

## SIXTY FIFTH LEGISLATURE - REGULAR SESSION

## FORTY FIFTH DAY

House Chamber, Olympia, Wednesday, February 22, 2017

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

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Carson Bangart and Grace Zoppi. The Speaker (Representative Orwall presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Pastor Scott Postlewait, Advent Lutheran Church, Mill Creek, Washington.

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

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

## MESSAGE FROM THE SENATE

February 20, 2017

MR. SPEAKER:

The Senate has passed:

SENATE BILL NO. 5034,  
SENATE BILL NO. 5162,  
SENATE BILL NO. 5315,

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

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

## INTRODUCTION &amp; FIRST READING

HB 2130 by Representatives Ormsby, Manweller, Sells, Buys, Tarleton, Riccelli, Young and Santos

AN ACT Relating to the cross-training of masonry trades for building construction; adding a new section to chapter 49.04 RCW; and creating a new section.

Referred to Committee on Higher Education.

SB 5034 by Senators Rivers, Takko and Dansel

AN ACT Relating to local government financial reports; and amending RCW 43.09.230.

Referred to Committee on Local Government.

SB 5162 by Senators McCoy, Sheldon, Rolfes, Takko and Chase

AN ACT Relating to creating the wastewater treatment plant operator certification account; adding a new section to chapter 70.95B RCW; and repealing RCW 70.95B.150.

Referred to Committee on Appropriations.

SB 5315 by Senators King, Baumgartner, Hawkins, Hobbs, Fortunato and Pearson

AN ACT Relating to home site leases on lands managed by the department of natural resources; amending RCW 79.17.200; and creating a new section.

Referred to Committee on Agriculture & Natural Resources.

There being no objection, the bills listed on the day's introduction sheet under the fourth order of business were referred to the committees so designated.

## RESOLUTION

HOUSE RESOLUTION NO. 2017-4616, by Representatives Chopp, Kristiansen, Appleton, Barkis, Bergquist, Blake, Buys, Caldier, Chandler, Chapman, Clibborn, Cody, Condotta, DeBolt, Dent, Doglio, Dolan, Dye, Farrell, Fey, Fitzgibbon, Frame, Goodman, Graves, Gregerson, Griffey, Haler, Hansen, Hargrove, Harmsworth, Harris, Hayes, Holy, Hudgins, Irwin, Jenkin, Jinkins, Johnson, Kagi, Kilduff, Kirby, Klippert, Kloba, Koster, Kraft, Kretz, Lovick, Lytton, MacEwen, Macri, Manweller, Maycumber, McBride, McCabe, McCaslin, McDonald, Morris, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pike, Pollet, Reeves, Riccelli, Robinson, Rodne, Ryu, Santos, Sawyer, Schmick, Sells, Senn, Shea, Slatter, Smith, Springer, Stambaugh, Stanford, Steele, Stokesbary, Stonier, Sullivan, Tarleton, Taylor, Tharinger, Van Werven, Vick, Volz, J. Walsh, Wilcox, Wylie, and Young

WHEREAS, Gina Grant was born on July 17, 1959, in Walla Walla, Washington, to a multigenerational farm family; she later became a record-breaking track star, a flag swinger, and a student government leader before attending Washington State University where she met her beloved husband Ron Bull; and

WHEREAS, Gina and Ron raised three children and together realized her gift and passion for nurturing children, which led to a long career in education and with the Legislature; and

WHEREAS, She served as a Legislative Assistant in both the House and Senate, and cherished the years she worked near her father, Representative Bill Grant; and

WHEREAS, She served as Page Supervisor twice, a position she referred to as her "dream job" in which she helped high school students from every corner of Washington state as they worked in the state capitol and learned about our system of democracy during the legislative session; and

WHEREAS, She treasured her friendships, new and old, and was a strong leader with an intensely kind heart full of positive and gracious energy; and

WHEREAS, Gina's hearty laugh touched everyone she met as she traveled through Ireland, London, and Paris in 2008, fulfilling a lifelong dream; and

WHEREAS, On October 12, 2016, in Walla Walla, Gina Grant Bull passed away unexpectedly at the age of 57; and

WHEREAS, Gina is survived by her husband, Ron, three children and three young grandchildren: Lindsay Braun (Jeffrey), and grandchildren, Stella and Jasper; Molly Schotzko (Tim), and granddaughter Hudson Irene; and Grant Bull. Gina is also survived by her mother, Nancy Grant, and three siblings: Laura Grant (John Wong), Amy Hartford (Jerry), and Jonathan Grant (Fahima). She is also survived by a large and loving family of aunts, uncles, cousins, nieces, and nephews; and

WHEREAS, Gina also saw those who worked in the Legislature as family and treated them as she would her own; and all of the lawmakers, staff, and pages who knew her recognized her dedication to this institution and mourn her passing;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives honor the life of Gina Grant Bull and her career of public service in our schools and in the state Legislature.

Representative Hayes moved adoption of HOUSE RESOLUTION NO. 4616

Representatives Hayes, Santos and Smith spoke in favor of the adoption of the resolution.

HOUSE RESOLUTION NO. 4616 was adopted.

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

**SECOND READING**

**HOUSE BILL NO. 1194, by Representatives Hayes, Pettigrew, Smith, Springer, Kretz, Schmick, Santos, Short, Haler, Lovick, Riccelli, Blake, Senn, Jinkins,**

**Gregerson, Muri, Frame, Wylie, Kilduff, McBride, Bergquist, Fey, Stambaugh, Ormsby, Farrell and Pollet**

**Creating a legislative page scholarship program.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1194 was substituted for House Bill No. 1194 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1194 was read the second time.

Representative Sullivan moved the adoption of amendment (007):

On page 2, beginning on line 9, after "in" strike "the legislative page scholarship account" and insert "the Gina Grant Bull memorial legislative page scholarship account"

On page 2, at the beginning of line 17, strike "The legislative page scholarship account" and insert "The Gina Grant Bull memorial legislative page scholarship account"

On page 2, beginning on line 30, after "to" strike "the legislative page scholarship account" and insert "the Gina Grant Bull memorial legislative page scholarship account"

On page 2, beginning on line 33, after "for" strike "the legislative page scholarship account" and insert "the Gina Grant Bull memorial legislative page scholarship account"

Representatives Sullivan and Hayes spoke in favor of the adoption of the amendment.

Amendment (007) 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 Hayes, Pettigrew and Stambaugh spoke in favor of the passage of the bill.

**MOTION**

On motion of Representative Hayes, Representative Rodne was excused.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1194.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1194, and the bill passed the House by the following vote: Yeas, 97; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Barkis, Bergquist, Blake, Buys, Caldier, Chandler, Chapman, Clibborn, Cody, Condotta, DeBolt, Dent, Doglio, Dolan, Dye, Farrell, Fey, Fitzgibbon, Frame, Goodman, Graves, Gregerson, Griffey, Haler, Hansen, Hargrove, Harmsworth, Harris, Hayes, Holy, Hudgins, Irwin, Jenkin, Jinkins, Johnson, Kagi, Kilduff, Kirby, Klippert, Kloba, Koster, Kraft, Kretz, Kristiansen, Lovick, Lytton, MacEwen, Macri, Manweller, Maycumber, McBride, McCabe, McCaslin, McDonald, Morris, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pike, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Schmick, Sells, Senn, Shea, Slatter, Smith, Springer, Stambaugh, Stanford, Steele, Stokesbary, Stonier, Sullivan, Tarleton, Taylor, Tharinger, Van Werven, Vick, Volz, J. Walsh, Wilcox, Wylie, Young and Mr. Speaker.

Excused: Representative Rodne.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1194, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 1843, by Representatives Sullivan, Lytton, Jinkins, Orwall, Appleton, Springer, Chapman, Tarleton, Tharinger, Goodman, Farrell, Macri, Ormsby, Fitzgibbon, Slatter, Hudgins, Doglio, Fey, Pollet, Ortiz-Self, Santos and McBride**

**Fulfilling the state's paramount duty for all children through equitable and responsible investments in the state's basic education program and reductions to local effort contributions.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 1843 was substituted for House Bill No. 1843 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 1843 was read the second time.

With the consent of the House, amendment (025) was withdrawn.

Representative Wilcox moved the adoption of amendment (030):

On page 1, after line 12, insert the following:

**"NEW SECTION. Sec. 1.** If specific new revenues for purposes of fully funding this act, referencing this act by bill or chapter number and levied from new taxes, new tax increases, or new repeals or

modifications of tax preferences, are not enacted by June 30, 2017, this act is null and void."

Renumber remaining sections consecutively and correct internal references accordingly.

Correct the title.

Representatives Wilcox, Stokesbary, Volz and Taylor spoke in favor of the adoption of the amendment.

Representatives Sullivan, Lytton and Ormsby spoke against the adoption of the amendment.

An electronic roll call was requested.

**ROLL CALL**

The Clerk called the roll on the adoption of amendment (030) and the amendment was not adopted by the following vote: Yeas, 46; Nays, 51; Absent, 0; Excused, 1.

Voting yea: Representatives Barkis, Buys, Caldier, Chandler, Condotta, DeBolt, Dent, Dye, Graves, Griffey, Haler, Hargrove, Harmsworth, Harris, Hayes, Holy, Irwin, Jenkin, Johnson, Klippert, Koster, Kraft, Kretz, Kristiansen, MacEwen, Manweller, Maycumber, McCabe, McCaslin, McDonald, Muri, Nealey, Pike, Schmick, Shea, Smith, Stambaugh, Steele, Stokesbary, Taylor, Van Werven, Vick, Volz, J. Walsh, Wilcox and Young.

Voting nay: Representatives Appleton, Bergquist, Blake, Chapman, Clibborn, Cody, Doglio, Dolan, Farrell, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, Jinkins, Kagi, Kilduff, Kirby, Kloba, Lovick, Lytton, Macri, McBride, Morris, Orcutt, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Sells, Senn, Slatter, Springer, Stanford, Stonier, Sullivan, Tarleton, Tharinger, Wylie and Mr. Speaker.

Excused: Representative Rodne.

Amendment (030) was not adopted.

Representative MacEwen moved the adoption of amendment (031):

On page 4, line 2, after **"ALLOCATIONS"** insert **"AND BENEFITS"**

On page 11, after line 20, insert the following:

**"NEW SECTION. Sec. 107.** (1) The legislature finds that:

(a) The 2012 legislature enacted Engrossed Substitute Senate Bill No. 5940, that among other things:

(i) Established a goal of creating greater affordability for full family coverage and greater equity between premium costs for full family coverage and

for employee only coverage for the same health benefit plan; and

(ii) Directed school districts to make progress toward employee contributions for full family coverage that are not more than three times the employee contributions for employees purchasing single coverage; and

(b) An analysis by the joint legislative audit and review committee found that:

(i) In the 2013-14 school year, only twenty-seven out of the two hundred ninety-five districts had full family premiums that were at or below three times the rate of single coverage;

(ii) On average full family premiums were eight and nine-tenths times more than single coverage; and

(iii) Many districts continue to use pooled savings to further reduce the cost for single coverage premiums.

(2) The issues identified by the joint legislative audit and review committee are particularly burdensome to classified school district employees, therefore, it is the intent of the legislature that classified school district employees be provided health benefits through the programs offered to state employees through the public employees' benefits board.

**Sec. 108.** RCW 28A.400.270 and 1990 1st ex.s. c 11 s 4 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout RCW 28A.400.275 and 28A.400.280.

(1) "School district employee benefit plan" means the overall plan used by the district for distributing fringe benefit subsidies to employees, including the method of determining employee coverage and the amount of employer contributions, as well as the characteristics of benefit providers and the specific benefits or coverage offered. It shall not include coverage offered to district employees for which there is no contribution from public funds.

(2) "Fringe benefit" does not include liability coverage, old-age survivors' insurance, workers' compensation, unemployment compensation, retirement benefits under the Washington state retirement system, or payment for unused

leave for illness or injury under RCW 28A.400.210.

(3) "Basic benefits" are determined through local bargaining until December 31, 2018, and are limited to medical, dental, vision, group term life, and group long-term disability insurance coverage. Beginning January 1, 2019, basic benefits are determined for classified school district employees by the public employees' benefits board and administered by the health care authority as described under RCW 28A.400.275.

(4) "Benefit providers" include insurers, third party claims administrators, direct providers of employee fringe benefits, health maintenance organizations, health care service contractors, and the Washington state health care authority or any plan offered by the authority.

(5) "Group term life insurance coverage" means term life insurance coverage provided for, at a minimum, all full-time employees in a bargaining unit or all full-time nonbargaining group employees.

(6) "Group long-term disability insurance coverage" means long-term disability insurance coverage provided for, at a minimum, all full-time employees in a bargaining unit or all full-time nonbargaining group employees.

**Sec. 109.** RCW 28A.400.275 and 2012 2nd sp.s. c 3 s 4 are each amended to read as follows:

(1) Any contract or agreement for employee benefits executed after April 13, 1990, between a school district and a benefit provider or employee bargaining unit is null and void unless it contains an agreement to abide by state laws relating to school district employee benefits. The term of the contract or agreement may not exceed one year. Beginning January 1, 2019, any contract for employee basic benefits between a school district and a bargaining unit of classified school employees is null and void unless basic benefits are provided through plans administered by the Washington state health care authority.

(2) School districts and their benefit providers shall annually submit, by a date determined by the office of the insurance commissioner, the following information and data for the prior calendar year to the office of the insurance commissioner:

(a) Progress by the district and its benefit providers toward greater affordability for full family coverage, health care cost savings, and significantly reduced administrative costs;

(b) Compliance with the requirement to provide a high deductible health plan option with a health savings account;

(c) An overall plan summary including the following:

(i) The financial plan structure and overall performance of each health plan including:

(A) Total premium expenses;

(B) Total claims expenses;

(C) Claims reserves; and

(D) Plan administration expenses, including compensation paid to brokers;

(ii) A description of the plan's use of innovative health plan features designed to reduce health benefit premium growth and reduce utilization of unnecessary health services including but not limited to the use of enrollee health assessments or health coach services, care management for high cost or high-risk enrollees, medical or health home payment mechanisms, and plan features designed to create incentives for improved personal health behaviors;

(iii) Data to provide an understanding of employee health benefit plan coverage and costs, including: The total number of employees and, for each employee, the employee's full-time equivalent status, types of coverage or benefits received including numbers of covered dependents, the number of eligible dependents, the amount of the district's contribution to premium, additional premium costs paid by the employee through payroll deductions, and the age and sex of the employee and each dependent;

(iv) Data necessary for school districts to more effectively and competitively manage and procure health insurance plans for employees. The data must include, but not be limited to, the following:

(A) A summary of the benefit packages offered to each group of district employees, including covered benefits, employee deductibles, coinsurance, and copayments, and the number of employees and their dependents in each benefit package;

(B) Aggregated employee and dependent demographic information, including age band and gender, by insurance tier and by benefit package;

(C) Total claim payments by benefit package, including premiums paid, inpatient facility claims paid, outpatient facility claims paid, physician claims paid, pharmacy claims paid, capitation amounts paid, and other claims paid;

(D) Total premiums paid by benefit package;

(E) A listing of large claims defined as annual amounts paid in excess of one hundred thousand dollars including the amount paid, the member enrollment status, and the primary diagnosis. School districts shall submit to the Washington state health care authority all information deemed necessary by the health care authority for the administration of the employee benefit plans provided to classified school districts employees, including all information requested between the effective date of this section and December 31, 2018, requested for preparing for the enrollment of classified school district employees in benefit plans administered by the Washington state health care authority.

(3) Annually, school districts and their benefit providers shall jointly report to the office of the insurance commissioner on their health insurance-related efforts and achievements to:

(a) Significantly reduce administrative costs for school districts;

(b) Improve customer service;

(c) Reduce differential plan premium rates between employee only and family health benefit premiums;

(d) Protect access to coverage for part-time K-12 employees.

(4) The information and data shall be submitted in a format and according to a schedule established by the office of the insurance commissioner under RCW 48.02.210 to enable the commissioner to meet the reporting obligations under that section.

(5) Any benefit provider offering a benefit plan by contract or agreement with a school district under subsection (1) of this section shall make available to the school district the benefit plan descriptions and, where available, the demographic information on plan subscribers that the district and benefit

provider are required to report to the office of the insurance commissioner under this section.

(6) This section shall not apply to benefit plans offered in the 1989-90 school year.

(7) Each school district shall:

(a) Carry out all actions required by the health care authority under chapter 41.05 RCW including, but not limited to, those necessary for the operation of benefit plans, education of employees, claims administration, and appeals process; and

(b) Report all data relating to employees eligible to participate in benefits or plans administered by the health care authority in a format designed and communicated by the health care authority.

**Sec. 110.** RCW 28A.400.350 and 2012 2nd sp.s. c 3 s 3 are each amended to read as follows:

(1) (a) The board of directors of any of the state's school districts or educational service districts may make available medical, dental, vision, liability, life, ((health, health care,)) accident, disability, and salary protection or insurance, direct agreements as defined in chapter 48.150 RCW, or any one of, or a combination of the types of employee benefits enumerated in this subsection, or any other type of insurance or protection, for the members of the boards of directors, the students, and employees of the school district or educational service district, and their dependents. Except as provided in (b) of this subsection, such coverage may be provided by contracts or agreements with private carriers, with the state health care authority after July 1, 1990, pursuant to the approval of the authority administrator, or through self-insurance or self-funding pursuant to chapter 48.62 RCW, or in any other manner authorized by law. Any direct agreement must comply with RCW 48.150.050.

(b) Beginning January 1, 2019, a school district or educational service district shall purchase basic benefits as defined in RCW 28A.400.270 for classified employees and dependents through the state health care authority.

(2) Whenever funds are available for these purposes the board of directors of the school district or educational service

district may contribute all or a part of the cost of such protection or insurance for the employees of their respective school districts or educational service districts and their dependents. The premiums on such liability insurance shall be borne by the school district or educational service district.

After October 1, 1990, school districts may not contribute to any employee protection or insurance other than liability insurance unless the district's employee benefit plan conforms to RCW 28A.400.275 and 28A.400.280.

(3) For school board members, educational service district board members, and students, the premiums due on such protection or insurance shall be borne by the assenting school board member, educational service district board member, or student. The school district or educational service district may contribute all or part of the costs, including the premiums, of life, health, health care, accident or disability insurance which shall be offered to all students participating in interschool activities on the behalf of or as representative of their school, school district, or educational service district. The school district board of directors and the educational service district board may require any student participating in extracurricular interschool activities to, as a condition of participation, document evidence of insurance or purchase insurance that will provide adequate coverage, as determined by the school district board of directors or the educational service district board, for medical expenses incurred as a result of injury sustained while participating in the extracurricular activity. In establishing such a requirement, the district shall adopt regulations for waiving or reducing the premiums of such coverage as may be offered through the school district or educational service district to students participating in extracurricular activities, for those students whose families, by reason of their low income, would have difficulty paying the entire amount of such insurance premiums. The district board shall adopt regulations for waiving or reducing the insurance coverage requirements for low-income students in order to assure such students are not prohibited from participating in extracurricular interschool activities.

(4) All contracts or agreements for insurance or protection written to take advantage of the provisions of this section shall provide that the beneficiaries of such contracts may utilize on an equal participation basis the services of those practitioners licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

(5) School districts offering medical, vision, and dental benefits shall:

(a) Offer a high deductible health plan option with a health savings account that conforms to section 223, part VII of subchapter 1 of the internal revenue code of 1986. School districts shall comply with all applicable federal standards related to the establishment of health savings accounts;

(b) Make progress toward employee premiums that are established to ensure that full family coverage premiums are not more than three times the premiums for employees purchasing single coverage for the same coverage plan, unless a subsequent premium differential target is defined as a result of the review and subsequent actions described in RCW 41.05.655;

(c) Offer employees at least one health benefit plan that is not a high deductible health plan offered in conjunction with a health savings account in which the employee share of the premium cost for a full-time employee, regardless of whether the employee chooses employee-only coverage or coverage that includes dependents, does not exceed the share of premium cost paid by state employees during the state employee benefits year that started immediately prior to the school year.

(6) All contracts or agreements for employee benefits must be held to responsible contracting standards, meaning a fair, prudent, and accountable competitive procedure for procuring services that includes an open competitive process, except where an open process would compromise cost-effective purchasing, with documentation justifying the approach.

(7) School districts offering medical, vision, and dental benefits shall also make progress on promoting health care innovations and cost savings and significantly reduce administrative costs.

(8) All contracts or agreements for insurance or protection described in this section shall be in compliance with chapter 3, Laws of 2012 2nd sp. sess.

(9) Upon notification from the office of the insurance commissioner of a school district's substantial noncompliance with the data reporting requirements of RCW 28A.400.275, and the failure is due to the action or inaction of the school district, and if the noncompliance has occurred for two reporting periods, the superintendent is authorized and required to limit the school district's authority provided in subsection (1) of this section regarding employee health benefits to the provision of health benefit coverage provided by the state health care authority.

**Sec. 111.** RCW 41.05.050 and 2016 c 67 s 3 are each amended to read as follows:

(1) Every: (a) Department, division, or separate agency of state government; (b) county, municipal, school district, educational service district, or other political subdivisions; and (c) tribal governments as are covered by this chapter, shall provide contributions to insurance and health care plans for its employees and their dependents, the content of such plans to be determined by the authority. Contributions, paid by the county, the municipality, other political subdivision, or a tribal government for their employees, shall include an amount determined by the authority to pay such administrative expenses of the authority as are necessary to administer the plans for employees of those groups (~~(except as provided in subsection (4) of this section)~~).

(2) To account for increased cost of benefits for the state and for state employees, the authority may develop a rate surcharge applicable to participating counties, municipalities, other political subdivisions, and tribal governments.

(3) The contributions of any: (a) Department, division, or separate agency of the state government; (b) county, municipal, or other political subdivisions; and (c) any tribal government as are covered by this chapter, shall be set by the authority, subject to the approval of the governor for availability of funds as specifically appropriated by the legislature for that purpose. Insurance and health care contributions for ferry employees shall be governed by RCW 47.64.270.

(4) (a) Until December 31, 2018, the authority shall collect from each participating school district and educational service district an amount equal to the composite rate charged to state agencies, plus an amount equal to the employee premiums by plan and family size as would be charged to state employees, for groups of district employees enrolled in authority plans. The authority may collect these amounts in accordance with the district fiscal year, as described in RCW 28A.505.030. On or after January 1, 2019, the authority shall collect the composite rate for certificated employees enrolled in authority plans, and for classified employees shall collect the same amounts from districts and employees as are collected from state agencies.

(b) Until December 31, 2018, for all groups of district employees enrolling in authority plans for the first time after September 1, 2003, the authority shall collect from each participating school district an amount equal to the composite rate charged to state agencies, plus an amount equal to the employee premiums by plan and by family size as would be charged to state employees, only if the authority determines that this method of billing the districts will not result in a material difference between revenues from districts and expenditures made by the authority on behalf of districts and their employees. The authority may collect these amounts in accordance with the district fiscal year, as described in RCW 28A.505.030. On or after January 1, 2019, the authority shall collect the composite rate for certificated employees enrolled in authority plans, and for classified employees shall collect the same amounts from districts and employees as are collected from state agencies.

(c) Until December 31, 2018, if the authority determines at any time that the conditions in (b) of this subsection cannot be met, the authority shall offer enrollment to additional groups of district employees on a tiered rate structure until such time as the authority determines there would be no material difference between revenues and expenditures under a composite rate structure for all district employees enrolled in authority plans. On or after January 1, 2019, the authority shall collect for classified employees the same amounts from districts and employees as are collected from state agencies.

(d) The authority may charge districts a one-time set-up fee for employee groups enrolling in authority plans for the first time, however this fee may not be charged for the addition of classified employees to authority plans beginning January 1, 2019.

(e) For the purposes of this subsection:

(i) "District" means school district and educational service district; and

(ii) "Tiered rates" means the amounts the authority must pay to insuring entities by plan and by family size.

(f) Until December 31, 2018, notwithstanding this subsection and RCW 41.05.065(4), the authority may allow districts enrolled on a tiered rate structure prior to September 1, 2002, to continue participation based on the same rate structure and under the same conditions and eligibility criteria. On or after January 1, 2019, the authority shall may allow the tiered rate structure to continue for certificated employees enrolled prior to September 1, 2002, but for classified employees shall be participate under the same rate structure, conditions, and eligibility criteria as state employees.

(5) The authority shall transmit a recommendation for the amount of the employer contribution to the governor and the director of financial management for inclusion in the proposed budgets submitted to the legislature.

**Sec. 112.** RCW 41.05.075 and 2007 c 259 s 34 are each amended to read as follows:

(1) The (~~administrator~~) director shall provide benefit plans designed by the board through a contract or contracts with insuring entities, through self-funding, self-insurance, or other methods of providing insurance coverage authorized by RCW 41.05.140.

(2) The (~~administrator~~) director shall establish a contract bidding process that:

(a) Encourages competition among insuring entities;

(b) Maintains an equitable relationship between premiums charged for similar benefits and between risk pools including premiums charged for retired state and school district employees under the separate risk pools established by RCW 41.05.022 and 41.05.080 such that insuring

entities may not avoid risk when establishing the premium rates for retirees eligible for medicare;

(c) Is timely to the state budgetary process; and

(d) Sets conditions for awarding contracts to any insuring entity.

(3)(a) School districts directly providing medical and dental benefit plans and contracted insuring entities providing medical and dental benefit plans to school districts on December 31, 2017, shall provide the health care authority specified data by July 1, 2017, to support benefit plans procurement that includes all classified employees beginning January 1, 2019. At a minimum, the data on classified employees must cover the period January 1, 2014, through May 31, 2018, and include:

(i) A summary of the benefit packages offered to each group of classified district employees, including covered benefits, point-of-service cost-sharing, member count, and the group policy number;

(ii) Aggregated subscriber and member demographic information, including age band and gender, by insurance tier by month and by benefit packages;

(iii) Monthly total by benefit package, including premiums paid, inpatient facility claims paid, outpatient facility claims paid, physician claims paid, pharmacy claims paid, capitation amounts paid, and other claims paid;

(iv) A listing for calendar year 2017 of large claims defined as annual amounts paid in excess of one hundred thousand dollars including the amount paid, the member enrollment status, and the primary diagnosis; and

(v) A listing of calendar year 2017 allowed claims by provider entity.

(b) Any data that may be confidential and contain personal health information may be protected in accordance with a data-sharing agreement.

(4) The ~~((administrator))~~ director shall establish a requirement for review of utilization and financial data from participating insuring entities on a quarterly basis.

~~((4))~~ (5) The ~~((administrator))~~ director shall centralize the enrollment files for all employee and retired or disabled school employee health plans offered under chapter 41.05 RCW and

develop enrollment demographics on a plan-specific basis.

~~((5))~~ (6) All claims data shall be the property of the state. The ~~((administrator))~~ director may require of any insuring entity that submits a bid to contract for coverage all information deemed necessary including:

(a) Subscriber or member demographic and claims data necessary for risk assessment and adjustment calculations in order to fulfill the ~~((administrator's))~~ director's duties as set forth in this chapter; and

(b) Subscriber or member demographic and claims data necessary to implement performance measures or financial incentives related to performance under subsection ~~((7))~~ (8) of this section.

~~((6))~~ (7) All contracts with insuring entities for the provision of health care benefits shall provide that the beneficiaries of such benefit plans may use on an equal participation basis the services of practitioners licensed pursuant to chapters 18.22, 18.25, 18.32, 18.53, 18.57, 18.71, 18.74, 18.83, and 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners. However, nothing in this subsection may preclude the ~~((administrator))~~ director from establishing appropriate utilization controls approved pursuant to RCW 41.05.065(2) (a), (b), and (d).

~~((7))~~ (8) The ~~((administrator))~~ director shall, in collaboration with other state agencies that administer state purchased health care programs, private health care purchasers, health care facilities, providers, and carriers:

(a) Use evidence-based medicine principles to develop common performance measures and implement financial incentives in contracts with insuring entities, health care facilities, and providers that:

(i) Reward improvements in health outcomes for individuals with chronic diseases, increased utilization of appropriate preventive health services, and reductions in medical errors; and

(ii) Increase, through appropriate incentives to insuring entities, health care facilities, and providers, the adoption and use of information technology that contributes to improved health

outcomes, better coordination of care, and decreased medical errors;

(b) Through state health purchasing, reimbursement, or pilot strategies, promote and increase the adoption of health information technology systems, including electronic medical records, by hospitals as defined in RCW 70.41.020(~~(4)~~) (7), integrated delivery systems, and providers that:

- (i) Facilitate diagnosis or treatment;
- (ii) Reduce unnecessary duplication of medical tests;
- (iii) Promote efficient electronic physician order entry;
- (iv) Increase access to health information for consumers and their providers; and
- (v) Improve health outcomes;

(c) Coordinate a strategy for the adoption of health information technology systems using the final health information technology report and recommendations developed under chapter 261, Laws of 2005.

~~((4))~~ (9) The ~~(administrator)~~ director may permit the Washington state health insurance pool to contract to utilize any network maintained by the authority or any network under contract with the authority.

**Sec. 113.** RCW 28A.400.280 and 2012 2nd sp.s. c 3 s 2 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, school districts may provide employer fringe benefit contributions after October 1, 1990, only for basic benefits. However, school districts may continue payments under contracts with employees or benefit providers in effect on April 13, 1990, until the contract expires.

(2) School districts may provide employer contributions after October 1, 1990, for optional benefit plans, in addition to basic benefits, only for employees included in pooling arrangements under this subsection. Optional benefits may include direct agreements as defined in chapter 48.150 RCW, but may not include employee beneficiary accounts that can be liquidated by the employee on termination of employment. Optional benefit plans may be offered only if:

(a) The school district pools benefit allocations among employees using a

pooling arrangement that includes at least one employee bargaining unit and/or all nonbargaining group employees;

(b) Each full-time employee included in the pooling arrangement is offered basic benefits, including coverage for dependents;

(c) Each employee included in the pooling arrangement who elects medical benefit coverage pays a minimum premium charge subject to collective bargaining under chapter 41.59 or 41.56 RCW;

(d) The employee premiums are structured to ensure employees selecting richer benefit plans pay the higher premium;

(e) Each full-time employee included in the pooling arrangement, regardless of the number of dependents receiving basic coverage, receives the same additional employer contribution for other coverage or optional benefits; and

(f) For part-time employees (~~included in the pooling arrangement~~), participation in optional benefit plans shall be governed by the same eligibility criteria and/or proration of employer contributions used for allocations for basic benefits.

(3) Savings accruing to school districts due to limitations on benefit options under this section shall be pooled and made available by the districts to reduce out-of-pocket premium expenses for employees needing basic coverage for dependents. School districts are not intended to divert state basic benefit allocations for other purposes.

(4) Beginning September 1, 2018, school districts and educational service districts may provide optional vision, dental, group life, and group long-term disability coverage to classified employees in excess of what is provided through the health care authority, if that coverage is consistent with a collective bargaining agreement.

**Sec. 114.** RCW 41.56.500 and 2010 c 235 s 802 are each amended to read as follows:

(1) All collective bargaining agreements entered into between a school district employer and school district employees under this chapter after June 10, 2010, as well as bargaining agreements existing on June 10, 2010, but renewed or extended after June 10, 2010, shall be consistent with RCW 28A.657.050.

(2) All collective bargaining agreements entered into between a school district employer and school district employees under this chapter shall be consistent with RCW 28A.400.280 and 28A.400.350.

(3) Except as provided in RCW 28A.400.280(4), classified employee bargaining may not include the dollar amount to be contributed for school employee health benefits beginning January 1, 2019, on behalf of each employee for health care benefits.

(4) The governor shall submit a request for funds for the dollar amount to be expended for classified school employee health benefits that is the same as the amount bargained under RCW 41.80.020.

**Sec. 115.** RCW 41.59.105 and 2010 c 235 s 803 are each amended to read as follows:

(1) All collective bargaining agreements entered into between a school district employer and school district employees under this chapter after June 10, 2010, as well as bargaining agreements existing on June 10, 2010, but renewed or extended after June 10, 2010, shall be consistent with RCW 28A.657.050.

(2) All collective bargaining agreements entered into between a school district employer and school district employees under this chapter shall be consistent with RCW 28A.400.280 and 28A.400.350.

(3) Except as provided in RCW 28A.400.280(4), employee bargaining may not include the dollar amount to be contributed beginning January 1, 2019, on behalf of each employee for health care benefits.

(4) The governor shall submit a request for funds for the dollar amount to be expended for school employee health benefits that is the same as the amount bargained under RCW 41.80.020.

**Sec. 116.** RCW 41.05.065 and 2015 c 116 s 3 are each amended to read as follows:

(1) The board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state. However,

liability insurance shall not be made available to dependents.

(2) The board shall develop employee benefit plans that include comprehensive health care benefits for employees. In developing these plans, the board shall consider the following elements:

(a) Methods of maximizing cost containment while ensuring access to quality health care;

(b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;

(c) Wellness incentives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;

(d) Utilization review procedures including, but not limited to a cost-efficient method for prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers;

(e) Effective coordination of benefits; and

(f) Minimum standards for insuring entities.

(3) To maintain the comprehensive nature of employee health care benefits, benefits provided to employees shall be substantially equivalent to the state employees' health ~~((benefits))~~ benefit plan in effect on January 1, 1993. Nothing in this subsection shall prohibit changes or increases in employee point-of-service payments or employee premium payments for benefits or the administration of a high deductible health plan in conjunction with a health savings account. The board may establish employee eligibility criteria which are not substantially equivalent to employee eligibility criteria in effect on January 1, 1993.

(4) Except if bargained for under chapter 41.80 RCW, the board shall design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility

criteria subject to the requirements of this chapter. Employer groups obtaining benefits through contractual agreement with the authority for employees defined in RCW 41.05.011(6) (a) through (d) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the board. The eligibility criteria established by the board shall be no more restrictive than the following:

(a) Except as provided in (b) through (e) of this subsection, an employee is eligible for benefits from the date of employment if the employing agency anticipates he or she will work an average of at least eighty hours per month and for at least eight hours in each month for more than six consecutive months. An employee determined ineligible for benefits at the beginning of his or her employment shall become eligible in the following circumstances:

(i) An employee who works an average of at least eighty hours per month and for at least eight hours in each month and whose anticipated duration of employment is revised from less than or equal to six consecutive months to more than six consecutive months becomes eligible when the revision is made.

(ii) An employee who works an average of at least eighty hours per month over a period of six consecutive months and for at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period.

(b) A seasonal employee is eligible for benefits from the date of employment if the employing agency anticipates that he or she will work an average of at least eighty hours per month and for at least eight hours in each month of the season. A seasonal employee determined ineligible at the beginning of his or her employment who works an average of at least eighty hours per month over a period of six consecutive months and at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period. A benefits-eligible seasonal employee who works a season of less than nine months shall not be eligible for the employer contribution during the off season, but may continue enrollment in benefits during the off season by self-paying for the benefits. A benefits-eligible seasonal employee who works a season of nine months or more is

eligible for the employer contribution through the off season following each season worked.

(c) Faculty are eligible as follows:

(i) Faculty who the employing agency anticipates will work half-time or more for the entire instructional year or equivalent nine-month period are eligible for benefits from the date of employment. Eligibility shall continue until the beginning of the first full month of the next instructional year, unless the employment relationship is terminated, in which case eligibility shall cease the first month following the notice of termination or the effective date of the termination, whichever is later.

(ii) Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period are eligible for benefits at the beginning of the second consecutive quarter or semester of employment in which he or she is anticipated to work, or has actually worked, half-time or more. Such an employee shall continue to receive uninterrupted employer contributions for benefits if the employee works at least half-time in a quarter or semester. Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period, but who actually work half-time or more throughout the entire instructional year, are eligible for summer or off-quarter or off-semester coverage. Faculty who have met the criteria of this subsection (4)(c)(ii), who work at least two quarters or two semesters of the academic year with an average academic year workload of half-time or more for three quarters or two semesters of the academic year, and who have worked an average of half-time or more in each of the two preceding academic years shall continue to receive uninterrupted employer contributions for benefits if he or she works at least half-time in a quarter or semester or works two quarters or two semesters of the academic year with an average academic workload each academic year of half-time or more for three quarters or two semesters. Eligibility under this section ceases immediately if this criteria is not met.

(iii) Faculty may establish or maintain eligibility for benefits by working for more than one institution of higher education. When faculty work for more than one institution of higher education, those institutions shall prorate the employer

contribution costs, or if eligibility is reached through one institution, that institution will pay the full employer contribution. Faculty working for more than one institution must alert his or her employers to his or her potential eligibility in order to establish eligibility.

(iv) The employing agency must provide written notice to faculty who are potentially eligible for benefits under this subsection (4)(c) of their potential eligibility.

(v) To be eligible for maintenance of benefits through averaging under (c)(ii) of this subsection, faculty must provide written notification to his or her employing agency or agencies of his or her potential eligibility.

(vi) For the purposes of this subsection (4)(c):

(A) "Academic year" means summer, fall, winter, and spring quarters or summer, fall, and spring semesters;

(B) "Half-time" means one-half of the full-time academic workload as determined by each institution; except that for community and technical college faculty, half-time academic workload is calculated according to RCW 28B.50.489.

(d) A legislator is eligible for benefits on the date his or her term begins. All other elected and full-time appointed officials of the legislative and executive branches of state government are eligible for benefits on the date his or her term begins or they take the oath of office, whichever occurs first.

(e) A justice of the supreme court and judges of the court of appeals and the superior courts become eligible for benefits on the date he or she takes the oath of office.

(f) An employee of a school district or educational service district is eligible for benefits if they are expected to work at least six hundred thirty hours during a school year.

(g) Except as provided in (c)(i) and (ii) of this subsection, eligibility ceases for any employee the first of the month following termination of the employment relationship.

~~((g))~~ (h) In determining eligibility under this section, the employing agency may disregard training hours, standby hours, or temporary changes in work hours

as determined by the authority under this section.

~~((h))~~ (i) Insurance coverage for all eligible employees begins on the first day of the month following the date when eligibility for benefits is established. If the date eligibility is established is the first working day of a month, insurance coverage begins on that date.

~~((i))~~ (j) Eligibility for an employee whose work circumstances are described by more than one of the eligibility categories in (a) through (e) of this subsection shall be determined solely by the criteria of the category that most closely describes the employee's work circumstances.

~~((j))~~ (k) Except for an employee eligible for benefits under (b) or (c)(ii) of this subsection, an employee who has established eligibility for benefits under this section shall remain eligible for benefits each month in which he or she is in pay status for eight or more hours, if (i) he or she remains in a benefits-eligible position and (ii) leave from the benefits-eligible position is approved by the employing agency. A benefits-eligible seasonal employee is eligible for the employer contribution in any month of his or her season in which he or she is in pay status eight or more hours during that month. Eligibility ends if these conditions are not met, the employment relationship is terminated, or the employee voluntarily transfers to a noneligible position.

~~((k))~~ (l) For the purposes of this subsection, the board shall define "benefits-eligible position."

(5) The board may authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient managed health care systems.

(6)(a) For any open enrollment period following August 24, 2011, the board shall offer a health savings account option for employees that conforms to section 223, Part VII of subchapter B of chapter 1 of the internal revenue code of 1986. The board shall comply with all applicable federal standards related to the establishment of health savings accounts.

(b) By November 30, 2015, and each year thereafter, the authority shall submit a report to the relevant legislative policy and fiscal committees that includes the following:

(i) Public employees' benefits board health plan cost and service utilization trends for the previous three years, in total and for each health plan offered to employees;

(ii) For each health plan offered to employees, the number and percentage of employees and dependents enrolled in the plan, and the age and gender demographics of enrollees in each plan;

(iii) Any impact of enrollment in alternatives to the most comprehensive plan, including the high deductible health plan with a health savings account, upon the cost of health benefits for those employees who have chosen to remain enrolled in the most comprehensive plan.

(7) Notwithstanding any other provision of this chapter, for any open enrollment period following August 24, 2011, the board shall offer a high deductible health plan in conjunction with a health savings account developed under subsection (6) of this section.

(8) Employees shall choose participation in one of the health care benefit plans developed by the board and may be permitted to waive coverage under terms and conditions established by the board.

(9) The board shall review plans proposed by insuring entities that desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The board may approve any such plan for payroll deduction by insuring entities holding a valid certificate of authority in the state of Washington and which the board determines to be in the best interests of employees and the state. The board shall adopt rules setting forth criteria by which it shall evaluate the plans.

(10) Before January 1, 1998, the public employees' benefits board shall make available one or more fully insured long-term care insurance plans that comply with the requirements of chapter 48.84 RCW. Such programs shall be made available to eligible employees, retired employees, and retired school employees as well as eligible dependents which, for the purpose of this section, includes the parents of the employee or retiree and the parents of the spouse of the employee or retiree. Employees of local governments, political subdivisions, and tribal governments not otherwise enrolled in the public employees' benefits board sponsored

medical programs may enroll under terms and conditions established by the administrator, if it does not jeopardize the financial viability of the public employees' benefits board's long-term care offering.

(a) Participation of eligible employees or retired employees and retired school employees in any long-term care insurance plan made available by the public employees' benefits board is voluntary and shall not be subject to binding arbitration under chapter 41.56 RCW. Participation is subject to reasonable underwriting guidelines and eligibility rules established by the public employees' benefits board and the health care authority.

(b) The employee, retired employee, and retired school employee are solely responsible for the payment of the premium rates developed by the health care authority. The health care authority is authorized to charge a reasonable administrative fee in addition to the premium charged by the long-term care insurer, which shall include the health care authority's cost of administration, marketing, and consumer education materials prepared by the health care authority and the office of the insurance commissioner.

(c) To the extent administratively possible, the state shall establish an automatic payroll or pension deduction system for the payment of the long-term care insurance premiums.

(d) The public employees' benefits board and the health care authority shall establish a technical advisory committee to provide advice in the development of the benefit design and establishment of underwriting guidelines and eligibility rules. The committee shall also advise the board and authority on effective and cost-effective ways to market and distribute the long-term care product. The technical advisory committee shall be comprised, at a minimum, of representatives of the office of the insurance commissioner, providers of long-term care services, licensed insurance agents with expertise in long-term care insurance, employees, retired employees, retired school employees, and other interested parties determined to be appropriate by the board.

(e) The health care authority shall offer employees, retired employees, and retired school employees the option of purchasing long-term care insurance

through licensed agents or brokers appointed by the long-term care insurer. The authority, in consultation with the public employees' benefits board, shall establish marketing procedures and may consider all premium components as a part of the contract negotiations with the long-term care insurer.

(f) In developing the long-term care insurance benefit designs, the public employees' benefits board shall include an alternative plan of care benefit, including adult day services, as approved by the office of the insurance commissioner.

(g) The health care authority, with the cooperation of the office of the insurance commissioner, shall develop a consumer education program for the eligible employees, retired employees, and retired school employees designed to provide education on the potential need for long-term care, methods of financing long-term care, and the availability of long-term care insurance products including the products offered by the board.

(11) The board may establish penalties to be imposed by the authority when the eligibility determinations of an employing agency fail to comply with the criteria under this chapter.

**Sec. 117.** RCW 41.80.020 and 2015 3rd sp.s. c 1 s 318 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, the matters subject to bargaining include wages, hours, and other terms and conditions of employment, and the negotiation of any question arising under a collective bargaining agreement.

(2) The employer is not required to bargain over matters pertaining to:

(a) Health care benefits or other employee insurance benefits, except as required in subsection (3) of this section;

(b) Any retirement system or retirement benefit; or

(c) Rules of the director of financial management, the director of enterprise services, or the Washington personnel resources board adopted under RCW 41.06.157.

(3) Matters subject to bargaining include the number of names to be certified for vacancies, promotional preferences, and the dollar amount

expended on behalf of each employee for health care benefits. However, except as provided otherwise in this subsection for institutions of higher education, negotiations regarding the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits shall be conducted between the employer and one coalition of all the exclusive bargaining representatives subject to this chapter and bargaining units representing classified employees of school districts and educational service districts. The exclusive bargaining representatives for employees that are subject to chapter 47.64 RCW shall bargain the dollar amount expended on behalf of each employee for health care benefits with the employer as part of the coalition under this subsection. Any such provision agreed to by the employer and the coalition shall be included in all master collective bargaining agreements negotiated by the parties. For institutions of higher education, promotional preferences and the number of names to be certified for vacancies shall be bargained under the provisions of RCW 41.80.010(4). For agreements covering the 2013-2015 fiscal biennium, any agreement between the employer and the coalition regarding the dollar amount expended on behalf of each employee for health care benefits is a separate agreement and shall not be included in the master collective bargaining agreements negotiated by the parties.

(4) The employer and the exclusive bargaining representative shall not agree to any proposal that would prevent the implementation of approved affirmative action plans or that would be inconsistent with the comparable worth agreement that provided the basis for the salary changes implemented beginning with the 1983-1985 biennium to achieve comparable worth.

(5) The employer and the exclusive bargaining representative shall not bargain over matters pertaining to management rights established in RCW 41.80.040.

(6) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall

prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.

(7) This section does not prohibit bargaining that affects contracts authorized by RCW 41.06.142."

Correct the title.

Representatives MacEwen, Hayes, Griffey, McCaslin and Orcutt spoke in favor of the adoption of the amendment.

Representatives Cody and Sullivan spoke against the adoption of the amendment.

An electronic roll call was requested.

**ROLL CALL**

The Clerk called the roll on the adoption of amendment (031) and the amendment was not adopted by the following vote: Yeas, 47; Nays, 50; Absent, 0; Excused, 1.

Voting yea: Representatives Barkis, Buys, Caldier, Chandler, Condotta, DeBolt, Dent, Dye, Graves, Griffey, Haler, Hargrove, Harmsworth, Harris, Hayes, Holy, Irwin, Jenkin, Johnson, Klippert, Koster, Kraft, Kretz, Kristiansen, MacEwen, Manweller, Maycumber, McCabe, McCaslin, McDonald, Muri, Nealey, Orcutt, Pike, Schmick, Shea, Smith, Stambaugh, Steele, Stokesbary, Taylor, Van Werven, Vick, Volz, J. Walsh, Wilcox and Young.

Voting nay: Representatives Appleton, Bergquist, Blake, Chapman, Clibborn, Cody, Doglio, Dolan, Farrell, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, Jinkins, Kagi, Kilduff, Kirby, Kloba, Lovick, Lytton, Macri, McBride, Morris, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Sells, Senn, Slatter, Springer, Stanford, Stonier, Sullivan, Tarleton, Tharinger, Wylie and Mr. Speaker.

Excused: Representative Rodne.

Amendment (031) was not adopted.

Representative Manweller moved the adoption of amendment (027):

On page 10, line 6, after "RCW 28A.405.380." strike "No" and insert "Pursuant to RCW 28A.150.--- (section 401 of this act), beginning September 1, 2019, districts may enter supplemental contracts under this section solely for enrichment, and no"

On page 10, line 8, after "of the" insert "state's statutory"

On page 10, line 9, after "section" strike "3" and insert "(3) 1"

On page 11, line 22, strike "MAINTENANCE AND OPERATION" and insert "ENRICHMENT"

On page 11, beginning on line 27, strike "maintenance and operation support" and insert "((maintenance and operation support)) enrichment funding"

On page 12, line 32, after "28A.500.010" insert ", except that if state matching funds are reduced as a result of an audit finding under section 406 of this act, the district's maximum levy is reduced by the full amount of state matching funds for which the district would otherwise have been eligible"

On page 15, after line 5, insert: "(10) The amount of the levy that a district certifies to the county treasurer must be reduced by any amount of levy revenues determined by an audit under section 406 of this act to have been spent in violation of section 401 of this act."

On page 16, line 10, strike "maintenance and operation" and insert "(maintenance and operation) enrichment"

On page 16, after line 35 insert: "(4) A school district's maximum amount of state matching funding under this section is reduced by any amount of state matching funding determined by an audit under section 406 of this act to have been spent in violation of section 401 of this act."

On page 34, after line 4, insert the following:

"PART IV

AUTHORIZING USE OF SCHOOL DISTRICT LOCAL REVENUES SOLELY FOR ENRICHMENT TO THE STATE'S STATUTORY PROGRAM OF BASIC EDUCATION

NEW SECTION. Sec. 401. A new section is added to chapter 28A.150 RCW to read as follows:

BASIC EDUCATION ACT AMENDED TO RESTRICT USE OF SCHOOL DISTRICT LOCAL REVENUES TO ENRICHMENT ONLY. (1) In RCW 28A.150.200 (as amended by section 101 of this act), the state declares that the state's statutory program of basic education established by chapter 28A RCW is deemed by the legislature to comply with the paramount duty of Article IX, section 1 of the state constitution. With the programmatic and funding elements added in this act to the state's statutory program of basic education, the legislature declares that state's program is fully funded, and that any enrichments funded locally are necessarily outside that program. To ensure appropriate implementation of the state's statutory

program of basic education, and to ensure that school district funding from both state and local sources complies with Article IX, section 1 of the state constitution, the legislature intends to enact an express statutory requirement that school district enrichment levies, local effort assistance, and other school district local revenues may be used only for enrichment to the state's statutory program of basic education.

(2) Beginning September 1, 2019, school districts may use local revenues only to enrich the state's statutory program of basic education by supplementing the minimum instructional offerings of RCW 28A.150.220 or 28A.150.260 or the staffing ratios of RCW 28A.150.260 (as amended by sections 301 and 302 of this act). For purposes of this section, "local revenues" means enrichment levies collected under RCW 84.52.053, local effort assistance funding received under chapter 28A.500 RCW, and other school district local revenues, including but not limited to grants, donations, and state and federal payments in lieu of taxes, except that "local revenues" does not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250.

(3) For purposes of this section, permitted enrichment activities include, but are not limited to, extracurricular activities, extended school days, additional staff for class size reduction beyond class sizes allocated in the prototypical school model, and course offerings beyond the minimum instructional program established in the state's statutory program of basic education.

(4) Upon application by a school district, the superintendent of public instruction may authorize the district to use local revenues for other enrichment activities not specifically listed in this section, so long as the activity otherwise complies with this section. The authorization is valid for a period of up to four years. The superintendent must report annually to the appropriate committees of the legislature on authorizations granted pursuant to this subsection and associated educational outcomes.

(5) If an audit under section 406 of this act results in a finding that a school district has spent local revenues in violation of this section, then in the

following year the district is subject to the penalties established in this subsection. If the violation resulted from expenditure of enrichment levy revenues, then the amount of the enrichment levy that a district may certify for collection must be reduced by the amount of the audit finding. If the violation resulted from expenditure of local effort assistance funding, then the maximum amount of state matching funds the district may receive as local effort assistance is reduced by the amount of the audit finding. If the violation resulted from expenditure of other local revenues, then the district must pay the amount of the audit finding into the state general fund.

(6) The superintendent may adopt rules to implement this section.

NEW SECTION. Sec. 402. OSPI RECOMMENDATIONS AND LEGISLATIVE DEFINITIONS OF ADDITIONAL PERMITTED ENRICHMENTS.

(1) (a) The superintendent of public instruction must develop recommendations on expanding the list of specifically permitted activities in section 401(3) of this act to include additional discrete forms of local enrichment that otherwise comply with section 401 of this act. The recommendations must consider, but are not limited to, existing school district enrichment activities to the extent that those activities are consistent with those requirements.

(b) The superintendent must develop recommendations on a process that permits the superintendent, on application of a school district, to approve use of local revenues for enrichment activities that are not specifically listed in section 401 of this act but otherwise comply with the requirements of that section. The recommendations may be in the form of proposed rules.

(c) The superintendent must submit both sets of recommendations to the appropriate policy and fiscal committees of the legislature by December 1, 2017.

(2) In the 2018 legislative session, the legislature must review and consider the recommendations of the superintendent, and must enact legislation to expand the list of permitted enrichment activities in section 401(3) of this act by codifying additional, specific examples of enrichment activities that may be provided with local revenues under the terms of section 401 of this act.

Sec. 403. RCW 84.52.053 and 2012 c 186 s 18 are each amended to read as follows: M&O LEVIES RENAMED "ENRICHMENT LEVIES"; MAY BE USED FOR ENRICHMENT ONLY.

(1) The limitations imposed by RCW 84.52.050 through 84.52.056, and 84.52.043 shall not prevent the levy of taxes by school districts, when authorized so to do by the voters of such school district in the manner and for the purposes and number of years allowable under Article VII, section 2(a) and Article IX, section 1 of the Constitution of this state. Elections for such taxes shall be held in the year in which the levy is made or, in the case of propositions authorizing two-year through four-year levies for ((maintenance and operation support of)) enrichment funding for a school district, authorizing two-year levies for transportation vehicle funds established in RCW 28A.160.130, or authorizing two-year through six-year levies to support the construction, modernization, or remodeling of school facilities, which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the year in which the first annual levy is made.

(2)(a) Once additional tax levies have been authorized for ((maintenance and operation support of)) enrichment funding for a school district for a two-year through four-year period as provided under subsection (1) of this section, no further additional tax levies for ((maintenance and operation support of)) enrichment funding for the district for that period may be authorized, except for additional levies to provide for subsequently enacted increases affecting the district's levy base or maximum levy percentage.

(b) Notwithstanding (a) of this subsection, any school district that is required to annex or receive territory pursuant to a dissolution of a financially insolvent school district pursuant to RCW 28A.315.225 may call either a replacement or supplemental levy election within the school district, including the territory annexed or transferred, as follows:

(i) An election for a proposition authorizing two-year through four-year levies for ((maintenance and operation support of)) enrichment funding for a school district may be called and held before the effective date of dissolution to replace existing ((maintenance and operation)) enrichment levies and to provide for increases due to the dissolution.

(ii) An election for a proposition authorizing additional tax levies may be called and held before the effective date of dissolution to provide for increases due to the dissolution.

(iii) In the event a replacement levy election under (b)(i) of this subsection is held but does not pass, the affected school district may subsequently hold a supplemental levy election pursuant to (b)(ii) of this subsection if the supplemental levy election is held before the effective date of dissolution. In the event a supplemental levy election is held under subsection (b)(ii) of this subsection but does not pass, the affected school district may subsequently hold a replacement levy election pursuant to (b)(i) of this subsection if the replacement levy election is held before the effective date of dissolution. Failure of a replacement levy or supplemental levy election does not affect any previously approved and existing ((maintenance and operation)) enrichment levy within the affected school district or districts.

(c) For the purpose of applying the limitation of this subsection (2), a two-year through six-year levy to support the construction, modernization, or remodeling of school facilities shall not be deemed to be a tax levy for ((maintenance and operation support of)) enrichment funding for a school district.

(3) A special election may be called and the time therefor fixed by the board of school directors, by giving notice thereof by publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no."

(4) Pursuant to RCW 28A.150.--- (section 401 of this act), beginning September 1, 2019, school districts may use enrichment levies solely to enrich the state's statutory program of basic education by supplementing the minimum instructional offerings of RCW 28A.150.220 or RCW 28A.160.260 or the staffing ratios of RCW 28A.150.260 (as amended by sections 301 and 302 of this act).

Sec. 404. RCW 28A.150.220 and 2014 c 217 s 201 are each amended to read as follows: SCHOOL DISTRICT AUTHORITY TO ENRICH PROGRAM OF EDUCATION IS SUBJECT TO NEW REQUIREMENTS.

(1) In order for students to have the opportunity to develop the basic education knowledge and skills under RCW 28A.150.210, school districts must provide instruction of sufficient quantity and quality and give students the opportunity to complete graduation requirements that are intended to prepare them for postsecondary education, gainful employment, and citizenship. The program established under this section shall be the minimum instructional program of basic education offered by school districts.

(2) Each school district shall make available to students the following minimum instructional offering each school year:

(a) For students enrolled in grades one through twelve, at least a district-wide annual average of one thousand hours, which shall be increased beginning in the 2015-16 school year to at least one thousand eighty instructional hours for students enrolled in grades nine through twelve and at least one thousand instructional hours for students in grades one through eight, all of which may be calculated by a school district using a district-wide annual average of instructional hours over grades one through twelve; and

(b) For students enrolled in kindergarten, at least four hundred fifty instructional hours, which shall be increased to at least one thousand instructional hours according to the implementation schedule under RCW 28A.150.315.

(3) The instructional program of basic education provided by each school district shall include:

(a) Instruction in the essential academic learning requirements under RCW 28A.655.070;

(b) Instruction that provides students the opportunity to complete twenty-four credits for high school graduation, beginning with the graduating class of 2019 or as otherwise provided in RCW 28A.230.090. Course distribution requirements may be established by the state board of education under RCW 28A.230.090;

(c) If the essential academic learning requirements include a requirement of languages other than English, the requirement may be met by students receiving instruction in one or more American Indian languages;

(d) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;

(e) Supplemental instruction and services for eligible and enrolled students and exited students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;

(f) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020; and

(g) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030.

(4) Nothing contained in this section shall be construed to require individual students to attend school for any particular number of hours per day or to take any particular courses.

(5)(a) Each school district's kindergarten through twelfth grade basic educational program shall be accessible to all students who are five years of age, as provided by RCW 28A.225.160, and less than twenty-one years of age and shall consist of a minimum of one hundred eighty school days per school year in such grades as are conducted by a school district, and one hundred eighty half-days of instruction, or equivalent, in kindergarten, to be increased to a minimum of one hundred eighty school days per school year according to the implementation schedule under RCW 28A.150.315.

(b) Schools administering the Washington kindergarten inventory of developing skills may use up to three school days at the beginning of the school year to meet with parents and families as required in the parent involvement component of the inventory.

(c) In the case of students who are graduating from high school, a school district may schedule the last five school days of the one hundred eighty day school year for noninstructional purposes including, but not limited to, the observance of graduation and early release from school upon the request of a student. All such students may be claimed as a full-time equivalent student to the extent they could otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260. Any hours scheduled by a

school district for noninstructional purposes during the last five school days for such students shall count toward the instructional hours requirement in subsection (2) (a) of this section.

(6) Subject to RCW 28A.150.--- (section 401 of this act), nothing in this section precludes a school district from enriching the instructional program of basic education, such as offering additional instruction or providing additional services, programs, or activities that the school district determines to be appropriate for the education of the school district's students.

(7) The state board of education shall adopt rules to implement and ensure compliance with the program requirements imposed by this section, RCW 28A.150.250 and 28A.150.260, and such related supplemental program approval requirements as the state board may establish.

Sec. 405. RCW 28A.500.010 and 1999 c 317 s 1 are each amended to read as follows: LOCAL EFFORT ASSISTANCE FUNDING MAY BE USED FOR ENRICHMENT ONLY.

Commencing with calendar year 2000, in addition to a school district's other general fund allocations, each eligible district shall be provided local effort assistance funds. The purpose of these funds is to mitigate the effect that above average property tax rates might have on the ability of a school district to raise local revenues to supplement the state's basic program of education. These funds serve to equalize the property tax rates that individual taxpayers would pay for such levies and to provide tax relief to taxpayers in high tax rate school districts. Such funds are not part of the district's basic education allocation, and pursuant to RCW 28A.150.--- (section 401 of this act), beginning September 1, 2019, local effort assistance funding may be used only to enrich the state's statutory program of basic education by supplementing the minimum instructional offerings of RCW 28A.150.220 or RCW 28A.15.260 or the staffing ratios of RCW 28A.150.260 (as amended by sections 301 and 302 of this act).

NEW SECTION. Sec. 406. A new section is added to chapter 43.09 RCW to read as follows:

AUDITOR REVIEWS USE OF LOCAL REVENUES FOR COMPLIANCE WITH ENRICHMENT REQUIREMENTS.

(1) Beginning with the 2019-20 school year, to ensure that school district local revenues are used solely for purposes of enriching the state's statutory program of basic education, the state auditor's regular financial audits of school districts must include a review of the expenditure of school district local revenues for compliance with RCW 28A.150.-- (section 401 of this act), including any supplemental contracts entered into under RCW 28A.400.200 as amended by section 104 of this act.

(2) If an audit results in findings that a school district has failed to comply with these requirements, then within ninety days of completing the audit the auditor must report the findings to the superintendent of public instruction, the office of financial management, and the appropriate policy and fiscal committees of the legislature."

Renumber remaining parts and sections consecutively and correct internal references accordingly.

Correct the title.

Representatives Manweller and McDonald spoke in favor of the adoption of the amendment.

Representative Sullivan spoke against the adoption of the amendment.

Amendment (027) was not adopted.

Representative Stokesbary moved the adoption of amendment (029):

On page 13, line 24, after "2019," strike "twenty-seven" and insert "twenty-two"

On page 13, line 25, after "2020," strike "twenty-six" and insert "sixteen"

On page 13, line 26, after "thereafter," strike "twenty-four" and insert "ten"

On page 14, line 19, after "and" strike "twenty-four" and insert "ten"

On page 14, line 22, after "and" strike "twenty-four" and insert "ten"

On page 15, line 38, after "(i)" strike "Thirteen and one-half" and insert "Eleven"

On page 15, line 39, after "(iii)" strike "Thirteen" and insert "Eight"

On page 16, line 1, after "(iv)" strike "Twelve" and insert "Five"

Representatives Stokesbary, J. Walsh, Pike, DeBolt and Muri spoke in favor of the adoption of the amendment.

Representatives Lytton, Senn and Sullivan spoke against the adoption of the amendment.

An electronic roll call was requested.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (029) and the amendment was not adopted by the following vote: Yeas, 47; Nays, 50; Absent, 0; Excused, 1.

Voting yea: Representatives Barkis, Buys, Caldier, Chandler, Condotta, DeBolt, Dent, Dye, Graves, Griffey, Haler, Hargrove, Harmsworth, Harris, Hayes, Holy, Irwin, Jenkin, Johnson, Klippert, Koster, Kraft, Kretz, Kristiansen, MacEwen, Manweller, Maycumber, McCabe, McCaslin, McDonald, Muri, Nealey, Orcutt, Pike, Schmick, Shea, Smith, Stambaugh, Steele, Stokesbary, Taylor, Van Werven, Vick, Volz, J. Walsh, Wilcox and Young.

Voting nay: Representatives Appleton, Bergquist, Blake, Chapman, Clibborn, Cody, Doglio, Dolan, Farrell, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, Jinkins, Kagi, Kilduff, Kirby, Kloba, Lovick, Lytton, Macri, McBride, Morris, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Sells, Senn, Slatter, Springer, Stanford, Stonier, Sullivan, Tarleton, Tharinger, Wylie and Mr. Speaker.

Excused: Representative Rodne.

Amendment (029) was not adopted.

Representative Manweller moved the adoption of amendment (028):

On page 19, line 6, after "(b)" insert "(i)"

On page 19, after line 11, insert the following:

"(ii) Funding for average class sizes in this subsection (4)(b) may be provided only to the extent of, and proportionate to, the school district's demonstrated actual class size in grades K-3, up to the funded class sizes.

(iii) Districts that demonstrate capital facility needs that prevent them from reducing actual class size in grades K-3 may use funding allocated pursuant to this subsection (4)(b) for school-based personnel who provide direct services to students. Districts that use this funding for purposes other than reducing actual class sizes must annually report the number and dollar value for each type of

personnel funded by school and grade level.

(iv) The office of the superintendent of public instruction shall develop rules to implement this subsection (4)(b)."

Representatives Manweller, Sullivan and Maycumber spoke in favor of the adoption of the amendment.

An electronic roll call was requested.

### ROLL CALL

The Clerk called the roll on the adoption of amendment (028) and the amendment was adopted by the following vote: Yeas, 97; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Barkis, Bergquist, Blake, Buys, Caldier, Chandler, Chapman, Clibborn, Cody, Condotta, DeBolt, Dent, Doglio, Dolan, Dye, Farrell, Fey, Fitzgibbon, Frame, Goodman, Graves, Gregerson, Griffey, Haler, Hansen, Hargrove, Harmsworth, Harris, Hayes, Holy, Hudgins, Irwin, Jenkin, Jinkins, Johnson, Kagi, Kilduff, Kirby, Klippert, Kloba, Koster, Kraft, Kretz, Kristiansen, Lovick, Lytton, MacEwen, Macri, Manweller, Maycumber, McBride, McCabe, McCaslin, McDonald, Morris, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pike, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Schmick, Sells, Senn, Shea, Slatter, Smith, Springer, Stambaugh, Stanford, Steele, Stokesbary, Stonier, Sullivan, Tarleton, Taylor, Tharinger, Van Werven, Vick, Volz, J. Walsh, Wilcox, Wylie, Young and Mr. Speaker.

Excused: Representative Rodne.

Amendment (028) was adopted.

Representative Hargrove moved the adoption of amendment (026):

On page 20, line 12 after "(5)" strike "(a)"

On page 20, at the beginning of line 33, strike all material through "1.0." on page 21, line 14

On page 21, line 33, after "(b)" strike "and (c)" and insert "((and (c))) , (c) and (d)"

On page 22, line 15, after "year," insert "through the 2019-20 school year,"

On page 22, line 29, after "(c)" insert "Beginning with the 2020-21 school year, the minimum allocation for maintenance, supplies, and operating costs must be increased to one-thousand four-hundred nine dollars, after which the allocations must be adjusted annually for inflation as specified in the omnibus appropriations act.

(d) "

On page 23, line 5, after "(9)" strike "In" and insert "(a) Until school year 2020-21, in"

On page 23, at the beginning of line 8, strike "(a)" and insert "((a)) (i)"

On page 23, at the beginning of line 10, strike "(b)" and insert "((b)) (ii)"

On page 23, at the beginning of line 12, strike "(c)" and insert "((c)) (iii)"

On page 23, after line 13, insert the following:

"(b) Beginning with the 2019-20 school year, in addition to the amounts provided in subsection (8) of this section for materials, supplies, and operating costs, the following minimum allocation must be provided for each full-time equivalent student enrolled in each of the following:

(i) Exploratory career and technical education courses for students in grades seven through twelve and preparatory career and technical education courses for students in grades nine through twelve offered in a high school at a rate equal to 2.459 times the general education amounts provided in subsection (8)(b) of this section that have been adjusted by inflation; and

(ii) Preparatory career and technical education courses for students in grades eleven and twelve offered through a skill center at a rate equal to 2.187 times the general education amounts provided in subsection (8)(b) of this section that have been adjusted by inflation.

(c) Beginning with the 2020-21 school year, in addition to the amounts provided in subsection (8) of this section for materials, supplies, and operating costs, the following minimum allocation must be provided for each full-time equivalent student enrolled in each of the following:

(i) Exploratory career and technical education courses for students in grades seven through twelve and preparatory career and technical education courses for students in grades nine through twelve offered in a high school at a rate equal to 2.459 times the general education amounts provided in subsection (8)(c) of this section that have been adjusted by inflation; and

(ii) Preparatory career and technical education courses for students in grades eleven and twelve offered through a skill center at a rate equal to 2.187 times the general education amounts provided in subsection (8)(c) of this section that have been adjusted by inflation."

On page 30, line 19, after "(b)" strike "and (c)" and insert "(and (c)) , (c) and (d)"

On page 31, line 1, after "year," insert "through the 2019-20 school year,"

On page 31, line 15, after "(c)" insert "Beginning with the 2020-21 school year, the minimum allocation for maintenance, supplies, and operating costs must be increased to one-thousand four-hundred nine dollars, after which the allocations must be adjusted annually for inflation as specified in the omnibus appropriations act.

(d) "

On page 31, line 29, after "(9)" strike "In" and insert "(a) Until school year 2020-21, in"

On page 31, at the beginning of line 32, strike "(a)" and insert "((a)) (i)"

On page 31, at the beginning of line 34, strike "(b)" and insert "((b)) (ii)"

On page 31, at the beginning of line 36, strike "(c)" and insert "((c)) (iii)"

On page 31, after line 37, insert the following:

"(b) Beginning with the 2019-20 school year, in addition to the amounts provided in subsection (8) of this section for materials, supplies, and operating costs, the following minimum allocation must be provided for each full-time equivalent student enrolled in each of the following:

(i) Exploratory career and technical education courses for students in grades seven through twelve and preparatory career and technical education courses for students in grades nine through twelve offered in a high school at a rate equal to 2.459 times the general education amounts provided in subsection (8)(b) of this section that have been adjusted by inflation; and

(ii) Preparatory career and technical education courses for students in grades eleven and twelve offered

through a skill center at a rate equal to 2.187 times the general education amounts provided in subsection (8)(b) of this section that have been adjusted by inflation.

(c) Beginning with the 2020-21 school year, in addition to the amounts provided in subsection (8) of this section for materials, supplies, and operating costs, the following minimum allocation must be provided for each full-time equivalent student enrolled in each of the following:

(i) Exploratory career and technical education courses for students in grades seven through twelve and preparatory career and technical education courses for students in grades nine through twelve offered in a high school at a rate equal to 2.459 times the general education amounts provided in subsection (8)(c) of this section that have been adjusted by inflation; and

(ii) Preparatory career and technical education courses for students in grades eleven and twelve offered through a skill center at a rate equal to 2.187 times the general education amounts provided in subsection (8)(c) of this section that have been adjusted by inflation."

Representatives Hargrove, Barkis, Orcutt, Pike and Irwin spoke in favor of the adoption of the amendment.

Representatives Ortiz-Self and Sullivan spoke against the adoption of the amendment.

An electronic roll call was requested.

#### ROLL CALL

The Clerk called the roll on the adoption of amendment (026) and the amendment was not adopted by the following vote: Yeas, 46; Nays, 50; Absent, 1; Excused, 1.

Voting yea: Representatives Barkis, Buys, Calder, Chandler, Condotta, Dent, Dye, Graves, Griffey, Haler, Hargrove, Harmsworth, Harris, Hayes, Holy, Irwin, Jenkin, Johnson, Klippert, Koster, Kraft, Kretz, Kristiansen, MacEwen, Manweller, Maycumber, McCabe, McCaslin, McDonald, Muri, Nealey, Orcutt, Pike, Schmick, Shea, Smith, Stambaugh, Steele, Stokesbary, Taylor, Van Werven, Vick, Volz, J. Walsh, Wilcox and Young.

Voting nay: Representatives Appleton, Bergquist, Blake, Chapman, Clibborn, Cody, Doglio, Dolan, Farrell, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, Jinkins, Kagi, Kilduff, Kirby, Kloba, Lovick, Lytton, Macri, McBride, Morris, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Sells, Senn,

Slatter, Springer, Stanford, Stonier, Sullivan, Tarleton, Tharinger, Wylie and Mr. Speaker.

Absent: Representative DeBolt.  
Excused: Representative Rodne.

Amendment (026) was not adopted.

Representative Stambaugh moved the adoption of amendment (033):

On page 35, after line 32, insert the following:

"(4) (a) Using the data reported under subsection (2) of this section, the state board of education must establish annual performance metrics for each school district to determine whether the district is making meaningful and substantial progress toward meeting long-term performance goals.

(b) Beginning February 1, 2020, and each February 1 thereafter, the superintendent must determine whether each district is making meaningful and substantial progress according to the performance metrics.

(c) If the superintendent determines that a district has failed to make meaningful and substantial progress, then the superintendent must provide notice to the school district of this finding, and the district is subject to the required action plan provisions of RCW 28A.657.040 through 28A.657.100."

Representatives Stambaugh, Calder and Manweller spoke in favor of the adoption of the amendment.

Representatives Santos and Farrell spoke against the adoption of the amendment.

Amendment (033) was not 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 Lytton and Sullivan spoke in favor of the passage of the bill.

Representatives Harris and Smith spoke against the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1843.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 1843, and the bill passed the House by the following vote: Yeas, 52; Nays, 45; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Chapman, Clibborn, Cody, Doglio, Dolan, Farrell, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Haler, Hansen, Hudgins, Jinkins, Kagi, Kilduff, Kirby, Kloba,

Lovick, Lytton, Macri, McBride, Morris, Muri, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Sells, Senn, Slatter, Springer, Stanford, Stonier, Sullivan, Tarleton, Tharinger, Wylie and Mr. Speaker.

Voting nay: Representatives Barkis, Buys, Caldier, Chandler, Condotta, DeBolt, Dent, Dye, Graves, Griffey, Hargrove, Harmsworth, Harris, Hayes, Holy, Irwin, Jenkin, Johnson, Klippert, Koster, Kraft, Kretz, Kristiansen, MacEwen, Manweller, Maycumber, McCabe, McCaslin, McDonald, Nealey, Orcutt, Pike, Schmick, Shea, Smith, Stambaugh, Steele, Stokesbary, Taylor, Van Werven, Vick, Volz, J. Walsh, Wilcox and Young.

Excused: Representative Rodne.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1843, having received the necessary constitutional majority, was declared passed.

**HOUSE BILL NO. 2106, by Representatives Koster, Hudgins, Taylor and Shea**

**Concerning election year restrictions on state legislators.**

The bill was read the second time.

There being no objection, Substitute House Bill No. 2106 was substituted for House Bill No. 2106 and the substitute bill was placed on the second reading calendar.

SUBSTITUTE HOUSE BILL NO. 2106 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 Koster, Hudgins and Manweller spoke in favor of the passage of the bill.

Representative Stambaugh spoke against the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Substitute House Bill No. 2106.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2106, and the bill passed the House by the following vote: Yeas, 96; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Barkis, Bergquist, Blake, Buys, Caldier, Chandler, Chapman, Clibborn, Cody, Condotta, DeBolt, Dent, Doglio, Dolan, Dye, Farrell, Fey, Fitzgibbon, Frame, Goodman, Graves, Gregerson, Griffey, Haler, Hansen, Hargrove, Harmsworth, Harris, Hayes, Holy, Hudgins, Irwin, Jenkin, Jinkins, Johnson, Kagi, Kilduff, Kirby, Klippert, Kloba, Koster, Kraft, Kretz, Kristiansen, Lovick, Lytton, MacEwen, Macri,

Manweller, Maycumber, McBride, McCabe, McCaslin, McDonald, Morris, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pike, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Schmick, Sells, Senn, Shea, Slatter, Smith, Springer, Stanford, Steele, Stokesbary, Stonier, Sullivan, Tarleton, Taylor, Tharinger, Van Werven, Vick, Volz, J. Walsh, Wilcox, Wylie, Young and Mr. Speaker.

Voting nay: Representative Stambaugh.

Excused: Representative Rodne.

SUBSTITUTE HOUSE BILL NO. 2106, having received the necessary constitutional majority, was declared passed.

#### RECONSIDERATION

There being no objection, the House immediately reconsidered the vote by which ENGROSSED SUBSTITUTE HOUSE BILL NO. 1843 passed the House.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 1843, on reconsideration.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 1843, on reconsideration, and the bill passed the House by the following vote: Yeas, 50; Nays, 47; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Chapman, Clibborn, Cody, Doglio, Dolan, Farrell, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, Jinkins, Kagi, Kilduff, Kirby, Kloba, Lovick, Lytton, Macri, McBride, Morris, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Reeves, Riccelli, Robinson, Ryu, Santos, Sawyer, Sells, Senn, Slatter, Springer, Stanford, Stonier, Sullivan, Tarleton, Tharinger, Wylie and Mr. Speaker.

Voting nay: Representatives Barkis, Buys, Caldier, Chandler, Condotta, DeBolt, Dent, Dye, Graves, Griffey, Haler, Hargrove, Harmsworth, Harris, Hayes, Holy, Irwin, Jenkin, Johnson, Klippert, Koster, Kraft, Kretz, Kristiansen, MacEwen, Manweller, Maycumber, McCabe, McCaslin, McDonald, Muri, Nealey, Orcutt, Pike, Schmick, Shea, Smith, Stambaugh, Steele, Stokesbary, Taylor, Van Werven, Vick, Volz, J. Walsh, Wilcox and Young.

Excused: Representative Rodne.

SUBSTITUTE HOUSE BILL NO. 1843, on reconsideration, having received the necessary constitutional majority, was declared passed.

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

#### MOTIONS

There being no objection, the Committee on Appropriations was relieved of HOUSE BILL NO. 1530, and the bill was referred to the Committee on Transportation.

There being no objection, HOUSE BILL NO. 1419 was referred to the Committee on Rules.

There being no objection, the House adjourned until 9:55 a.m., February 23, 2017, the 46th Day of the Regular Session.

FRANK CHOPP, Speaker

BERNARD DEAN, Chief Clerk