) was not adopted.

Representatives Dickerson and Dammeier spoke in favor of the adoption of the amendment.

Amendment (1705) was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representative Dickerson spoke in favor of the passage of the bill.

Representative Dammeier spoke against the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Engrossed Second Substitute House Bill No. 2782.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute House Bill No. 2782, and the bill passed the House by the following vote: Yeas, 59; Nays, 36; Absent, 0; Excused, 3.

Voting yea: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Driscoll, Dunshee, Eddy, Ericks, Finn, Flannigan, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jacks, Kagi, Kenney, Kessler, Kirby, Lias, Linville, Maxwell, McCoy, Miloscia, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Probst, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, Walsh, White, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Crouse, Dammeier, DeBolt, Ericksen, Fagan, Haler, Herrera, Hinkle, Hope, Hurst, Johnson, Klippert, Kretz, Kristiansen, McCune, Nealey, Orcutt, Parker, Pearson, Priest, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Warnick and Williams.

Excused: Representatives Condotta, Kelley and Roach.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2782, having received the constitutional majority, was declared passed.

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

There being no objection, the Committee on Rules was relieved of HOUSE BILL NO. 2855, and the bill was placed on the second reading calendar.

There being no objection, the House reverted to the seventh order of business.

### MESSAGE FROM THE SENATE

March 19, 2010

Mr. Speaker:

The Senate has passed ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2956 with the following amendment:

0)

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1. PURPOSE, FINDINGS, AND INTENT.** (1) The purpose of this chapter is to provide for a safety net assessment on certain Washington hospitals, which will be used solely to augment funding from all other sources and thereby obtain additional funds to restore recent reductions and to support additional payments to hospitals for medicaid services.

(2) The legislature finds that:

(a) Washington hospitals, working with the department of social and health services, have proposed a hospital safety net assessment to generate additional state and federal funding for the medicaid program, which will be used to partially restore recent inpatient and outpatient reductions in hospital reimbursement rates and provide for an increase in hospital payments; and

(b) The hospital safety net assessment and hospital safety net assessment fund created in this chapter allows the state to generate additional federal financial participation for the medicaid program and provides for increased reimbursement to hospitals.

(3) In adopting this chapter, it is the intent of the legislature:

(a) To impose a hospital safety net assessment to be used solely for the purposes specified in this chapter;

(b) That funds generated by the assessment shall be used solely to augment all other funding sources and not as a substitute for any other funds;

(c) That the total amount assessed not exceed the amount needed, in combination with all other available funds, to support the reimbursement rates and other payments authorized by this chapter; and

(d) To condition the assessment on receiving federal approval for receipt of additional federal financial participation and on continuation of other funding sufficient to maintain hospital inpatient and outpatient reimbursement rates and small rural disproportionate share payments at least at the levels in effect on June 30, 2009.

**NEW SECTION. Sec. 2. DEFINITIONS.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Certified public expenditure hospital" means a hospital participating in the department's certified public expenditure payment program as described in WAC 388-550-4650 or successor rule.

(2) "Critical access hospital" means a hospital as described in RCW 74.09.5225.

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

(4) "Fund" means the hospital safety net assessment fund established under section 3 of this act.

(5) "Hospital" means a facility licensed under chapter 70.41 RCW.

(6) "Long-term acute care hospital" means a hospital which has an average inpatient length of stay of greater than twenty-five days as determined by the department of health.

(7) "Managed care organization" means an organization having a certificate of authority or certificate of registration from the office of the insurance commissioner that contracts with the department under a comprehensive risk contract to provide prepaid health care services to eligible clients under the department's medicaid managed care programs, including the healthy options program.

(8) "Medicaid" means the medical assistance program as established in Title XIX of the social security act and as administered in the state of Washington by the department of social and health services.

(9) "Medicare cost report" means the medicare cost report, form 2552-96, or successor document.

(10) "Nonmedicare hospital inpatient day" means total hospital inpatient days less medicare inpatient days, including medicare days reported for medicare managed care plans, as reported on the medicare cost report, form 2552-96, or successor forms, excluding all skilled and nonskilled nursing facility days, skilled and nonskilled swing bed days, nursery days, observation bed days, hospice days, home health agency days, and other days not typically associated with an acute care inpatient hospital stay.

(11) "Prospective payment system hospital" means a hospital reimbursed for inpatient and outpatient services provided to medicaid beneficiaries under the inpatient prospective payment system and the outpatient prospective payment system as defined in WAC 388-550-1050. For purposes of this chapter, prospective payment system hospital does not include a hospital participating in the certified public expenditure program or a bordering city hospital located outside of the state of Washington and in one of the bordering cities listed in WAC 388-501-0175 or successor regulation.

(12) "Psychiatric hospital" means a hospital facility licensed as a psychiatric hospital under chapter 71.12 RCW.

(13) "Regional support network" has the same meaning as provided in RCW 71.24.025.

(14) "Rehabilitation hospital" means a medicare-certified freestanding inpatient rehabilitation facility.

(15) "Secretary" means the secretary of the department of social and health services.

(16) "Small rural disproportionate share hospital payment" means a payment made in accordance with WAC 388-550-5200 or subsequently filed regulation.

**NEW SECTION. Sec. 3. HOSPITAL SAFETY NET ASSESSMENT FUND.** (1) A dedicated fund is hereby established within the state treasury to be known as the hospital safety net assessment fund. The purpose and use of the fund shall be to receive and disburse funds, together with accrued interest, in accordance with this chapter. Moneys in the fund, including interest earned, shall not be used or disbursed for any purposes other than those specified in this chapter. Any amounts expended from the fund that are later recouped by the department on audit or otherwise shall be returned to the fund.

(a) Any unexpended balance in the fund at the end of a fiscal biennium shall carry over into the following biennium and shall be applied to reduce the amount of the assessment under section 6(1)(c) of this act.

(b) Any amounts remaining in the fund on July 1, 2013, shall be used to make increased payments in accordance with sections 10 and 13 of this act for any outstanding claims with dates of service prior to July 1, 2013. Any amounts remaining in the fund after such increased payments are made shall be refunded to hospitals, pro rata according to the amount paid by the hospital, subject to the limitations of federal law.

(2) All assessments, interest, and penalties collected by the department under sections 4 and 6 of this act shall be deposited into the fund.

(3) Disbursements from the fund may be made only as follows:

(a) Subject to appropriations and the continued availability of other funds in an amount sufficient to maintain the level of medicaid hospital rates in effect on July 1, 2009;

(b) Upon certification by the secretary that the conditions set forth in section 17(1) of this act have been met with respect to the assessments imposed under section 4 (1) and (2) of this act, the payments provided under section 9 of this act, payments provided under section 13(2) of this act, and any initial payments under sections 11 and 12 of this act, funds shall be disbursed in the amount necessary to make the payments specified in those sections;

(c) Upon certification by the secretary that the conditions set forth in section 17(1) of this act have been met with respect to the assessments imposed under section 4(3) of this act and the payments provided under sections 10 and 14 of this act, payments made subsequent to the initial payments under sections 11 and 12 of this act, and payments under section 13(3) of this act, funds shall be disbursed periodically as necessary to make the payments as specified in those sections;

(d) To refund erroneous or excessive payments made by hospitals pursuant to this chapter;

(e) The sum of thirty-two million dollars per biennium may be expended in lieu of state general fund payments to hospitals. An additional sum of sixteen million dollars for the 2009-2011 fiscal biennium may be expended in lieu of state general fund payments to hospitals if additional federal financial participation under section 5001 of P.L. No. 111-5 is extended beyond December 31, 2010;

(f) The sum of one million dollars per biennium may be disbursed for payment of administrative expenses incurred by the department in performing the activities authorized by this chapter;

(g) To repay the federal government for any excess payments made to hospitals from the fund if the assessments or payment increases set forth in this chapter are deemed out of compliance with federal statutes and regulations and all appeals have been exhausted. In such a case, the department may require hospitals receiving excess payments to refund the payments in question to the fund. The state in turn shall return funds to the federal government in the same proportion as the original financing. If a hospital is unable to refund payments, the state shall develop a payment plan and/or deduct moneys from future medicaid payments.

**NEW SECTION. Sec. 4. ASSESSMENTS.** (1) An assessment is imposed as set forth in this subsection effective after the date when the applicable conditions under section 17(1) of this act have been satisfied through June 30, 2013, for the purpose of funding restoration of reimbursement rates under sections 9(1) and 13(2)(a) of this act and funding payments made subsequent to the initial payments under sections 11 and 12 of this act. Payments under this subsection are due and payable on the first day of each calendar quarter after the department sends notice of assessment to affected hospitals. However, the initial assessment is not due and payable less than thirty calendar days after notice of the amount due has been provided to affected hospitals.

(a) For the period beginning on the date the applicable conditions under section 17(1) of this act are met through December 31, 2010:

(i) Each prospective payment system hospital shall pay an assessment of thirty-two dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(ii) Each critical access hospital shall pay an assessment of ten dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(b) For the period beginning on January 1, 2011:

(i) Each prospective payment system hospital shall pay an assessment of forty dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(ii) Each critical access hospital shall pay an assessment of ten dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(c) For the period beginning July 1, 2011, through June 30, 2013:

(i) Each prospective payment system hospital shall pay an assessment of forty-four dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(ii) Each critical access hospital shall pay an assessment of ten dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(d)(i) For purposes of (a) and (b) of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare inpatient days for each hospital that is not exempt from the assessment as described in section 5 of this act for the relevant state fiscal year 2008 portions included in the hospital's fiscal year end reports 2007 and/or 2008 cost reports. The department shall use nonmedicare hospital inpatient day data for each hospital taken from the centers for medicare and medicaid services' hospital 2552-96 cost report data file as of November 30, 2009, or equivalent data collected by the department.

(ii) For purposes of (c) of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare hospital inpatient days for each hospital that is not exempt from the assessment under section 5 of this act, taken from the most recent publicly available hospital

2552-96 cost report data file or successor data file available through the centers for medicare and medicaid services, as of a date to be determined by the department. If cost report data are unavailable from the foregoing source for any hospital subject to the assessment, the department shall collect such information directly from the hospital.

(2) An assessment is imposed in the amounts set forth in this section for the purpose of funding the restoration of the rates under sections 9(2) and 13(2)(b) of this act and funding the initial payments under sections 11 and 12 of this act, which shall be due and payable within thirty calendar days after the department has transmitted a notice of assessment to hospitals. Such notice shall be transmitted immediately upon determination by the secretary that the applicable conditions established by section 17(1) of this act have been met.

(a) Prospective payment system hospitals.

(i) Each prospective payment system hospital shall pay an assessment of thirty dollars for each annual nonmedicare hospital inpatient day up to sixty thousand per year, multiplied by a ratio, the numerator of which is the number of days between June 30, 2009, and the day after the applicable conditions established by section 17(1) of this act have been met and the denominator of which is three hundred sixty-five.

(ii) Each prospective payment system hospital shall pay an assessment of one dollar for each annual nonmedicare hospital inpatient day over and above sixty thousand per year, multiplied by a ratio, the numerator of which is the number of days between June 30, 2009, and the day after the applicable conditions established by section 17(1) of this act have been met and the denominator of which is three hundred sixty-five.

(b) Each critical access hospital shall pay an assessment of ten dollars for each annual nonmedicare hospital inpatient day, multiplied by a ratio, the numerator of which is the number of days between June 30, 2009, and the day after the applicable conditions established by section 17(1) of this act have been met and the denominator of which is three hundred sixty-five.

(c) For purposes of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare inpatient days for each hospital that is not exempt from the assessment as described in section 5 of this act for the relevant state fiscal year 2008 portions included in the hospital's fiscal year end reports 2007 and/or 2008 cost reports. The department shall use nonmedicare hospital inpatient day data for each hospital taken from the centers for medicare and medicaid services' hospital 2552-96 cost report data file as of November 30, 2009, or equivalent data collected by the department.

(3) An assessment is imposed as set forth in this subsection for the period February 1, 2010, through June 30, 2013, for the purpose of funding increased hospital payments under sections 10 and 13(3) of this act, which shall be due and payable on the first day of each calendar quarter after the department has sent notice of the assessment to each affected hospital, provided that the initial assessment shall be transmitted only after the secretary has determined that the applicable conditions established by section 17(1) of this act have been satisfied and shall be payable no less than thirty calendar days after the department sends notice of the amount due to affected hospitals. The initial assessment shall include the full amount due from February 1, 2010, through the date of the notice.

(a) For the period February 1, 2010, through December 31, 2010:

(i) Prospective payment system hospitals.

(A) Each prospective payment system hospital shall pay an assessment of one hundred dollars for each annual nonmedicare hospital inpatient day up to sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(B) Each prospective payment system hospital shall pay an assessment of five dollars for each annual nonmedicare hospital

inpatient day over and above sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(ii) Each psychiatric hospital and each rehabilitation hospital shall pay an assessment of twenty-four dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(b) For the period beginning on January 1, 2011:

(i) Prospective payment system hospitals.

(A) Each prospective payment system hospital shall pay an assessment of one hundred twenty-seven dollars for each annual nonmedicare inpatient day up to sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(B) Each prospective payment system hospital shall pay an assessment of seven dollars for each annual nonmedicare inpatient day over and above sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty-five. The department may adjust the assessment or the number of nonmedicare hospital inpatient days used to calculate the assessment amount if necessary to maintain compliance with federal statutes and regulations related to medicaid program health care-related taxes.

(ii) Each psychiatric hospital and each rehabilitation hospital shall pay an assessment of thirty dollars for each annual nonmedicare hospital inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(c) For the period beginning July 1, 2011, through June 30, 2013:

(i) Prospective payment system hospitals.

(A) Each prospective payment system hospital shall pay an assessment of one hundred thirty-three dollars for each annual nonmedicare hospital inpatient day up to sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(B) Each prospective payment system hospital shall pay an assessment of seven dollars for each annual nonmedicare inpatient day over and above sixty thousand per year, multiplied by the number of days in the assessment period divided by three hundred sixty-five. The department may adjust the assessment or the number of nonmedicare hospital inpatient days if necessary to maintain compliance with federal statutes and regulations related to medicaid program health care-related taxes.

(ii) Each psychiatric hospital and each rehabilitation hospital shall pay an assessment of thirty dollars for each annual nonmedicare inpatient day, multiplied by the number of days in the assessment period divided by three hundred sixty-five.

(d)(i) For purposes of (a) and (b) of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare inpatient days for each hospital that is not exempt from the assessment as described in section 5 of this act for the relevant state fiscal year 2008 portions included in the hospital's fiscal year end reports 2007 and/or 2008 cost reports. The department shall use nonmedicare hospital inpatient day data for each hospital taken from the centers for medicare and medicaid services' hospital 2552-96 cost report data file as of November 30, 2009, or equivalent data collected by the department.

(ii) For purposes of (c) of this subsection, the department shall determine each hospital's annual nonmedicare hospital inpatient days by summing the total reported nonmedicare hospital inpatient days for each hospital that is not exempt from the assessment under section 5 of this act, taken from the most recent publicly available hospital 2552-96 cost report data file or successor data file available through the centers for medicare and medicaid services, as of a date to be determined by the department. If cost report data are unavailable from the foregoing source for any hospital subject to the assessment,

the department shall collect such information directly from the hospital.

(4) Notwithstanding the provisions of section 8 of this act, nothing in this act is intended to prohibit a hospital from including assessment amounts paid in accordance with this section on their medicare and medicaid cost reports.

**NEW SECTION. Sec. 5. EXEMPTIONS.** The following hospitals are exempt from any assessment under this chapter provided that if and to the extent any exemption is held invalid by a court of competent jurisdiction or by the centers for medicare and medicaid services, hospitals previously exempted shall be liable for assessments due after the date of final invalidation:

(1) Hospitals owned or operated by an agency of federal or state government, including but not limited to western state hospital and eastern state hospital;

(2) Washington public hospitals that participate in the certified public expenditure program;

(3) Hospitals that do not charge directly or indirectly for hospital services; and

(4) Long-term acute care hospitals.

**NEW SECTION. Sec. 6. ADMINISTRATION AND COLLECTION.** (1) The department, in cooperation with the office of financial management, shall develop rules for determining the amount to be assessed to individual hospitals, notifying individual hospitals of the assessed amount, and collecting the amounts due. Such rule making shall specifically include provision for:

(a) Transmittal of quarterly notices of assessment by the department to each hospital informing the hospital of its nonmedicare hospital inpatient days and the assessment amount due and payable. Such quarterly notices shall be sent to each hospital at least thirty calendar days prior to the due date for the quarterly assessment payment.

(b) Interest on delinquent assessments at the rate specified in RCW 82.32.050.

(c) Adjustment of the assessment amounts as follows:

(i) For each fiscal year beginning July 1, 2010, the assessment amounts under section 4 (1) and (3) of this act may be adjusted as follows:

(A) If sufficient other funds for hospitals, including any increase in federal financial participation for hospital payments in addition to what is provided under section 5001 of P.L. No. 111-5 or any extensions thereof, are available to support the reimbursement rates and other payments under section 9, 10, 11, 12, or 13 of this act without utilizing the full assessment authorized under section 4 (1) or (3) of this act, the department shall reduce the amount of the assessment for prospective payment system, psychiatric, and rehabilitation hospitals proportionately to the minimum level necessary to support those reimbursement rates and other payments.

(B) Provided that none of the conditions set forth in section 17(2) of this act have occurred, if the department's forecasts indicate that the assessment amounts under section 4 (1) and (3) of this act, together with all other available funds, are not sufficient to support the reimbursement rates and other payments under section 9, 10, 11, 12, or 13 of this act, the department shall increase the assessment rates for prospective payment system, psychiatric, and rehabilitation hospitals proportionately to the amount necessary to support those reimbursement rates and other payments, plus a contingency factor up to ten percent of the total assessment amount.

(C) Any positive balance remaining in the fund at the end of the fiscal year shall be applied to reduce the assessment amount for the subsequent fiscal year.

(ii) Any adjustment to the assessment amounts pursuant to this subsection, and the data supporting such adjustment, including but not limited to relevant data listed in subsection (2) of this section, must be submitted to the Washington state hospital association for review and comment at least sixty calendar days prior to implementation of such

adjusted assessment amounts. Any review and comment provided by the Washington state hospital association shall not limit the ability of the Washington state hospital association or its members to challenge an adjustment or other action by the department that is not made in accordance with this chapter.

(2) By November 30th of each year, the department shall provide the following data to the Washington state hospital association:

- (a) The fund balance;
- (b) The amount of assessment paid by each hospital;
- (c) The annual medicaid fee-for-service payments for inpatient hospital services and outpatient hospital services; and
- (d) The medicaid healthy options inpatient and outpatient payments as reported by all hospitals to the department on disproportionate share hospital applications. The department shall amend the disproportionate share hospital application and reporting instructions as needed to ensure that the foregoing data is reported by all hospitals as needed in order to comply with this subsection (2)(d).

(3) The department shall determine the number of nonmedicare hospital inpatient days for each hospital for each assessment period.

(4) To the extent necessary, the department shall amend the contracts between the managed care organizations and the department and between regional support networks and the department to incorporate the provisions of section 13 of this act. The department shall pursue amendments to the contracts as soon as possible after the effective date of this act. The amendments to the contracts shall, among other provisions, provide for increased payment rates to managed care organizations in accordance with section 13 of this act.

**NEW SECTION. Sec. 7. LOCAL ASSESSMENTS OR TAXES NOT AUTHORIZED.** Nothing in this chapter shall be construed to authorize any unit of local government to impose a tax or assessment on hospitals, including but not limited to a tax or assessment measured by a hospital's income, earnings, bed days, or other similar measures.

**NEW SECTION. Sec. 8. ASSESSMENT PART OF OPERATING OVERHEAD.** The incidence and burden of assessments imposed under this chapter shall be on hospitals and the expense associated with the assessments shall constitute a part of the operating overhead of hospitals. Hospitals shall not increase charges or billings to patients or third-party payers as a result of the assessments under this chapter. The department may require hospitals to submit certified statements by their chief financial officers or equivalent officials attesting that they have not increased charges or billings as a result of the assessments.

**NEW SECTION. Sec. 9. RESTORATION OF JUNE 30, 2009, REIMBURSEMENT RATES.** Upon satisfaction of the applicable conditions set forth in section 17(1) of this act, the department shall:

(1) Restore medicaid inpatient and outpatient reimbursement rates to levels as if the four percent medicaid inpatient and outpatient rate reductions did not occur on July 1, 2009; and

(2) Recalculate the amount payable to each hospital that submitted an otherwise allowable claim for inpatient and outpatient medicaid-covered services rendered from and after July 1, 2009, up to and including the date when the applicable conditions under section 17(1) of this act have been satisfied, as if the four percent medicaid inpatient and outpatient rate reductions did not occur effective July 1, 2009, and, within sixty calendar days after the date upon which the applicable conditions set forth in section 17(1) of this act have been satisfied, remit the difference to each hospital.

**NEW SECTION. Sec. 10. INCREASED HOSPITAL PAYMENTS.** (1) Upon satisfaction of the applicable conditions set forth in section 17(1) of this act and for services rendered on or after February 1, 2010, the department shall increase the medicaid inpatient and outpatient fee-for-service hospital reimbursement rates in effect on June 30, 2009, by the percentages specified below:

- (a) Prospective payment system hospitals:
  - (i) Inpatient psychiatric services: Twelve percent;

- (ii) Inpatient services: Twelve percent;

- (iii) Outpatient services: Thirty-two percent.

(b) Harborview medical center and University of Washington medical center:

- (i) Inpatient psychiatric services: Three percent;

- (ii) Inpatient services: Three percent;

- (iii) Outpatient services: Twenty-one percent.

(c) Rehabilitation hospitals:

- (i) Inpatient services: Twelve percent;

- (ii) Outpatient services: Thirty-two percent;

(d) Psychiatric hospitals:

- (i) Inpatient psychiatric services: Twelve percent;

- (ii) Inpatient services: Twelve percent.

(2) For claims processed for services rendered on or after February 1, 2010, but prior to satisfaction of the applicable conditions specified in section 17(1) of this act, the department shall, within sixty calendar days after satisfaction of those conditions, calculate the amount payable to hospitals in accordance with this section and remit the difference to each hospital that has submitted an otherwise allowable claim for payment for such services.

(3) By December 1, 2012, the department will submit a study to the legislature with recommendations on the amount of the assessments necessary to continue to support hospital payments for the 2013-15 biennium. The evaluation will assess medicaid hospital payments relative to medicaid hospital costs. The study should address current federal law, including any changes on scope of medicaid coverage and provisions related to provider taxes. The study should also address the state's economic forecast. Based on the forecast, the department should recommend the amount of assessment needed to support future hospital payments and the departmental administrative expenses. Recommendations should be developed with the fiscal committees of the legislature, office of financial management and the Washington state hospital association.

**NEW SECTION. Sec. 11. CRITICAL ACCESS HOSPITAL PAYMENTS.** Upon satisfaction of the applicable conditions set forth in section 17(1) of this act, the department shall pay critical access hospitals that do not qualify for or receive a small rural disproportionate share payment in the subject state fiscal year an access payment of fifty dollars for each medicaid inpatient day, exclusive of days on which a swing bed is used for subacute care, from and after July 1, 2009. Initial payments to hospitals, covering the period from July 1, 2009, to the date when the applicable conditions under section 17(1) of this act are satisfied, shall be made within sixty calendar days after such conditions are satisfied. Subsequent payments shall be made to critical access hospitals on an annual basis at the time that disproportionate share eligibility and payment for the state fiscal year are established. These payments shall be in addition to any other amount payable with respect to services provided by critical access hospitals and shall not reduce any other payments to critical access hospitals.

**NEW SECTION. Sec. 12. DISPROPORTIONATE SHARE HOSPITAL PAYMENTS.** Upon satisfaction of the applicable conditions set forth in section 17(1) of this act, small rural disproportionate share payments shall be increased to one hundred twenty percent of the level in effect as of June 30, 2009, for the period from and after July 1, 2009, until July 1, 2013. Initial payments, covering the period from July 1, 2009, to the date when the applicable conditions under section 17(1) of this act are satisfied, shall be made within sixty calendar days after those conditions are satisfied. Subsequent payments shall be made directly to hospitals by the department on a periodic basis.

**NEW SECTION. Sec. 13. INCREASED MANAGED CARE PAYMENTS AND CORRESPONDING PAYMENTS TO HOSPITALS.** Subject to the applicable conditions set forth in section 17(1) of this act, the department shall:

(1) Amend medicaid-managed care and regional support network contracts as necessary in order to ensure compliance with this chapter;

(2) With respect to the inpatient and outpatient rates established by section 9 of this act:

(a) Upon satisfaction of the applicable conditions under section 17(1) of this act, increase payments to managed care organizations and regional support networks as necessary to ensure that hospitals are reimbursed in accordance with section 9(1) of this act for services rendered from and after the date when applicable conditions under section 17(1) of this act have been satisfied, and pay an additional amount equal to the estimated amount of additional state taxes on managed care organizations or regional support networks due as a result of the payments under this section, and require managed care organizations and regional support networks to make payments to each hospital in accordance with section 9 of this act. The increased payments made to hospitals pursuant to this subsection shall be in addition to any other amounts payable to hospitals by managed care organizations or regional support networks and shall not affect any other payments to hospitals;

(b) Within sixty calendar days after satisfaction of the applicable conditions under section 17(1) of this act, calculate the additional amount due to each hospital to pay claims submitted for inpatient and outpatient medicaid-covered services rendered from and after July 1, 2009, through the date when the applicable conditions under section 17(1) of this act have been satisfied, based on the rates required by section 9(2) of this act, make payments to managed care organizations and regional support networks in amounts sufficient to pay the additional amounts due to each hospital plus an additional amount equal to the estimated amount of additional state taxes on managed care organizations or regional support networks due as a result of the payments under this subsection, and require managed care organizations and regional support networks to make payments to each hospital in accordance with the department's calculations within forty-five calendar days after the department disburses funds for those purposes.

(3) With respect to the inpatient and outpatient hospital rates established by section 10 of this act:

(a) Upon satisfaction of the applicable conditions under section 17(1) of this act, increase payments to managed care organizations and regional support networks as necessary to ensure that hospitals are reimbursed in accordance with section 10 of this act, and pay an additional amount equal to the estimated amount of additional state taxes on managed care organizations or regional support networks due as a result of the payments under this section;

(b) Require managed care organizations and regional support networks to reimburse hospitals for hospital inpatient and outpatient services rendered after the date that the applicable conditions under section 17(1) of this act are satisfied at rates no lower than the combined rates established by sections 9 and 10 of this act;

(c) Within sixty calendar days after satisfaction of the applicable conditions under section 17(1) of this act, calculate the additional amount due to each hospital to pay claims submitted for inpatient and outpatient medicaid-covered services rendered from and after February 1, 2010, through the date when the applicable conditions under section 17(1) of this act are satisfied based on the rates required by section 10 of this act, make payments to managed care organizations and regional support networks in amounts sufficient to pay the additional amounts due to each hospital plus an additional amount equal to the estimated amount of additional state taxes on managed care organizations or regional support networks, and require managed care organizations and regional support networks to make payments to each hospital in accordance with the department's calculations within forty-five calendar days after the department disburses funds for those purposes;

(d) Require managed care organizations that contract with health care organizations that provide, directly or by contract, health care

services on a prepaid or capitated basis to make payments to health care organizations for any of the hospital payments that the managed care organizations would have been required to pay to hospitals under this section if the managed care organizations did not contract with those health care organizations, and require the managed care organizations to require those health care organizations to make equivalent payments to the hospitals that would have received payments under this section if the managed care organizations did not contract with the health care organizations;

(4) The department shall ensure that the increases to the medicaid fee schedules as described in section 10 of this act are included in the development of healthy options premiums.

(5) The department may require managed care organizations and regional support networks to demonstrate compliance with this section.

**NEW SECTION. Sec. 14. QUALITY INCENTIVE PAYMENTS.** (1) The department, in collaboration with the health care authority, the department of health, the department of labor and industries, the Washington state hospital association, the Puget Sound health alliance, and the forum, a collaboration of health carriers, physicians, and hospitals in Washington state, shall design a system of hospital quality incentive payments. The design of the system shall be submitted to the relevant policy and fiscal committees of the legislature by December 15, 2010. The system shall be based upon the following principles:

(a) Evidence-based treatment and processes shall be used to improve health care outcomes for hospital patients;

(b) Effective purchasing strategies to improve the quality of health care services should involve the use of common quality improvement measures by public and private health care purchasers, while recognizing that some measures may not be appropriate for application to specialty pediatric, psychiatric, or rehabilitation hospitals;

(c) Quality measures chosen for the system should be consistent with the standards that have been developed by national quality improvement organizations, such as the national quality forum, the federal centers for medicare and medicaid services, or the federal agency for healthcare research and quality. New reporting burdens to hospitals should be minimized by giving priority to measures hospitals are currently required to report to governmental agencies, such as the hospital compare measures collected by the federal centers for medicare and medicaid services;

(d) Benchmarks for each quality improvement measure should be set at levels that are feasible for hospitals to achieve, yet represent real improvements in quality and performance for a majority of hospitals in Washington state; and

(e) Hospital performance and incentive payments should be designed in a manner such that all noncritical access hospitals in Washington are able to receive the incentive payments if performance is at or above the benchmark score set in the system established under this section.

(2) Upon satisfaction of the applicable conditions set forth in section 17(1) of this act, and for state fiscal year 2013 and each fiscal year thereafter, assessments may be increased to support an additional one percent increase in inpatient hospital rates for noncritical access hospitals that meet the quality incentive benchmarks established under this section.

**NEW SECTION. Sec. 15.** A new section is added to chapter 70.47 RCW to read as follows:

The increases in inpatient and outpatient reimbursement rates included in chapter 74.--- RCW (the new chapter created in section 23 of this act) shall not be reflected in hospital payment rates for services provided to basic health enrollees under this chapter.

**NEW SECTION. Sec. 16. MULTIHOSPITAL LOCATIONS, NEW HOSPITALS, AND CHANGES IN OWNERSHIP.** (1) If an entity owns or operates more than one hospital subject to assessment

under this chapter, the entity shall pay the assessment for each hospital separately. However, if the entity operates multiple hospitals under a single medicaid provider number, it may pay the assessment for the hospitals in the aggregate.

(2) Notwithstanding any other provision of this chapter, if a hospital subject to the assessment imposed under this chapter ceases to conduct hospital operations throughout a state fiscal year, the assessment for the quarter in which the cessation occurs shall be adjusted by multiplying the assessment computed under section 4 (1) and (3) of this act by a fraction, the numerator of which is the number of days during the year which the hospital conducts, operates, or maintains the hospital and the denominator of which is three hundred sixty-five. Immediately prior to ceasing to conduct, operate, or maintain a hospital, the hospital shall pay the adjusted assessment for the fiscal year to the extent not previously paid.

(3) Notwithstanding any other provision of this chapter, in the case of a hospital that commences conducting, operating, or maintaining a hospital that is not exempt from payment of the assessment under section 5 of this act and that did not conduct, operate, or maintain such hospital throughout the cost reporting year used to determine the assessment amount, the assessment for that hospital shall be computed on the basis of the actual number of nonmedicare inpatient days reported to the department by the hospital on a quarterly basis. The hospital shall be eligible to receive increased payments under this chapter beginning on the date it commences hospital operations.

(4) Notwithstanding any other provision of this chapter, if a hospital previously subject to assessment is sold or transferred to another entity and remains subject to assessment, the assessment for that hospital shall be computed based upon the cost report data previously submitted by that hospital. The assessment shall be allocated between the transferor and transferee based on the number of days within the assessment period that each owned, operated, or maintained the hospital.

**NEW SECTION. Sec. 17. CONDITIONS.** (1) The assessment, collection, and disbursement of funds under this chapter shall be conditional upon:

(a) Withdrawal of those aspects of any pending state plan amendments previously submitted to the centers for medicare and medicaid services that are inconsistent with this chapter, specifically any pending state plan amendment related to the four percent rate reductions for inpatient and outpatient hospital rates and elimination of the small rural disproportionate share hospital payment program as implemented July 1, 2009;

(b) Approval by the centers for medicare and medicaid services of any state plan amendments or waiver requests that are necessary in order to implement the applicable sections of this chapter;

(c) To the extent necessary, amendment of contracts between the department and managed care organizations in order to implement this chapter; and

(d) Certification by the office of financial management that appropriations have been adopted that fully support the rates established in this chapter for the upcoming fiscal year.

(2) This chapter does not take effect or ceases to be imposed, and any moneys remaining in the fund shall be refunded to hospitals in proportion to the amounts paid by such hospitals, if and to the extent that:

(a) An appellate court or the centers for medicare and medicaid services makes a final determination that any element of this chapter, other than section 11 of this act, cannot be validly implemented;

(b) Medicaid inpatient or outpatient reimbursement rates for hospitals are reduced below the combined rates established by sections 9 and 10 of this act;

(c) Except for payments to the University of Washington medical center and harborview medical center, payments to hospitals required

under sections 9, 10, 12, and 13 of this act are not eligible for federal matching funds;

(d) Other funding available for the medicaid program is not sufficient to maintain medicaid inpatient and outpatient reimbursement rates for hospitals and small rural disproportionate share payments at one hundred percent of the levels in effect on July 1, 2009; or

(e) The fund is used as a substitute for or to supplant other funds, except as authorized by section 3(3)(e) of this act.

**NEW SECTION. Sec. 18. SEVERABILITY.** (1) The provisions of this chapter are not severable: If the conditions set forth in section 17(1) of this act are not satisfied or if any of the circumstances set forth in section 17(2) of this act should occur, this entire chapter shall have no effect from that point forward, except that if the payment under section 11 of this act, or the application thereof to any hospital or circumstances does not receive approval by the centers for medicare and medicaid services as described in section 17(1)(b) of this act or is determined to be unconstitutional or otherwise invalid, the other provisions of this chapter or its application to hospitals or circumstances other than those to which it is held invalid shall not be affected thereby.

(2) In the event that any portion of this chapter shall have been validly implemented and the entire chapter is later rendered ineffective under this section, prior assessments and payments under the validly implemented portions shall not be affected.

(3) In the event that the payment under section 11 of this act, or the application thereof to any hospital or circumstances does not receive approval by the centers for medicare and medicaid services as described in section 17(1)(b) of this act or is determined to be unconstitutional or otherwise invalid, the amount of the assessment shall be adjusted under section 6(1)(c) of this act.

**Sec. 19.** 2009 c 564 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).....	
General Fund--State Appropriation (FY 2011).....	
General Fund--Federal Appropriation .....	
General Fund--Private/Local Appropriation.....	
Emergency Medical Services and Trauma Care Systems	
Trust Account--State Appropriation.....	
Tobacco Prevention and Control Account--	
State Appropriation .....	
<b>TOTAL APPROPRIATION .....</b>	

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

(1) Based on quarterly expenditure reports and caseload forecasts, if the department estimates that expenditures for the medical assistance program will exceed the appropriations, the department shall take steps including but not limited to reduction of rates or elimination of optional services to reduce expenditures so that total program costs do not exceed the annual appropriation authority.

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

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

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

(5) In accordance with RCW 74.46.625, \$6,000,000 of the general fund--federal appropriation is provided solely for

supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the department's discretion. During either the interim cost settlement or the final cost settlement, the department shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The department shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

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

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

(8) The department shall continue the inpatient hospital certified public expenditures program for the 2009-11 biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The department shall submit reports to the governor and legislature by November 1, 2009, and by November 1, 2010, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the department shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2010 and fiscal year 2011, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program, (b) one half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital

programs exist in the 2009-11 biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. \$6,570,000 of the general fund--state appropriation for fiscal year 2010, which is appropriated in section 204(1) of this act, and \$1,500,000 of the general fund--state appropriation for fiscal year 2011, which is appropriated in section 204(1) of this act, are provided solely for state grants for the participating hospitals. Sufficient amounts are appropriated in this section for the remaining state grants for the participating hospitals.

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

(10) Sufficient amounts are appropriated in this section for the department to continue podiatry services for medicaid-eligible adults.

(11) Sufficient amounts are appropriated in this section for the department to provide an adult dental benefit that is at least equivalent to the benefit provided in the 2003-05 biennium.

(12) \$93,000 of the general fund--state appropriation for fiscal year 2010 and \$93,000 of the general fund--federal appropriation are provided solely for the department to pursue a federal Medicaid waiver pursuant to Second Substitute Senate Bill No. 5945 (Washington health partnership plan). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

(14) Appropriations in this section are sufficient for the department to continue to fund family planning nurses in the community services offices.

(15) The department, in coordination with stakeholders, will conduct an analysis of potential savings in utilization of home dialysis. The department shall present its findings to the appropriate house of representatives and senate committees by December 2010.

(16) A maximum of \$166,875,000 of the general fund--state appropriation and \$38,389,000 of the general fund--federal appropriation may be expended in the fiscal biennium for the general assistance-unemployable medical program, and these amounts are provided solely for this program. Of these amounts, \$10,749,000 of the general fund--state appropriation for fiscal year 2010 and \$10,892,000 of the general fund--federal appropriation are provided solely for payments to hospitals for providing outpatient services to low income patients who are recipients of general assistance-unemployable. Pursuant to RCW 74.09.035, the department shall not expend for the general assistance medical care services program any amounts in excess of the amounts provided in this subsection.

(17) If the department determines that it is feasible within the amounts provided in subsection (16) of this section, and without the

loss of federal disproportionate share hospital funds, the department shall contract with the carrier currently operating a managed care pilot project for the provision of medical care services to general assistance-unemployable clients. Mental health services shall be included in the services provided through the managed care system. If the department determines that it is feasible, effective October 1, 2009, in addition to serving clients in the pilot counties, the carrier shall expand managed care services to clients residing in at least the following counties: Spokane, Yakima, Chelan, Kitsap, and Cowlitz. If the department determines that it is feasible, the carrier shall complete implementation into the remaining counties. Total per person costs to the state, including outpatient and inpatient services and any additional costs due to stop loss agreements, shall not exceed the per capita payments projected for the general assistance-unemployable eligibility category, by fiscal year, in the February 2009 medical assistance expenditures forecast. The department, in collaboration with the carrier, shall seek to improve the transition rate of general assistance clients to the federal supplemental security income program.

(18) The department shall evaluate the impact of the use of a managed care delivery and financing system on state costs and outcomes for general assistance medical clients. Outcomes measured shall include state costs, utilization, changes in mental health status and symptoms, and involvement in the criminal justice system.

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

(20) State funds shall not be used by hospitals for advertising purposes.

(21) The department shall seek a medicaid state plan amendment to create a professional services supplemental payment program for University of Washington medicine professional providers no later than July 1, 2009. The department shall apply federal rules for identifying the shortfall between current fee-for-service medicaid payments to participating providers and the applicable federal upper payment limit. Participating providers shall be solely responsible for providing the local funds required to obtain federal matching funds. Any incremental costs incurred by the department in the development, implementation, and maintenance of this program will be the responsibility of the participating providers. Participating providers will retain the full amount of supplemental payments provided under this program, net of any potential costs for any related audits or litigation brought against the state. The department shall report to the governor and the legislative fiscal committees on the prospects for expansion of the program to other qualifying providers as soon as feasibility is determined but no later than December 31, 2009. The report will outline estimated impacts on the participating providers, the procedures necessary to comply with federal guidelines, and the administrative resource requirements necessary to implement the program. The department will create a process for expansion of the program to other qualifying providers as soon as it is determined feasible by both the department and providers but no later than June 30, 2010.

(22) \$9,350,000 of the general fund--state appropriation for fiscal year 2010, \$8,313,000 of the general fund--state appropriation for fiscal year 2011, and \$20,371,000 of the general fund--federal appropriation are provided solely for development and implementation of a replacement system for the existing medicaid management information system. The amounts provided in this subsection are conditioned on the department satisfying the requirements of section 902 of this act.

(23) \$506,000 of the general fund--state appropriation for fiscal year 2011 and \$657,000 of the general fund--federal appropriation are provided solely for the implementation of Second Substitute House

Bill No. 1373 (children's mental health). If the bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

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

(26) \$425,000 of the general fund--state appropriation for fiscal year 2010, \$425,000 of the general fund--state appropriation for fiscal year 2011, and \$1,580,000 of the general fund--federal appropriation are provided solely to continue children's health coverage outreach and education efforts under RCW 74.09.470. These efforts shall rely on existing relationships and systems developed with local public health agencies, health care providers, public schools, the women, infants, and children program, the early childhood education and assistance program, child care providers, newborn visiting nurses, and other community-based organizations. The department shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

(27) The department, in conjunction with the office of financial management, shall ~~((reduce outpatient and inpatient hospital rates and))~~ implement a prorated inpatient payment policy. ~~((In determining the level of reductions needed, the department shall include in its calculations services paid under fee for service, managed care, and certified public expenditure payment methods; but reductions shall not apply to payments for psychiatric inpatient services or payments to critical access hospitals.))~~

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

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

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

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

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

(33) The department shall direct graduate medical education funds to programs that focus on primary care training.

(34) \$79,000 of the general fund--state appropriation for fiscal year 2010 and \$53,000 of the general fund--federal appropriation are

provided solely to implement Substitute House Bill No. 1845 (medical support obligations).

(35) \$63,000 of the general fund--state appropriation for fiscal year 2010, \$583,000 of the general fund--state appropriation for fiscal year 2011, and \$864,000 of the general fund--federal appropriation are provided solely to implement Engrossed House Bill No. 2194 (extraordinary medical placement for offenders). The department shall work in partnership with the department of corrections to identify services and find placements for offenders who are released through the extraordinary medical placement program. The department shall collaborate with the department of corrections to identify and track cost savings to the department of corrections, including medical cost savings, and to identify and track expenditures incurred by the aging and disability services program for community services and by the medical assistance program for medical expenses. A joint report regarding the identified savings and expenditures shall be provided to the office of financial management and the appropriate fiscal committees of the legislature by November 30, 2010. If this bill is not enacted by June 30, 2009, the amounts provided in this subsection shall lapse.

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

**Sec. 20.** RCW 43.84.092 and 2009 c 479 s 31, 2009 c 472 s 5, and 2009 c 451 s 8 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the budget stabilization account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal

and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the health system capacity account, the personal health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety account, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural Washington loan fund, the site closure account, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 corridor account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the urban arterial trust account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters'

and reserve officers' administrative fund, the Washington fruit express account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. All earnings to be distributed under this subsection (4) shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

**NEW SECTION. Sec. 21. EXPIRATION.** This chapter expires July 1, 2013.

**NEW SECTION. Sec. 22.** Upon expiration of chapter 74.--RCW (the new chapter created in section 24 of this act), inpatient and outpatient hospital reimbursement rates shall return to a rate structure no higher than the rate structure in effect as of July 1, 2009, as if the four percent medicaid inpatient and outpatient rate reductions did not occur on July 1, 2009, or as otherwise specified in the 2013-15 biennial operating appropriations act.

**NEW SECTION. Sec. 23. EMERGENCY.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**NEW SECTION. Sec. 24. NEW CHAPTER.** Sections 1 through 14, 16 through 18, and 21 of this act constitute a new chapter in Title 74 RCW."

On page 1, line 3 of the title, after "Washington;" strike the remainder of the title and insert "amending 2009 c 564 s 209 (uncodified); reenacting and amending RCW 43.84.092; adding a new section to chapter 70.47 RCW; adding a new chapter to Title 74 RCW; creating a new section; providing an expiration date; and declaring an emergency."

and the same is herewith transmitted.

Brad Hendrickson, Deputy, Secretary

#### SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House refused to concur in the Senate Amendment to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2956 and asked the Senate for a conference thereon. The Speaker (Representative Morris presiding) appointed Representatives Cody, Pettigrew and Schmick as conferees.

There being no objection, House Rule 13 (C) was suspended allowing the House to work past 10:00 p.m.

#### MESSAGE FROM THE SENATE

March 19, 2010

Mr. Speaker:

The Senate has passed SECOND ENGROSSED SUBSTITUTE SENATE BILL 6143 and the same is herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, the House reverted to the sixth order of business.

#### SECOND READING

**HOUSE BILL NO. 2493, by Representatives Cody, Williams, Pedersen, Kagi, Nelson, Orwall, McCoy, Dickerson, White, Hunt, Darneille, Moeller and Roberts**

**Concerning the taxation of cigarettes and other tobacco products.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 2493 was substituted for House Bill No. 2493 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 2493 was read the second time.

Representative Hunter moved the adoption of amendment (1718).

On page 7, after line 4, strike all of subsection (1)(c) and insert the following:

"(c) For moist snuff, as established in this subsection (1)(c) and computed on the net weight listed by the manufacturer:

(i) On each single unit consumer-sized can or package whose net weight is one and two-tenths ounces or less, a rate per single unit that is equal to the greater of 2.526 dollars or eighty-three and one-half percent of the cigarette tax under chapter 82.24 RCW multiplied by twenty; or

(ii) On each single unit consumer-sized can or package whose net weight is more than one and two-tenths ounces, a proportionate tax at the rate established in (c)(i) of this subsection (1) on each ounce or fractional part of an ounce; and"

Representative Hunter spoke in favor of the adoption of the amendment.

Amendment (1718) was adopted.

The bill was ordered engrossed.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Cody, Hunter and Morrell spoke in favor of the passage of the bill.

Representatives Orcutt, Schmick, Kirby, Ericksen and Ericksen (again) spoke against the passage of the bill.

The Speaker (Representative Morris presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 2493.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2493, and the bill passed the House by the following vote: Yeas, 54; Nays, 42; Absent, 0; Excused, 2.

Voting yea: Representatives Appleton, Blake, Carlyle, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eddy, Ericks, Finn, Goodman, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Jacks, Kagi, Kenney, Kessler, Liias, Linville, Maxwell, McCoy, Moeller, Morrell, Morris, Nelson, O'Brien, Ormsby, Orwall, Pedersen, Pettigrew, Quall, Roberts, Rolfes, Santos, Seaquist, Sells, Simpson, Springer, Sullivan, Takko, Upthegrove, Van De Wege, Wallace, White, Williams, Wood and Mr. Speaker.

Voting nay: Representatives Alexander, Anderson, Angel, Armstrong, Bailey, Campbell, Chandler, Condotta, Crouse, Dammeier, DeBolt, Driscoll, Ericksen, Fagan, Flannigan, Haler, Herrera, Hinkle, Hope, Hurst, Johnson, Kirby, Klippert, Kretz, Kristiansen, McCune, Miloscia, Nealey, Orcutt, Parker, Pearson, Priest, Probst, Rodne, Ross, Schmick, Shea, Short, Smith, Taylor, Walsh and Warnick.

Excused: Representatives Kelley and Roach.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2493, having received the constitutional majority, was declared passed.

There being no objection, the House reverted to the fourth order of business.

#### **SUPPLEMENTAL INTRODUCTION & FIRST READING**

2ESSB 6143 by Senate Committee on Ways & Means (originally sponsored by Senator Prentice)

AN ACT Relating to modifying excise tax laws to preserve funding for public schools, colleges, and universities, as well as other public systems essential for the safety, health, and security of all Washingtonians; amending RCW 82.04.220, 82.04.2907, 82.04.460, 82.04.080, 82.32.090, 82.12.020, 82.45.033, 82.45.070, 82.45.080, 82.45.100, 82.45.220, 43.07.390, 82.04.423, 82.04.4266, 82.04.4266, 82.04.260, 82.04.250, 82.04.250, 82.04.250, 82.04.298, 82.04.334, 82.04.4463, 82.04.4463, 82.08.806, 82.32.550, 82.45.195, 35.102.150, 48.14.080, 82.04.360, 82.45.010, 82.45.080, 82.32.145, 82.60.020, 82.60.020, 82.62.010, 82.62.010, 82.04.4282, 82.08.037, 82.12.037, 82.08.890, 82.12.890, 54.28.011, 82.08.962, 82.12.962, 82.08.0293, 82.08.0293, 82.12.0293, 82.04.4451, 82.32.045, 82.08.020, 82.08.020,

44.04.120, 82.08.0206, 36.100.040, 67.28.181, and 82.14.410; reenacting and amending RCW 82.45.010, 82.04.260, 82.04.261, 82.04.440, 82.04.360, and 82.08.064; adding new sections to chapter 82.04 RCW; adding new sections to chapter 82.32 RCW; adding new sections to chapter 82.08 RCW; adding new sections to chapter 82.12 RCW; creating new sections; repealing RCW 82.04.44525, 82.08.811, 82.12.811, and 82.04.394; providing effective dates; providing expiration dates; and declaring an emergency.

2ESB 6221 by Senator Fairley

AN ACT Relating to the clarifying and expanding participation in the Washington state local government investment pool; and amending RCW 43.250.010, 43.250.020, and 43.250.040.

There being no objection, SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 6143 and SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 6221 were read the first time, and under suspension of the rules were placed on the second reading calendar.

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

There being no objection, the House adjourned until 9:30 a.m., March 20, 2010, the 6<sup>th</sup> Day of the 1<sup>st</sup> Special Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

1697	Third Reading.....	3
	Third Reading Final Passage.....	3
2493	Second Reading.....	69
2493-S	Second Reading.....	69
	Amendment Offered.....	70
	Third Reading Final Passage.....	70
2580-S	Third Reading.....	3
	Third Reading Final Passage.....	3
2672	Messages.....	1
	President Signed.....	4
2782-S2	Second Reading.....	52
	Amendment Offered.....	52
	Third Reading Final Passage.....	62
2836	Other Action.....	4
2836-S	Second Reading.....	4
	Second Reading.....	4
	Amendment Offered.....	4
	Third Reading Final Passage.....	52
2855	Other Action.....	62
3175-S	Third Reading.....	3
	Third Reading Final Passage.....	3
3201-S	Other Action.....	2
	Messages.....	2
4409	President Signed.....	4
6143-S	Introduction & 1st Reading.....	70
	Other Action.....	70
	Messages.....	69
6221	Introduction & 1st Reading.....	70
	Other Action.....	70
	Messages.....	4
6572-S	Second Reading.....	2
	Third Reading Final Passage.....	2
	President Signed.....	4
6678-S2	Messages.....	1
6698-S	Messages.....	1
6737-S	Second Reading.....	2
	Third Reading Final Passage.....	3
6870	Introduction & 1st Reading.....	4
	Other Action.....	4
	Messages.....	1
HOUSE OF REPRESENTATIVES (Representative Morris presiding)		
	Statement for the Journal Representative Hinkle.....	52