

SIXTY FIFTH LEGISLATURE - REGULAR SESSION

FIFTIETH DAY

House Chamber, Olympia, Monday, February 26, 2018

The House was called to order at 11:00 a.m. by the Speaker (Representative Stonier presiding).

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 23, 2018

MR. SPEAKER:

The Senate has passed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 6032,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6095,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6106,

and the same are herewith transmitted.

Brad Hendrickson, Secretary

RESOLUTION

HOUSE RESOLUTION NO. 2018-4677, by
**Representatives Volz, McCaslin, Santos, Harris, Dye,
Haler, Dolan, Ryu, Kilduff, Lovick, Kraft, McCabe,
Muri, and Nealey**

WHEREAS, The Washington State Assistant Principal of the Year is selected each year alternately between middle level principals and high school principals from regional finalists from across the state; and

WHEREAS, The Assistant Principal of the Year earns the respect and admiration of their colleagues, is an expert in their field, guides teachers and students to excellence, and collaborates with colleagues, students, and families; and

WHEREAS, The Assistant Principal of the Year demonstrates leadership and innovation in their school and embodies leadership development among both school administrators and students; and

WHEREAS, The Assistant Principal of the Year represents Washington state at all National Assistant Principal of the Year events; and

WHEREAS, The Assistant Principal of the Year meets or exceeds eight specific criteria to be selected: Creating culture in the workplace, ensuring school safety, planning with data, aligning curriculum, improving instruction, managing resources, engaging communities, and closing the gap; and

WHEREAS, The honor of being named Washington State Assistant Principal of the Year is representative of leadership excellence in Washington state schools and the dedication of teachers, administrators, and families for student success in learning;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives demonstrate its deep respect and appreciation for the 2018 Washington State Assistant Principal of the Year, Tami Skillingstad, of Cheney School District for her years of teaching excellence, leadership development, and curriculum alignment; and

BE IT FURTHER RESOLVED, That the House of Representatives recognize the value and dedication of all Washington state education administrators and educators embodied in this most prestigious award; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Tami Skillingstad, the 2018 Washington State Assistant Principal of the Year, the Office of the Superintendent of Public Instruction, and the Association of Washington School Principals.

There being no objection, HOUSE RESOLUTION NO. 4677 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 2018-4680, by
Representative Kraft

WHEREAS, Philip Meng, an esteemed resident of Vancouver and a student at Union High School has achieved national recognition for exemplary volunteer service; and

WHEREAS, Mr. Meng, by receiving the 2018 Prudential Spirit of Community Award has displayed exceptional devotion to serving his community; and

WHEREAS, This prestigious award, presented by Prudential Financial in partnership with the National Association of Secondary School Principals, honors young volunteers across America who have demonstrated an extraordinary commitment to serving their communities; and

WHEREAS, Mr. Meng earned this award by giving generously of his time and energy to educating students about geography through his nonprofit, which has expanded both throughout the United States and more than 15 nations around the world; and

WHEREAS, Mr. Meng has partnered with institutions and governments to disseminate and implement his programs, which have included lectures, seminars,

workshops, conferences, and a world geography competition for students; and

WHEREAS, The success of the State of Washington, strength of our communities, and overall vitality of American society, depend, in great measure, upon the dedication of young people like Mr. Meng who use their considerable talents and resources to serve others; and

WHEREAS, Knowledge and understanding of others in our own communities and around the world is paramount to a peaceful and prosperous future;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives hereby congratulate and honor Mr. Meng as a recipient of a Prudential Spirit of Community Award for his outstanding record of volunteer service and extend best wishes for his continued success; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Philip Meng.

There being no objection, HOUSE RESOLUTION NO. 4680 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 2018-4681, by Representatives Stambaugh, Sawyer, Dolan, Haler, Irwin, Jinkins, McDonald, Peterson, McCabe, Barkis, Muri, Johnson, Ryu, Stanford, and Fey

WHEREAS, July 28, 2018, in the Puyallup Indian Reservation, upwards of 20,000 visitors will enthusiastically welcome the arrival of more than 100 tribal canoes as they conclude long distance journeys as participants in this year's Tribal Canoe Journey, "2018 Paddle to Puyallup," hosted by the Puyallup Tribe, whose homeland is south Puget Sound; and

WHEREAS, The Puyallup Tribe whose name translates to, "generous and welcoming to all people," will welcome those at the end of their canoe journey; and

WHEREAS, The canoes will arrive in Commencement Bay and represent over 60 tribes from Washington, California, Idaho, Oregon, Alaska, British Columbia, and other states and countries; and

WHEREAS, Following their arrival on Puyallup Indian Lands, the canoes will join together at the Puyallup Tribe's Chief Leschi School in multiday cultural festivities, which are open to the public and last until August 4, 2018; and

WHEREAS, The Tribal Canoe Journey, "2018 Paddle to Puyallup," represents a revival of traditional canoe culture fundamental to traditional Native American life around Puget Sound, the Salish Sea, the Strait of Juan de Fuca, the Pacific Ocean, and other Pacific Northwest marine waters that frequently involved long journeys for economic, social, and cultural purposes; and

WHEREAS, Tribal Canoe Journeys have become a vital activity for the revitalization of cultural expression for

Native American families to pass along their traditional way of life to younger generations; and

WHEREAS, The inaugural Tribal Canoe Journey, "Paddle to Seattle," coincided with the 1989 State of Washington's Centennial Celebration and brought 17 tribes together as a tribute to the Salish Sea's tribal canoe tradition and cultural heritage; and

WHEREAS, "2018 Paddle to Puyallup" is a community-building, youth-focused, drug-free, alcohol-free, and waste-free event, with the motto "Honoring our Medicine";

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives heartily welcome to the state capitol the many tribal members and tribal paddlers, support teams, hundreds of volunteers, and thousands of enthusiastic visitors who will participate in this historic gathering, Tribal Canoe Journey, "2018 Paddle to Puyallup"; and

BE IT FURTHER RESOLVED, That the House of Representatives congratulate the Puyallup Tribe for its leadership in organizing and hosting the Tribal Canoe Journey, "2018 Paddle to Puyallup" event and further express their appreciation to the City of Tacoma, the Port of Tacoma, Pierce County, and hundreds of volunteers for their active support of this historic event; and

BE IT FURTHER RESOLVED, That the House of Representatives express their admiration for the personal fitness and endurance of the tribal paddlers, many of whom will have paddled for hundreds of miles to Puyallup; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives, to the Puyallup Tribe, the City of Tacoma, the Port of Tacoma, and Pierce County.

There being no objection, HOUSE RESOLUTION NO. 4681 was adopted.

The Speaker (Representative Stonier presiding) called upon Representative Reeves to preside.

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

INTRODUCTION & FIRST READING

HB 3000 by Representatives Vick, Harris, Kraft, Walsh, Hayes, Manweller, Taylor, Pike, Young, Maycumber, Van Werven, Hargrove, Calder and Chandler

AN ACT Relating to providing property tax relief to all Washingtonians for taxes levied for collection in 2018; amending RCW 84.52.065 and 84.69.020; and creating new sections.

Referred to Committee on Finance.

SUPPLEMENTAL INTRODUCTION & FIRST READING

HB 3001 by Representatives Blake, Kretz, Tharinger and Walsh

AN ACT Relating to designating the Pacific razor clam as the state clam; adding a new section to chapter 1.20 RCW; and creating a new section.

Referred to Committee on State Government, Elections & Information Technology.

HB 3002 by Representative Ormsby

AN ACT Relating to making expenditures from the budget stabilization account for declared catastrophic events.

Referred to Committee on Appropriations.

HB 3003 by Representatives Goodman and Hayes

AN ACT Relating to law enforcement.

Referred to Committee on Public Safety.

HB 3004 by Representatives Jinkins, Kagi, Senn, Doglio, Pollet, Peterson, Stanford, Fey, Appleton, Ryu, Robinson, Ormsby, Slatter, Kloba, Valdez and Bergquist

AN ACT Relating to improving security in schools and the safety of students by: Creating a grant program for school districts to implement emergency response systems; creating a program to provide students and the community with the means to report unsafe or violent activities; requiring the same background check process to purchase certain rifles and shotguns as is currently required for pistols; prohibiting persons under the age of 21 from purchasing certain rifles and shotguns; and generating funds; amending RCW 9.41.090, 9.41.094, 9.41.097, 9.41.0975, 9.41.110, 9.41.113, 9.41.124, 36.28A.420, and 9.41.240; reenacting and amending RCW 42.56.240 and 9.41.010; adding a new section to chapter 43.10 RCW; adding a new section to chapter 28A.320 RCW; creating a new section; and prescribing penalties.

Referred to Committee on Judiciary.

HB 3005 by Representatives Sullivan, Lytton and Ormsby

AN ACT Relating to state property tax relief.

Referred to Committee on Finance.

HB 3006 by Representatives Sullivan, Lytton and Ormsby

AN ACT Relating to making appropriations from the budget stabilization account for state property tax relief.

Referred to Committee on Appropriations.

HB 3007 by Representatives Young, Van Werven, Holy, McCaslin and Muri

AN ACT Relating to preparing for and responding to active shooter events and other acts of mass violence at schools; amending RCW 9.41.280 and 9.41.280; adding a new chapter to Title 28A RCW; providing an effective date; providing an expiration date; and declaring an emergency.

Referred to Committee on Judiciary.

ESSB 6032 by Senate Committee on Ways & Means (originally sponsored by Senators Rolfes and Braun)

AN ACT Relating to fiscal matters; amending RCW 43.41.433, 43.79.445, 28B.20.476, 41.26.802, 70.105D.070, 79.105.150, 86.26.007, 69.50.540, 39.12.080, 76.04.610, and 90.56.500; amending 2017 3rd sp.s. c 1 ss 101, 102, 103, 104, 105, 106, 107, 108, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 139, 140, 141, 142, 143, 144, 145, 147, 149, 150, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 401, 402, 501, 502, 503, 504, 505, 507, 508, 510, 509, 511, 512, 513, 514, 515, 516, 518, 519, 520, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 701, 703, 708, 720, 722, 723, 724, 718, 718, 801, 805, 936, 937, 942, and 944 (uncodified); adding new sections to 2017 3rd sp.s. c 1 (uncodified); adding a new section to chapter 43.79 RCW; creating a new section; repealing 2017 3rd sp.s. c 1 s 737 (uncodified); making appropriations; and declaring an emergency.

ESSB 6095 by Senate Committee on Ways & Means (originally sponsored by Senators Frockt, Mullet, Liias, Keiser and Saldaña)

AN ACT Relating to the capital budget; making appropriations and authorizing expenditures for capital improvements; amending 2018 c 2 ss 1006, 1016, 1018, 1020, 1021, 1026, 1027, 1031, 1032, 1040, 1041, 1042, 1045, 1049, 1050, 1051, 1052, 2009, 2012, 2025, 2026, 2002, 2024, 2046, 2047, 3010, 3025, 3027, 3028, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040, 3044, 3045, 3046, 3047, 3048, 3049, 3051, 3055, 3056, 3057, 3058, 3059, 3060, 3061, 3062, 3063, 3064, 3065, 3067, 3068, 3073, 3075, 3092, 3029, 3069, 3015, 4001, 5002, 5005, 5006, 5007, 5008, 5009, 5010, 5015, 5021, 5035, 5038, 5039, 5041, 5046, 5053, 5070, 5071, 5072, 5073, 7001, 7002, 7024, 7025, and 7028 (uncodified); amending 2016 sp.s. c 35 s 1012 (uncodified); amending 2017 3rd sp.s. c 4 ss 1003, 2009, 3046, 3072, 5011, 5016, and 5048 (uncodified); adding new sections to 2018 c 2 (uncodified); creating a new section; repealing 2018 c 2 ss 1030, 1033, 2030, and

3030 (uncodified); making appropriations; and declaring an emergency.

ESSB 6106 by Senate Committee on Transportation (originally sponsored by Senator Hobbs)

AN ACT Relating to transportation funding and appropriations; amending 2017 c 313 ss 101, 103, 105, 106, 102, 108, 202-223, 301-312, 401-404, 406-408, 601, and 606 (uncodified); amending 2017 3rd sp.s. c 1 ss 995, 726-733, 735, and 736 (uncodified); adding new sections to 2017 c 313 (uncodified); repealing 2017 c 288 s 5 (uncodified); making appropriations and authorizing expenditures for capital improvements; and declaring an emergency.

There being no objection, the bills listed on the day's introduction sheet and supplemental introduction sheet under the fourth order of business were referred to the committees so designated, with the exception of the following bills which were read the first time, and under suspension of the rules, were placed on the second reading calendar:

- ENGROSSED SUBSTITUTE SENATE BILL NO. 6032
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6095
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6106

The Speaker (Representative Reeves presiding) called upon Representative Lovick to preside.

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

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 6032, by Senate Committee on Ways & Means (originally sponsored by Senators Rolfes and Braun)

Making supplemental operating appropriations. Revised for 1st Substitute: Making 2018 supplemental operating appropriations.

The bill was read the second time.

Representative Ormsby moved the adoption of amendment (1195).

Strike everything after the enacting clause and insert the following:

"PART I

GENERAL GOVERNMENT

Sec. 101. 2017 3rd sp.s. c 1 s 101 (uncodified) is amended to read as follows:

FOR THE HOUSE OF REPRESENTATIVES

General Fund-State Appropriation (FY 2018)	(\$37,642,000)
	<u>\$35,492,000</u>
General Fund-State Appropriation (FY 2019)	(\$39,205,000)
	<u>\$37,096,000</u>
(Motor Vehicle Account State Appropriation	\$2,011,000)
<u>Pension Funding Stabilization Account-State</u>	
<u>Appropriation</u>	<u>\$4,280,000</u>
TOTAL APPROPRIATION	<u>\$78,859,000</u>
	<u>\$76,868,000</u>

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

(1) \$27,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the tax structure reform work group. The speaker shall designate one member from each of the major caucuses in the house of representatives as a work group to facilitate public discussions throughout the state regarding Washington's tax structure. As part of this effort, the work group may hold up to seven public meetings in geographically dispersed areas of the state throughout the 2017-2019 fiscal biennium. These discussions may include but are not limited to the advantages and disadvantages of the state's current tax structure and potential options to improve the current structure for the benefit of individuals, families, and businesses in Washington state. The work group is staffed by the office of program research. The work group may report to the house of representatives finance committee and other house of representatives committees upon request of the committee chair.

(2) The joint select committee on health care oversight shall collaborate with the health care authority and the department of health to develop a plan to restructure and strengthen the rural health care system. To the extent possible, the committee shall leverage

findings of the Washington rural health access preservation pilot.

Sec. 102. 2017 3rd sp.s. c 1 s 102 (uncodified) is amended to read as follows:

FOR THE SENATE

General Fund–State Appropriation (FY 2018)	((26,369,000))	
		\$24,908,000
General Fund–State Appropriation (FY 2019)	((29,451,000))	
		\$27,998,000
((Motor Vehicle Account State Appropriation	\$1,903,000))	
<u>Pension Funding Stabilization Account–State</u>		
<u>Appropriation.....</u>	\$2,941,000	
TOTAL APPROPRIATION.....	\$57,723,000	
		\$55,847,000

The appropriations in this section are subject to the following conditions and limitations: The joint select committee on health care oversight shall collaborate with the health care authority and the department of health to develop a plan to restructure and strengthen the rural health care system. To the extent possible, the committee shall leverage findings of the Washington rural health access preservation pilot.

Sec. 103. 2017 3rd sp.s. c 1 s 103 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund–State Appropriation (FY 2018)	((135,000))	
		\$208,000
General Fund–State Appropriation (FY 2019)	((29,000))	
		\$341,000
Performance Audits of Government–State		
Appropriation.....	((8,619,000))	
		\$8,119,000
TOTAL APPROPRIATION.....	\$8,783,000	
		\$8,668,000

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

(1) Notwithstanding the provisions of this section, the joint legislative audit and review committee may adjust the due dates for projects included on the committee's 2017-2019 work plan as necessary to efficiently manage workload.

(2) The committee shall complete its analysis of fire suppression funding and costs for the department of natural resources and the state fire marshal. A report on the results of the analysis with any findings and recommendations shall be submitted to the appropriate committees of the legislature by December 2017.

(3) \$308,000 of the performance audits of government account–state appropriation is provided solely for the implementation of chapter 303, Laws of 2017 (ESHB 1594) (public records administration).

~~((4))~~ (4) \$100,000 of the performance audits of government account–state appropriation is provided solely for an evaluation of: (a) The adequacy and effectiveness of the department of commerce office of youth homelessness performance based contracting with homelessness service providers; and (b) compliance with the performance measurement, reporting, and quality award program application requirements of chapter 43.185C RCW.

~~((5))~~ (5) The agency is directed to use its moneys in the savings incentive account for one-time relocation, furniture, equipment, and tenant improvements costs to move to the 1063 building.

~~((6))~~ (6)(a) \$250,000 of the performance audit of government–state appropriation is provided solely for the committee to conduct a study of the employment services and community access services provided by the department of social and health services for individuals with a developmental disability. The study should explore the following topics:

(i) The costs and benefits associated with prevocational training programs;

(ii) The process of requesting and authorizing prevocational services;

(iii) The costs and benefits associated with employment programs, including a review of hours worked each month and the usage of job coaches;

(iv) The process of requesting and authorizing employment services, including a review of clients over the age of 21 who have requested service and received a denial due to a lack of funding;

(v) The costs and benefits associated with community access services; and

(vi) The process of requesting and authorizing community access services, including a review of who have been denied an exception to policy for community access services.

(b) The evaluation must solicit input from interested stakeholders to include, but not be limited to, the ARC of Washington, the developmental disabilities council, the Washington association of counties, and disability rights of Washington.

(c) The evaluation is due to the legislature by December 1, 2018.

(7) \$9,000 of the general fund-state appropriation for fiscal year 2018 and \$7,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of Substitute House Bill No. 1154 (fishing and seafood processing). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(8) \$9,000 of the general fund-state appropriation for fiscal year 2018 and \$5,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of Substitute House Bill No. 2269 (adaptive automotive equipment tax). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(9) \$9,000 of the general fund-state appropriation for fiscal year 2018 and \$4,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of Substitute House Bill No. 2448 (developmental disability housing/tax). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(10) \$9,000 of the general fund-state appropriation for fiscal year 2018 and \$4,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of Substitute House Bill No. 2550 (disabled veteran assistance/tax). If the bill is

not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(11) \$22,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 2580 (renewable natural gas). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(12) \$9,000 of the general fund-state appropriation for fiscal year 2018 and \$2,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of House Bill No. 2928 (cooperative finance organizations B&O). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(13) \$9,000 of the general fund-state appropriation for fiscal year 2018 and \$4,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of House Bill No. 2947 (rural manufacturers B&O tax). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(14) \$220,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Third Substitute House Bill No. 1144 (greenhouse gas emissions). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(15)(a) \$10,000 of the general fund-state appropriation for fiscal year 2018 and \$40,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the joint legislative audit and review committee to identify the following:

(i) The currently operating guardianship monitoring practices in each county of the state; and

(ii) The currently operating lay guardian training practices in each county of the state.

(b) The results of the review in (a) of this subsection must be provided to the advisory group and the joint legislative executive committee on aging and disability, as described in section 206(29) of this act, with sufficient time for the advisory group to present to the joint legislative executive committee on aging and disability by December 1, 2018.

(16) \$13,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2396 (child care access). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 104. 2017 3rd sp.s. c 1 s 104 (uncodified) is amended to read as follows:

FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

Performance Audits of Government-State
 Appropriation.....~~(\$4,175,000)~~
 \$4,350,000

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

(1) The agency is directed to use its moneys in the savings incentive account for one-time relocation, furniture, equipment, and tenant improvements costs to move to the 1063 building.

(2) \$175,000 of the appropriation is provided solely to provide a plan for improving the accuracy and consistency of estimated fiscal impacts by individual school districts of major K-12 budget proposals and enacted K-12 budgets. The legislative evaluation and accountability program administrator must prepare an implementation plan for achieving the purposes of this subsection over the next several biennia. In developing the plan, the legislative evaluation and accountability program committee must seek input from the house appropriations committee, the senate ways and means committee, the office of the superintendent of public instruction, the office of financial management, and senior fiscal staff of educational service districts. The plan must include performance measures that will be used to judge progress towards improving accuracy and consistency of K-12 fiscal analysis and information. The plan must be submitted to the appropriate fiscal committees of the legislature by January 1, 2019.

Sec. 105. 2017 3rd sp.s. c 1 s 105 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund-State Appropriation (FY 2018).....~~(\$10,730,000)~~
 \$10,317,000

General Fund-State Appropriation (FY 2019).....~~(\$10,254,000)~~
 \$10,724,000

Pension Funding Stabilization Account-State

Appropriation.....\$825,000
 TOTAL APPROPRIATION.....~~\$20,984,000~~
 \$21,866,000

Sec. 106. 2017 3rd sp.s. c 1 s 106 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE STATE ACTUARY

General Fund-State Appropriation (FY 2018).....~~(\$302,000)~~
 \$288,000

General Fund-State Appropriation (FY 2019).....~~(\$308,000)~~
 \$294,000

State Health Care Authority
 Administrative Account-State

Appropriation.....\$406,000

Department of Retirement Systems
 Expense

Account-State Appropriation \$5,110,000

Pension Funding Stabilization Account-State

Appropriation.....\$28,000
 TOTAL APPROPRIATION.....\$6,126,000

Sec. 107. 2017 3rd sp.s. c 1 s 107 (uncodified) is amended to read as follows:

FOR THE STATUTE LAW COMMITTEE

General Fund-State Appropriation (FY 2018).....~~(\$4,936,000)~~
 \$4,650,000

General Fund-State Appropriation (FY 2019).....~~(\$5,455,000)~~
 \$5,171,000

Pension Funding Stabilization Account-State

Appropriation.....\$568,000
 TOTAL APPROPRIATION.....\$10,391,000

\$10,389,000

Sec. 108. 2017 3rd sp.s. c 1 s 108 (uncodified) is amended to read as follows:

FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES

General Fund–State Appropriation (FY 2018) ((~~\$4,043,000~~))

\$3,823,000

General Fund–State Appropriation (FY 2019) ((~~\$4,485,000~~))

\$4,267,000

Pension Funding Stabilization Account–State

Appropriation..... \$438,000

TOTAL APPROPRIATION..... \$8,528,000

Sec. 109. 2017 3rd sp.s. c 1 s 110 (uncodified) is amended to read as follows:

FOR THE SUPREME COURT

General Fund–State Appropriation (FY 2018) ((~~\$8,046,000~~))

\$7,711,000

General Fund–State Appropriation (FY 2019) ((~~\$8,368,000~~))

\$8,028,000

Pension Funding Stabilization Account–State

Appropriation..... \$671,000

TOTAL APPROPRIATION..... \$16,414,000

\$16,410,000

Sec. 110. 2017 3rd sp.s. c 1 s 111 (uncodified) is amended to read as follows:

FOR THE LAW LIBRARY

General Fund–State Appropriation (FY 2018) ((~~\$1,685,000~~))

\$1,621,000

General Fund–State Appropriation (FY 2019) ((~~\$1,714,000~~))

\$1,649,000

Pension Funding Stabilization Account–State

Appropriation..... \$128,000

TOTAL APPROPRIATION..... \$3,399,000

\$3,398,000

Sec. 111. 2017 3rd sp.s. c 1 s 112 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON JUDICIAL CONDUCT

General Fund–State Appropriation (FY 2018) ((~~\$1,340,000~~))

\$1,246,000

General Fund–State Appropriation (FY 2019) ((~~\$1,236,000~~))

\$1,200,000

Pension Funding Stabilization Account–State

Appropriation..... \$130,000

TOTAL APPROPRIATION..... \$2,576,000

Sec. 112. 2017 3rd sp.s. c 1 s 113 (uncodified) is amended to read as follows:

FOR THE COURT OF APPEALS

General Fund–State Appropriation (FY 2018) ((~~\$18,077,000~~))

\$17,341,000

General Fund–State Appropriation (FY 2019) ((~~\$18,860,000~~))

\$18,109,000

Pension Funding Stabilization Account–State

Appropriation..... \$1,477,000

TOTAL APPROPRIATION..... \$36,937,000

\$36,927,000

Sec. 113. 2017 3rd sp.s. c 1 s 114 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund–State Appropriation (FY 2018) ((~~\$56,910,000~~))

\$55,101,000

General Fund–State Appropriation (FY 2019) ((~~\$58,751,000~~))

\$62,381,000

General Fund–Federal Appropriation..... \$2,175,000

General Fund–Private/Local Appropriation..... \$677,000

Judicial Information Systems Account–State

Appropriation..... ((~~\$58,486,000~~))

	<u>\$61,141,000</u>
Judicial Stabilization Trust Account— State	
Appropriation.....	(\$6,691,000)
	<u>\$4,851,000</u>
<u>Pension Funding Stabilization Account— State</u>	
Appropriation.....	<u>\$4,580,000</u>
TOTAL APPROPRIATION.....	<u>\$183,690,000</u>
	<u>\$190,906,000</u>

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

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

(2) \$1,399,000 of the general fund-state appropriation for fiscal year 2018 and \$1,399,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for school districts for petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. The administrator for the courts shall develop an interagency agreement with the superintendent of public instruction to allocate the funding provided in this subsection. Allocation of this money to school districts shall be based on the number of petitions filed. This funding includes amounts school districts may expend on the cost of serving petitions filed under RCW 28A.225.030 by certified mail or by personal service or for the performance of service of process for any hearing associated with RCW 28A.225.030.

(3) (a) \$7,313,000 of the general fund-state appropriation for fiscal year 2018 and \$7,313,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for distribution to county juvenile court administrators to fund the costs of processing truancy, children in need of services, and at-risk youth petitions. The administrator for the courts, in conjunction with the juvenile court administrators, shall develop an equitable funding distribution formula. The formula shall neither reward counties with higher than average per-petition processing costs

nor shall it penalize counties with lower than average per-petition processing costs.

(b) Each fiscal year during the 2017-2019 fiscal biennium, each county shall report the number of petitions processed and the total actual costs of processing truancy, children in need of services, and at-risk youth petitions. Counties shall submit the reports to the administrator for the courts no later than 45 days after the end of the fiscal year. The administrator for the courts shall electronically transmit this information to the chairs and ranking minority members of the house of representatives and senate fiscal committees no later than 60 days after a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

(4) \$12,000,000 of the judicial information systems account-state appropriation is provided solely for the continued implementation of the superior courts case management system. Of the amount appropriated, \$8,300,000 is provided solely for expenditures in fiscal year 2018. The remaining appropriation of \$3,700,000 is provided solely for expenditures in fiscal year 2019 and shall lapse and remain unexpended if the superior court case management system is not live and fully functional in Cowlitz, Grays Harbor, Klickitat, Mason, Pacific, and Skamania counties by July 1, 2017, and Clallum, Jefferson, Kitsap, Skagit, and Whatcom counties by January 1, 2018.

(5) (~~(\$4,339,000)~~) \$4,216,000 of the judicial information systems account-state appropriation is provided solely for the information network hub project.

(6) (a) (~~(\$10,000,000)~~) \$2,500,000 of the general fund-state appropriation for fiscal year 2019 and \$8,077,000 of the judicial information systems account-state appropriation (~~(is)~~) are provided solely for other judicial branch information technology projects, including:

(i) The superior court case management system;

(ii) The appellate court case management system;

(iii) The courts of limited jurisdiction case management system;

~~((iii))~~ (iv) Equipment replacement; and

~~((iv))~~ (v) Support staff for information technology projects.

(b) Expenditures from the judicial information systems account shall not exceed available resources. The office must coordinate with the steering committee for the superior court case management system and the steering committee for the courts of limited jurisdiction case management system to prioritize expenditures for judicial branch information technology projects. For any competitive procurement using amounts appropriated, the office of the chief information officer must review the qualifications and proposed work plan of the apparently successful bidder prior to final selection and review the proposed vendor contract prior to its execution. The office shall not enter into any contract using appropriated amounts that would cause total information technology expenditures to exceed projected resources in the judicial information systems account in the 2019-2021 fiscal biennium.

(7) ~~(\$406,000)~~ \$811,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$405,000)~~ \$811,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the statewide fiscal impact on Thurston county courts. The administrative office of the courts must collaborate with Thurston county to create a new fee formula that accurately represents the state's impact on Thurston county courts.

(8) \$53,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 272, Laws of 2017 (E2SHB 1163) (domestic violence).

(9) \$61,000 of the general fund-state appropriation for fiscal year 2018 and \$58,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

(10) \$570,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 1186 (court interpreter services). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(11) \$602,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1783 (legal financial obligations). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 114. 2017 3rd sp.s. c 1 s 115 (uncodified) is amended to read as follows:

FOR THE OFFICE OF PUBLIC DEFENSE

General Fund-State Appropriation (FY 2018).....	(\$41,558,000)	\$42,129,000
General Fund-State Appropriation (FY 2019).....	(\$42,539,000)	\$43,494,000
Judicial Stabilization Trust Account-State Appropriation.....	(\$3,710,000)	\$3,709,000
<u>Pension Funding Stabilization Account-State Appropriation.....</u>		\$278,000
TOTAL APPROPRIATION.....	\$87,807,000	\$89,610,000

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

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

(2) \$1,101,000 of the general fund-state appropriation for fiscal year 2018 and \$1,101,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for parents representation program costs related to increased parental rights termination filings from the department of social and health services permanency initiative.

(3) \$900,000 of the general fund-state appropriation for fiscal year 2018 and \$900,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the purpose of improving the quality of trial court public defense services. The department must allocate these amounts so that \$450,000 per fiscal year is distributed to counties, and \$450,000 per fiscal year

is distributed to cities, for grants under chapter 10.101 RCW.

(4) \$2,384,000 of the general fund-state appropriation for fiscal year 2018 and \$3,364,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office to complete the expansion of the parents representation program in the following counties: Adams, Douglas, Island, Lewis, Lincoln, Okanogan, San Juan, Walla Walla, and the remainder of Pierce.

(5) \$490,000 of the general fund-state appropriation for fiscal year 2018 and \$490,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the parents for parents program. Funds must be used to expand services in four new sites, and maintain and improve service models for the current programs in Grays Harbor/Pacific, King, Kitsap, Pierce, Snohomish, Spokane, and Thurston/Mason counties.

(6) \$432,000 of the general fund-state appropriation for fiscal year 2018 and \$432,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for vendor rate increases. Of the amounts provided in this subsection, \$188,000 each fiscal year is provided solely for an increase in the rate for contracted social workers.

Sec. 115. 2017 3rd sp.s. c 1 s 116 (uncodified) is amended to read as follows:

FOR THE OFFICE OF CIVIL LEGAL AID

General Fund-State Appropriation (FY 2018)	(\$14,855,000)
	\$14,833,000
General Fund-State Appropriation (FY 2019)	(\$16,490,000)
	\$17,523,000
Judicial Stabilization Trust Account-State	
Appropriation.....	\$1,463,000
<u>Pension Funding Stabilization Account-State</u>	
<u>Appropriation.....</u>	<u>\$44,000</u>
TOTAL APPROPRIATION.....	<u>\$32,808,000</u>
	<u>\$33,863,000</u>

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

(1) An amount not to exceed \$40,000 of the general fund-state appropriation for fiscal year 2018 and an amount not to exceed \$40,000 of the general fund-state appropriation for fiscal year 2019 may be used to provide telephonic legal advice and assistance to otherwise eligible persons who are sixty years of age or older on matters authorized by RCW 2.53.030(2) (a) through (k) regardless of household income or asset level.

(2) \$1,075,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$2,600,000)~~ \$3,275,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office to partially implement the civil legal aid reinvestment plan.

(3) \$300,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the office of civil legal aid to automate, deploy, and host a plain language family law form document assembly system.

(4) (a) \$80,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a statewide kinship care legal assistance support and training coordinator. The coordinator may be hosted at the office of civil legal aid or through a contract with an appropriate nonprofit legal aid provider.

(b) The office of civil legal aid must create a kinship care legal assistance advisory committee to define the scope of activities to be carried out by the coordinator, including, but not limited to, developing training and technical support and assisting volunteer attorneys and attorneys providing below-market rate legal services to kinship care providers.

Sec. 116. 2017 3rd sp.s. c 1 s 117 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE GOVERNOR

General Fund-State Appropriation (FY 2018)	(\$6,406,000)
	\$6,216,000
General Fund-State Appropriation (FY 2019)	(\$5,833,000)
	<u>\$7,333,000</u>

Pension Funding Stabilization Account—
State

Appropriation..... \$676,000

Economic Development Strategic Reserve
Account—State

Appropriation..... \$4,000,000

TOTAL APPROPRIATION..... \$12,239,000

\$18,225,000

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

(1) \$703,000 of the general fund-state appropriation for fiscal year 2018 and \$703,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office of the education ombuds.

(2) \$730,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1661 (child, youth, families/department). The amount of state and federal funding to be transferred from the department of social and health services to the department of children, youth, and families for the working connections child care services, administration, and staff must be included in the report required by the bill on how to incorporate the staff responsible for determining eligibility for the working connections child care program into the department of children, youth, and families. If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse.

(3) \$1,216,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1889 (corrections ombuds). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(4) \$5,000 of the general fund-state appropriation for fiscal year 2018 and \$5,000 of the general fund-state appropriation for fiscal year 2019 are provided to the office of the governor to support the Ruth Woo fellow. Funding will provide financial support for the Ruth Woo fellow participating in the governor's leadership academy internship program.

(5) \$291,000 of the general fund-state appropriation for fiscal year 2019 is

provided solely for implementation of Engrossed House Bill No. 2759 (women's commission). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 117. 2017 3rd sp.s. c 1 s 118 (uncodified) is amended to read as follows:

FOR THE LIEUTENANT GOVERNOR

General Fund-State Appropriation (FY 2018).....(~~\$833,000~~)

\$807,000

General Fund-State Appropriation (FY 2019).....(~~\$859,000~~)

\$831,000

General Fund-Private/Local Appropriation.....\$90,000

Pension Funding Stabilization Account—
State

Appropriation.....\$54,000

TOTAL APPROPRIATION.....\$1,782,000

Sec. 118. 2017 3rd sp.s. c 1 s 119 (uncodified) is amended to read as follows:

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund-State Appropriation (FY 2018).....(~~\$2,826,000~~)

\$2,696,000

General Fund-State Appropriation (FY 2019).....(~~\$2,872,000~~)

\$3,970,000

Pension Funding Stabilization Account—
State

Appropriation.....\$260,000

TOTAL APPROPRIATION.....\$5,698,000

\$6,926,000

The appropriations in this section are subject to the following conditions and limitations: \$37,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for modernizing and migrating the public disclosure commission's business applications from an agency-based data center to the state data center or a cloud environment.

Sec. 119. 2017 3rd sp.s. c 1 s 120 (uncodified) is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund-State Appropriation (FY 2018)	(\$15,131,000)	
		<u>\$15,691,000</u>
General Fund-State Appropriation (FY 2019)	(\$13,465,000)	
		<u>\$13,554,000</u>
General Fund-Federal Appropriation	\$7,801,000	
Public Records Efficiency, Preservation, and Access		
Account-State Appropriation	(\$9,223,000)	
		<u>\$9,218,000</u>
Charitable Organization Education Account-State		
Appropriation.....	\$673,000	
Local Government Archives Account-State		
Appropriation.....	(\$10,946,000)	
		<u>\$10,943,000</u>
Election Account-Federal Appropriation	\$4,387,000	
Washington State Heritage Center Account-State		
Appropriation.....	(\$10,383,000)	
		<u>\$10,625,000</u>
<u>Pension Funding Stabilization Account-State</u>		
<u>Appropriation.....</u>	<u>\$959,000</u>	
TOTAL APPROPRIATION.....	\$72,009,000	
		<u>\$73,851,000</u>

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

(1) \$3,301,000 of the general fund-state appropriation for fiscal year 2018 is provided solely to reimburse counties for the state's share of primary and general election costs and the costs of conducting mandatory recounts on state measures. Counties shall be reimbursed only for those odd-year election costs that the secretary of state validates as eligible for reimbursement.

(2) (a) \$2,932,000 of the general fund-state appropriation for fiscal year 2018 and \$3,011,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for contracting with a nonprofit organization to produce gavel-

to-gavel television coverage of state government deliberations and other events of statewide significance during the 2017-2019 fiscal biennium. The funding level for each year of the contract shall be based on the amount provided in this subsection. The nonprofit organization shall be required to raise contributions or commitments to make contributions, in cash or in kind, in an amount equal to forty percent of the state contribution. The office of the secretary of state may make full or partial payment once all criteria in this subsection have been satisfactorily documented.

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

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

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

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

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

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

(3) Any reductions to funding for the Washington talking book and Braille library may not exceed in proportion any reductions taken to the funding for the library as a whole.

(4) \$15,000 of the general fund-state appropriation for fiscal year 2018, \$15,000 of the general fund-state

appropriation for fiscal year 2019, \$4,000 of the public records efficiency, preservation and access account, and \$2,253,000 of the local government archives account appropriation are provided solely for the implementation of chapter 303, Laws of 2017 (ESHB 1594) (public records administration).

(5) The office of the secretary of state will enter into an agreement with the office of the attorney general to reimburse costs associated with the requirements of chapter 303, Laws of 2017.

(6) \$102,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2595 (automatic voter registration). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(7) \$100,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a study to determine any benefits, the full cost to the state, and any potential impact on voter turnout for reimbursing all counties for the cost of return postage on mail and absentee ballots for all elections.

Sec. 120. 2017 3rd sp.s. c 1 s 121 (uncodified) is amended to read as follows:

FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund-State Appropriation (FY 2018) ((\$289,000))
\$274,000

General Fund-State Appropriation (FY 2019) ((\$276,000))
\$263,000

Pension Funding Stabilization Account-State

Appropriation..... \$28,000

TOTAL APPROPRIATION..... \$565,000

The appropriations in this section are subject to the following conditions and limitations: The office shall assist the department of enterprise services on providing the government-to-government training sessions for federal, state, local, and tribal government employees. The training sessions shall cover tribal historical perspectives, legal issues, tribal sovereignty, and tribal

governments. Costs of the training sessions shall be recouped through a fee charged to the participants of each session. The department of enterprise services shall be responsible for all of the administrative aspects of the training, including the billing and collection of the fees for the training.

Sec. 121. 2017 3rd sp.s. c 1 s 122 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund-State Appropriation (FY 2018)..... ((\$253,000))
\$243,000

General Fund-State Appropriation (FY 2019)..... ((\$263,000))
\$253,000

Pension Funding Stabilization Account-State

Appropriation.....\$26,000

TOTAL APPROPRIATION.....\$516,000

\$522,000

The appropriations in this section are subject to the following conditions and limitations: \$3,000 of the general fund-state appropriation for fiscal year 2018 and \$3,000 of the general fund-state appropriation for fiscal year 2019 are provided to the commission on Asian Pacific American affairs to support the Ruth Woo fellow. Funding will provide financial support for the Ruth Woo fellow participating in the governor's leadership academy, a ten-week summer internship program administered by the office of the governor. Funding is provided for, but not limited to, living expenses and travel costs.

Sec. 122. 2017 3rd sp.s. c 1 s 123 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER

State Treasurer's Service Account-State

Appropriation..... ((\$18,918,000))

\$19,376,000

The appropriation in this section is subject to the following conditions and limitations: \$75,000 of the state treasurer's service account-state appropriation is provided solely to

establish a task force on public infrastructure and a publicly-owned depository. The task force must examine the scope of financial needs for local governments for constructing public infrastructure; the feasibility of creating a publicly-owned depository to facilitate investment in, and financing of, public infrastructure systems that will increase public health and safety, and leverage the financial capital and resources of Washington state by working in partnership with financial institutions that benefit local communities, or with community-based organizations, economic development organizations, local governments, guaranty agencies, and other stakeholder groups to create jobs and economic opportunities within our state for public benefit.

(1) The task force will consist of one member from each of the two largest caucuses of the senate appointed by the president of the senate; one member from each of the two largest caucuses of the house of representatives appointed by the speaker of the house of representatives; members representing a small sized state-chartered bank, a medium sized state-chartered bank, a federally chartered bank, local governments, and four citizens with a background in financial issues or public infrastructure selected by the president of the senate and the speaker of the house of representatives; and the attorney general, the state auditor, the treasurer, and the governor, or their designees. The task force will ensure that ample opportunity for input from interested stakeholders is provided. The department of commerce, the department of financial institutions, and the treasurer must cooperate with the task force and provide information and assistance at the request of the task force.

(2) The task force will report any recommendations identified by the task force that involve statutory changes, funding recommendations, or administrative action to the legislature as draft legislation by December 1, 2017.

(3) \$303,000 of the state treasurer's service account-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2718 (civil forfeiture proceedings). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 123. 2017 3rd sp.s. c 1 s 124 (uncodified) is amended to read as follows:

FOR THE STATE AUDITOR

General Fund-State Appropriation (FY 2018).....	\$28,000
General Fund-State Appropriation (FY 2019).....	\$32,000
State Auditing Services Revolving Account-State	
Appropriation.....	(\$10,219,000)
	<u>\$10,916,000</u>
Performance Audit of Government Account-State	
Appropriation.....	\$3,019,000
TOTAL APPROPRIATION.....	<u>\$13,298,000</u>
	<u>\$13,995,000</u>

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

(1) \$774,000 of the performance audit of government account-state appropriation is provided solely for the state auditor's office to conduct a performance audit of the department of health focused on the fee setting for each health profession licensed by the department. The performance audit must include, but is not limited to:

(a) A review of each health profession's process for setting application, licensure, renewal, examination, and indirect fees;

(b) A review of the costs of running each health profession program or board;

(c) An analysis of how any moneys collected as indirect charges levied on a health profession are used by the department; and

(d) A review of any department policies or procedures that have been adopted in an attempt to reduce the fee levels of any of the health professions.

(e) A final report of the performance audit must be submitted to the appropriate legislative policy and fiscal committees by December 1, 2018.

(2) \$1,585,000 of the performance audit of government account-state appropriation is provided solely for staff and related costs to verify the accuracy of reported school district data

submitted for state funding purposes; conduct school district program audits of state-funded public school programs; establish the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested.

(3) \$667,000 of the performance audits of government account-state appropriation (~~for fiscal year 2018~~) is provided solely for the state auditor's office to conduct a performance audit of Washington charter public schools to satisfy the requirement to contract for an independent performance audit pursuant to RCW 28A.710.030(2). The final report of the performance audit must be submitted to the appropriate legislative policy committees by (~~June 30~~) December 31, 2018. The audit must include (~~eight~~) ten schools currently in (~~their first year of~~) operation and, subject to the availability of data, must (~~address the following questions~~) include, but is not limited to evaluating, the following operational and academic outcomes:

(a) Whether the charter school has a charter contract that includes performance provisions based on a performance framework that sets forth academic and operational performance indicators, measures, and metrics;

(b) Whether the charter school performance framework includes indicators, measures, and metrics for student academic proficiency, student academic growth, achievement gaps in both proficiency and growth between major student subgroups, attendance, recurrent enrollment from year to year, financial performance and sustainability, and charter school board compliance with applicable laws, rules and terms of the charter contract; and

(c) Whether the charter school performance framework includes a disaggregation of student performance data by major student subgroups, including gender, race and ethnicity, poverty status, special education status, English language learner status, and highly capable status.

(4) \$700,000 of the state auditing services revolving account-state appropriation is provided solely for the

state auditor's office to conduct ten additional program or agency audits.

Sec. 124. 2017 3rd sp.s. c 1 s 125 (uncodified) is amended to read as follows:

FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund-State Appropriation (FY 2018)	(\$204,000)
	\$213,000
General Fund-State Appropriation (FY 2019)	(\$205,000)
	\$218,000
<u>Pension Funding Stabilization Account-State</u>	
<u>Appropriation</u>	\$30,000
TOTAL APPROPRIATION	\$409,000
	\$461,000

Sec. 125. 2017 3rd sp.s. c 1 s 126 (uncodified) is amended to read as follows:

FOR THE ATTORNEY GENERAL

General Fund-State Appropriation (FY 2018)	(\$8,641,000)
	\$7,837,000
General Fund-State Appropriation (FY 2019)	(\$8,951,000)
	\$8,234,000
General Fund-Federal Appropriation	(\$6,969,000)
	\$8,945,000
<u>New Motor Vehicle Arbitration Account-State</u>	
<u>Appropriation</u>	\$1,145,000
<u>Legal Services Revolving Account-State</u>	
<u>Appropriation</u>	(\$245,290,000)
	\$250,553,000
<u>Tobacco Prevention and Control Account-State</u>	
<u>Appropriation</u>	\$273,000
<u>Medicaid Fraud Penalty Account-State</u>	
<u>Appropriation</u>	\$3,526,000
<u>Public Service Revolving Account-State</u>	
<u>Appropriation</u>	(\$2,373,000)

	<u>\$2,724,000</u>
Child Rescue Fund-State Appropriation	(\$550,000)
	<u>\$500,000</u>
Local Government Archives Account- State Appropriation	\$660,000
<u>Pension Funding Stabilization Account- State</u>	
Appropriation.....	\$1,606,000
TOTAL APPROPRIATION.....	<u>\$278,378,000</u>
	<u>\$286,003,000</u>

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

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

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

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

(4) \$353,000 of the general fund-state appropriation for fiscal year 2018 and

\$353,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a grant to the Washington coalition of crime victim advocates to provide training, certification, and technical assistance for crime victim service center advocates.

(5) \$92,000 of the general fund-state appropriation for fiscal year 2018 and \$91,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 163, Laws of 2017 (SHB 1055) (military members/pro bono).

(6) \$49,000 of the legal services revolving account-state appropriation is provided solely for implementation of chapter 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

(7) \$276,000 of the general fund-state appropriation for fiscal year 2018 and \$259,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 294, Laws of 2017 (SSB 5835) (health outcomes/pregnancy).

(8) \$22,000 of the legal services revolving account-state appropriation is provided solely for implementation of chapter 295, Laws of 2017 (SHB 1258) (first responders/disability).

(9) \$35,000 of the legal services revolving account-state appropriation is provided solely for implementation of chapter 249, Laws of 2017 (ESHB 1714) (nursing staffing/hospitals).

(10) \$361,000 of the legal services revolving account-state appropriation and \$660,000 of the local government archives account-state appropriation are provided solely for implementation of chapter 303, Laws of 2017 (ESHB 1594) (public records administration).

(11) \$40,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the implementation of chapter 243, Laws of 2017 (HB 1352) (small business owners).

(12) \$67,000 of the legal services revolving account-state appropriation is provided solely for the implementation of chapter 320, Laws of 2017 (SSB 5322) (dentists and third parties).

(13) \$11,000 of the legal services revolving account-state appropriation is provided solely for the implementation of

chapter 53, Laws of 2017 (2SHB 1120) (regulatory fairness act).

(14) \$119,000 of the legal services revolving account-state appropriation is provided solely for the implementation of chapter 1, Laws of 2018 (ESSB 6091).

(15) \$78,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Second Substitute House Bill No. 1298 (job applicants/arrests). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(16) \$350,000 of the public service revolving account-state appropriation is provided solely for additional expert witness assistance for the public counsel unit.

(17) \$72,000 of the legal services revolving account-state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1889 (corrections ombuds, creating). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 126. 2017 3rd sp.s. c 1 s 127 (uncodified) is amended to read as follows:

FOR THE CASELOAD FORECAST COUNCIL

General Fund-State Appropriation (FY 2018) ((\$1,606,000))
\$1,562,000

General Fund-State Appropriation (FY 2019) ((\$1,576,000))
\$1,706,000

Pension Funding Stabilization Account-State

Appropriation..... \$169,000

TOTAL APPROPRIATION..... \$3,182,000

\$3,437,000

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

(1) In addition to caseload forecasts for common schools as defined in RCW 43.88C.010(7), during the 2017-2019 fiscal biennium the council must provide a separate forecast of enrollment for charter schools authorized by chapter 28A.710 RCW.

(2) \$79,000 of the general fund-state appropriation for fiscal year 2019 is

provided solely for implementation of Engrossed House Bill No. 2008 (state services for children). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(3) \$20,000 of the general fund-state appropriation for fiscal year 2018 and \$73,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the council to assist with the review of the sentencing reform act being conducted by the sentencing guidelines commission.

Sec. 127. 2017 3rd sp.s. c 1 s 128 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

General Fund-State Appropriation (FY 2018)..... ((\$64,989,000))
\$66,018,000

General Fund-State Appropriation (FY 2019)..... ((\$65,634,000))
\$75,666,000

General Fund-Federal Appropriation..... ((\$295,855,000))
\$295,861,000

General Fund-Private/Local Appropriation..... ((\$8,623,000))
\$9,026,000

Public Works Assistance Account-State Appropriation..... \$8,092,000

Drinking Water Assistance Administrative Account-State Appropriation.. \$508,000

Lead Paint Account-State Appropriation \$238,000

Building Code Council Account-State Appropriation..... \$15,000

Home Security Fund Account-State Appropriation..... ((\$48,400,000))
\$48,401,000

Affordable Housing for All Account-State Appropriation..... \$13,867,000

Financial Fraud and Identity Theft Crimes

Investigation and Prosecution Account-State Appropriation..... \$1,974,000

Low-Income Weatherization and Structural Rehabilitation Assistance Account-State	
Appropriation.....	\$1,398,000
Community and Economic Development Fee Account-State	
Appropriation.....	\$4,630,000
Washington Housing Trust Account-State	
Appropriation.....	(\$12,617,000)
	<u>\$12,619,000</u>
Prostitution Prevention and Intervention Account-State	
State Appropriation.....	\$26,000
Public Facility Construction Loan Revolving Account-State	
Appropriation	(\$842,000)
	<u>\$843,000</u>
Drinking Water Assistance Account-State	
Appropriation.....	\$46,000
Liquor Revolving Account-State	
Appropriation	(\$5,613,000)
	<u>\$5,763,000</u>
Energy Freedom Account-State	
Appropriation	\$6,000
Liquor Excise Tax Account-State	
Appropriation	\$665,000
Economic Development Strategic Reserve Account-State	
Appropriation.....	(\$5,611,000)
	<u>\$2,651,000</u>
Financial Services Regulation Account-State	
Appropriation.....	\$468,000
Pension Funding Stabilization Account-State	
Appropriation.....	\$1,618,000
TOTAL APPROPRIATION.....	\$540,117,000
	<u>\$550,399,000</u>

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

(1) Repayments of outstanding mortgage and rental assistance program loans administered by the department under RCW 43.63A.640 shall be remitted to the department, including any current revolving account balances. The department shall collect payments on outstanding loans, and deposit them into the state general fund. Repayments of funds owed under the program shall be remitted to the department according to the terms included in the original loan agreements.

(2) ~~(\$500,000)~~ \$750,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$500,000)~~ \$750,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a grant to resolution Washington to building statewide capacity for alternative dispute resolution centers and dispute resolution programs that guarantee that citizens have access to low-cost resolution as an alternative to litigation.

(3) \$375,000 of the general fund-state appropriation for fiscal year 2018 and \$375,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a grant to the retired senior volunteer program.

(4) The department shall administer its growth management act technical assistance and pass-through grants so that smaller cities and counties receive proportionately more assistance than larger cities or counties.

(5) \$375,000 of the general fund-state appropriation for fiscal year 2018 and \$375,000 of the general fund-state appropriation for fiscal year 2019 are provided solely as pass-through funding to Walla Walla Community College for its water and environmental center.

(6) ~~(\$5,602,000 of the economic development strategic reserve account state appropriation is)~~ \$1,480,000 of the general fund-state appropriation for fiscal year 2018, \$1,480,000 of the general fund-state appropriation for fiscal year 2019, and \$2,642,000 of the economic development strategic reserve account-state appropriation are provided solely for associate development organizations. During the 2017-2019 fiscal biennium, the department shall consider an associate development organization's total resources when making contracting and fund allocation

decisions, in addition to the schedule provided in RCW 43.330.086.

(7) \$5,607,000 of the liquor revolving account—state appropriation is provided solely for the department to contract with the municipal research and services center of Washington.

(8) (a) \$500,000 of the general fund—state appropriation for fiscal year 2018, \$500,000 of the general fund—state appropriation for fiscal year 2019, \$24,734,000 of the home security fund—state appropriation, and \$8,860,000 of the affordable housing for all account—state appropriation are provided solely for the consolidated homeless grant. Of the amounts appropriated, \$5,000,000 is provided solely for emergency assistance to homeless families in the temporary assistance for needy families program.

(b) The department must distribute appropriated amounts from the home security account through performance-based contracts that require, at a minimum, monthly reporting of performance and financial metrics. The contracts must require that auditable documentation for the performance and financial metrics be provided to the joint legislative audit and review committee as requested for performance audits.

(9) \$700,000 of the general fund—state appropriation for fiscal year 2018 and (~~(\$700,000)~~) \$1,436,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to identify and invest in strategic growth areas, support key sectors, and align existing economic development programs and priorities. The department must consider Washington's position as the most trade-dependent state when identifying priority investments. The department must engage states and provinces in the northwest as well as associate development organizations, small business development centers, chambers of commerce, ports, and other partners to leverage the funds provided. For each dollar expended, the department must receive a one hundred percent match. The match may be provided by the department through nongeneral fund sources, or any partnering governments or organizations. Sector leads established by the department must include the industries of: (a) Tourism; (b) agriculture, wood products, and other natural resource industries; and (c) clean technology and

renewable and nonrenewable energy. The department may establish these sector leads by hiring new staff, expanding the duties of current staff, or working with partner organizations and or other agencies to serve in the role of sector lead.

(10) The department is authorized to require an applicant to pay an application fee to cover the cost of reviewing the project and preparing an advisory opinion on whether a proposed electric generation project or conservation resource qualifies to meet mandatory conservation targets.

(11) Within existing resources, the department shall provide administrative and other indirect support to the developmental disabilities council.

(12) \$150,000 of the general fund—state appropriation for fiscal year 2018 and \$150,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the expansion of the current long-term care ombuds program to meet the immediate needs of individuals by advocating on behalf of and protecting residents of long-term care facilities from abuse, neglect, and exploitation.

(13) Within existing resources, the department of commerce shall consult with key crime victim services stakeholders to inform decisions about the funding distribution for federal fiscal years 2017-2019 victims of crime act victim assistance funding. These stakeholders must include, at a minimum, children's advocacy centers of Washington, Washington association of prosecuting attorneys, Washington association of sheriffs and police chiefs, Washington coalition against domestic violence, Washington coalition of sexual assault programs, Washington coalition of crime victim advocates, at least one representative from a child health coalition, and other organizations as determined by the department. Funding distribution considerations shall include, but are not limited to, geographic distribution of services, underserved populations, age of victims, best practices, and the unique needs of individuals, families, youth, and children who are victims of crime.

(14) \$643,000 of the liquor excise tax account—state appropriation is provided solely for the department of commerce to provide fiscal note assistance to local governments.

(15) \$300,000 of the general fund-state appropriation for fiscal year 2018 and \$300,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the northwest agriculture business center.

(16) \$150,000 of the general fund-state appropriation for fiscal year 2018 and \$150,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the regulatory roadmap program for the construction industry and to identify and coordinate with businesses in key industry sectors to develop additional regulatory roadmap tools.

(17) \$1,000,000 of the general fund-state appropriation for fiscal year 2018 and \$1,000,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Washington new Americans program. The department may require a cash match or in-kind contributions to be eligible for state funding.

(18) \$94,000 of the general fund-state appropriation for fiscal year 2018 and \$253,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

(19) \$60,000 of the general fund-state appropriation for fiscal year 2018 is provided solely as a grant to the Hoh Indian tribe for critical infrastructure, including a backup electrical power generator to address recurrent power outages in the community.

(20) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for capacity-building grants through the Latino community fund to promote and improve education, economic empowerment, arts and culture, civic engagement, health, and environmental justice for Latino communities in Washington state.

(21) \$643,000 of the general fund-state appropriation for fiscal year 2018 and \$643,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to contract with a private, nonprofit organization to provide developmental disability ombuds services.

(22) \$39,000 of the general fund-state appropriation for fiscal year 2018 and \$39,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

(23) \$1,000,000 of the home security fund-state appropriation, \$2,000,000 of the Washington housing trust account-state appropriation, and \$1,000,000 of the affordable housing for all account-state appropriation are provided solely for the department of commerce for services to homeless families and youth through the Washington youth and families fund.

(24) (a) \$500,000 of the general fund-state appropriation for fiscal year 2018, \$500,000 of the general fund-state appropriation for fiscal year 2019, and \$2,500,000 of the home security fund-state appropriation are provided solely for the office of homeless youth prevention and protection programs to:

(i) Contract with other public agency partners to test innovative program models that prevent youth from exiting public systems into homelessness; and

(ii) Support the development of an integrated services model, increase performance outcomes, and ensure providers have the necessary skills and expertise to effectively operate youth programs.

(b) Of the amounts provided in this subsection, \$1,750,000 is provided solely for the department to decrease homelessness of youth under 18 years of age though increasing shelter capacity statewide with preference given to increasing the number of contracted HOPE beds and crisis residential center beds.

(c) The department must distribute appropriated amounts from the home security account through performance-based contracts that require, at a minimum, monthly reporting of performance and financial metrics. The contracts must require that auditable documentation for the performance and financial metrics be provided to the joint legislative audit and review committee as requested for performance audits.

(25) \$140,000 of the general fund-state appropriation for fiscal year 2018 and \$140,000 of the general fund-state appropriation for fiscal year 2019 are

provided solely to create a behavioral health supportive housing administrator within the department to coordinate development of effective behavioral health housing options and services statewide to aide in the discharge of individuals from the state psychiatric hospitals. This position must work closely with the health care authority, department of social and health services, and other entities to facilitate linkages among disparate behavioral health community bed capacity-building efforts. This position must work to integrate building infrastructure capacity with ongoing supportive housing benefits, and must also develop and maintain a statewide inventory of mental health community beds by bed type.

(26) (a) \$1,000,000 of the home security fund-state appropriation for fiscal year 2018 and \$1,000,000 of the home security fund-state appropriation for fiscal year 2019 are provided solely to administer the grant program required in chapter 43.185C RCW, linking homeless students and their families with stable housing.

(b) The department must distribute appropriated amounts from the home security account through performance-based contracts that require, at a minimum, monthly reporting of performance and financial metrics. The contracts must require that auditable documentation for the performance and financial metrics be provided to the joint legislative audit and review committee as requested for performance audits.

(27) \$990,000 of the general fund-state appropriation for fiscal year 2018 and \$1,980,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for 150 community beds for individuals with a history of mental illness. Currently, there is little to no housing specific to populations with these co-occurring disorders; therefore, the department must consider how best to develop new bed capacity in combination with individualized support services, such as intensive case management and care coordination, clinical supervision, mental health, substance abuse treatment, and vocational and employment services. Case-management and care coordination services must be provided. Increased case-managed housing will help to reduce the use of jails and emergency services and will help to reduce

admissions to the state psychiatric hospitals. The department must coordinate with the health care authority and the department of social and health services in establishing conditions for the awarding of these funds. The department must contract with local entities to provide a mix of (a) shared permanent supportive housing; (b) independent permanent supportive housing; and (c) low and no-barrier housing beds for people with a criminal history, substance abuse disorder, and/or mental illness.

Priority for permanent supportive housing must be given to individuals on the discharge list at the state psychiatric hospitals or in community psychiatric inpatient beds whose conditions present significant barriers to timely discharge.

(28) \$557,000 of the general fund-state appropriation for fiscal year 2018 and \$557,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to design and administer the achieving a better life experience program.

(29) \$512,000 of the general fund-state appropriation for fiscal year 2018 is provided solely to complete the requirements of the agricultural labor skills and safety grant program in chapter 43.330 RCW. This program expires July 1, 2018.

(30) \$150,000 of the general fund-state appropriation for fiscal year 2018 and \$150,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 225, Laws of 2017 (SSB 5713) (skilled worker program).

(31) \$50,000 of the general fund-state appropriation for fiscal year 2018 and \$50,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the wildfire project in the Wenatchee valley to provide public education on wildfire and forest health issues.

(32) \$167,000 of the general fund-state appropriation for fiscal year 2018 and \$167,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for community mobilization grants to safe Yakima and safe streets of Tacoma to foster community engagement through neighborhood organizing, law enforcement-community partnerships,

neighborhood watch programs, youth mobilization, and business engagement.

(33)(a) \$83,000 of the general fund-state appropriation for fiscal year 2018 and (~~\$83,000~~) \$133,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to create el nuevo camino pilot project for the purpose of addressing serious youth gang problems in midsize counties in eastern Washington. El nuevo camino pilot project must include one grant to an eligible applicant for the 2017-2019 fiscal biennium. The department shall adopt policies and procedures as necessary to administer the pilot project, including the application process, disbursement of the grant award to the selected applicant, and tracking compliance and measuring outcomes. Partners, grant recipients, prosecutors, mental health practitioners, schools, and other members of the el nuevo camino pilot project, shall ensure that programs, trainings, recruiting, and other operations for el nuevo camino pilot project prohibit discriminatory practices, including biased treatment and profiling of youth or their communities. For the purposes of this subsection, antidiscriminatory practices prohibit grant recipients or their partners from using factors such as race, ethnicity, national origin, immigration or citizenship status, age, religion, gender, gender identity, gender expression, sexual orientation, and disability in guiding or identifying affected populations.

(b) An eligible applicant:

(i) Is a county located in Washington or its designee;

(ii) Is located east of the Cascade mountain range with an estimated county population between ninety thousand and one hundred thousand as of January 1, 2017;

(iii) Has an identified gang problem;

(iv) Pledges and provides a minimum of sixty percent of matching funds over the same time period of the grant;

(v) Has established a coordinated effort with committed partners, including law enforcement, prosecutors, mental health practitioners, and schools;

(vi) Has established goals, priorities, and policies in compliance with the requirements of (c) of this subsection; and

(vii) Demonstrates a clear plan to engage in long-term antigang efforts after the conclusion of the pilot project.

(c) The grant recipient must:

(i) Work to reduce youth gang crime and violence by implementing the comprehensive gang model of the federal juvenile justice and delinquency prevention act of 1974;

(ii) Increase mental health services to unserved and underserved youth by implementing the best practice youth mental health model of the national center for mental health and juvenile justice;

(iii) Work to keep high-risk youth in school, reenroll dropouts, and improve academic performance and behavior by engaging in a grass roots team approach in schools with the most serious youth violence and mental health problems, which must include a unique and identified team in each district participating in the project;

(iv) Hire a project manager and quality assurance coordinator;

(v) Adhere to recommended quality control standards for Washington state research-based juvenile offender programs as set forth by the Washington state institute for public policy; and

(vi) Report to the department by September 1, 2019, with the following:

(A) The number of youth and adults served through the project and the types of services accessed and received;

(B) The number of youth satisfactorily completing chemical dependency treatment in the county;

(C) The estimated change in domestic violence rates;

(D) The estimated change in gang participation and gang violence;

(E) The estimated change in dropout and graduation rates;

(F) The estimated change in overall crime rates and crimes typical of gang activity;

(G) The estimated change in recidivism for youth offenders in the county; and

(H) Other information required by the department or otherwise pertinent to the pilot project.

(d) The department shall report the information from (c)(vi) of this subsection and other relevant data to the legislature and the governor by October 1, 2019.

(34)(a) During the 2017-2019 fiscal biennium, the department must revise its agreements and contracts with vendors to include a provision to require that each vendor agrees to equality among its workers by ensuring similarly employed individuals are compensated as equals as follows:

(i) Employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;

(ii) Vendors may allow differentials in compensation for its workers based in good faith on any of the following:

(A) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.

(B) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience, that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.

(C) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

(b) The provision must allow for the termination of the contract if the department or department of enterprise services determines that the vendor is not in compliance with this agreement or contract term.

(c) The department must implement this provision with any new contract and at

the time of renewal of any existing contract.

(35) \$102,000 of the general fund-state appropriation for fiscal year 2018 and \$75,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 315, Laws of 2017 (ESB 5128) (incremental energy).

(36) \$26,000 of the general fund-state appropriation for fiscal year 2018 and \$12,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 279, Laws of 2017 (SHB 1988) (vulnerable youth guardians).

(37) \$468,000 of the financial services regulation account-state appropriation is provided solely for the family prosperity account program.

(38) The department is authorized to suspend issuing any nonstatutorily required grants or contracts of an amount less than \$1,000,000 per year.

(39) The entire home security account appropriation in this section is provided solely for administration through performance-based contracts that require, at a minimum, monthly reporting of performance and financial metrics. The contracts must require that auditable documentation for the performance and financial metrics be provided to the joint legislative audit and review committee as requested for performance audits.

(40)(a) \$250,000 of the public works assistance account-state appropriation is provided solely for the department to contract with a consultant to study strategies for increasing the competitiveness of rural businesses in securing local government contracts within their same rural county, and for providing outreach services to employers in rural communities. The consultant must:

(i) Be a 501(c)(3) nonprofit organization;

(ii) Be located in a county with a population of less than two million; and

(iii) Provide statewide business representation and expertise with relevant experience in the evaluation of rural economies.

(b) The study must include the following:

(i) An analysis of the net economic and employment impacts to rural communities of awarding local government contracts to businesses outside the rural county in comparison to awarding local government contracts to businesses based in the same rural county;

(ii) A survey of local government entities to collect relevant data to include but not be limited to: The total number and amount of contracts awarded in 2015 and 2016 by local governments in rural counties; the number and amount of contracts awarded to businesses based in rural counties in comparison to the number and amounts awarded to businesses based in nonrural counties; the number of contracts where a rural business responded to a request for proposal but was not the minimum bidder; the percentage spread between the rural business and the lowest bidder; and the number of times the local government moved to the next most qualified bidder in a request for qualification out of the total professional service contracts awarded;

(iii) A review of current regulations and best practices in other jurisdictions. The study must identify existing policy barriers, if present, and potential policy changes to increase the competitiveness of rural businesses in securing local government contracts within their same geographic region, including but not be limited to the risks and benefits of establishing a preference for local businesses for rural government contracts; and

(iv) Discussion on the implications for projects that receive federal funding.

The study must be provided to the office of financial management and fiscal committees of the legislature by December 31, 2017.

(c) The department's external relations division must expand existing outreach services offered to rural employers to include training on processes to compete effectively for public works contracts within their communities. The external relations division must receive training on contract law to better support their outreach services. The cost of the training may not exceed \$10,000.

(41) \$40,000 of the general fund-state appropriation for fiscal year 2018 and \$40,000 of the general fund-state

appropriation for fiscal year 2019 are provided solely for the Federal Way day center to provide housing and other assistance to persons over 18 experiencing homelessness.

(42) \$200,000 of the general fund-state appropriation for fiscal year 2018 and \$200,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of Second Substitute Senate Bill No. 5254 (buildable lands and zoning). If this bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(43) \$700,000 of the general fund-state appropriation for fiscal year 2018 and \$600,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for staff and upgrades to the homeless management information system.

(44) \$50,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the department to conduct a study on the current state of data center industry in Washington and whether changes to existing state policies would result in additional investment and job creation in Washington as well as advance the development of the state's technology ecosystems. The study is due to the appropriate committees of the legislature by December 1, 2017.

(45) \$500,000 of the general fund-state appropriation for 2018 is provided solely for the department to formulate a statewide tourism marketing plan in collaboration with a nonprofit statewide tourism organization as provided in Substitute Senate Bill No. 5251.

(46) \$80,000 of the general fund-state appropriation for fiscal year 2018 and \$80,000 of the general fund-state appropriation for fiscal year 2019 is provided solely as a grant to Klickitat county for a land use planner to process a backlog of permits that have not been processed by the Columbia river gorge commission due to lack of funds.

(47) \$75,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a grant to the city of Yakima to establish a gang prevention pilot program. The pilot program shall be modeled after the Denver gang reduction initiative program, with the goal of creating a sustainable organized response to gang activity utilizing evidence-based principles.

(48) \$387,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to create the governor's rural broadband office. The purpose of the governor's rural broadband office is to provide grants to local governments and federally recognized tribes to build and deploy infrastructure to provide high-speed, open-access broadband service to rural unserved and underserved communities to improve economic development, public safety, and access to education.

(a) The office must, at a minimum:

(i) Identify unserved and underserved areas in rural parts of the state on an annual basis;

(ii) Conduct planning to prioritize and sequence the delivery of quality high-speed broadband to rural parts of the state;

(iii) Review existing federal communications commission data, unfunded community economic revitalization board proposals, denied United States department of agriculture grants for projects in Washington state, and proposals from previous state broadband efforts; and

(iv) Develop a list of projects for grant support that expand quality high-speed rural broadband access no later than six months after the effective date of this section.

(b) The department of commerce must work with the utilities and transportation commission, consolidated technology services, the office of privacy and data protection, the governor's office for regulatory innovation and assistance, and all other Washington executive and small cabinet agencies with pertinent regulatory jurisdiction in the implementation and operation of the governor's rural broadband office.

(49) (a) \$500,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a contract to study and report on independent contractor employment in Washington state. The contractor report shall be provided to the department by November 1, 2018. The report must include information on the needs of workers earning income as independent contractors including sources of income, the amount of their income derived from independent work, and

a discussion of the benefits provided to such workers.

(b) The department must convene an advisory committee to provide assistance with the development of the study. The advisory committee must comprise:

(i) Individuals from the public and private sector with expertise in labor laws;

(ii) Representatives of labor unions;

(iii) Representatives from nonprofit organizations promoting economic security and educational opportunity; and

(iv) Individuals from business and industry.

(50) \$240,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 2367 (child care collaboration task force). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(51) \$174,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Third Substitute House Bill No. 2382 (surplus public property). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(52) \$114,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2396 (child care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(53) \$31,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 2667 (essential needs/ABD programs). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(54) (a) \$400,000 of the general fund-state appropriation for fiscal year 2019 and \$400,000 of the general fund-local appropriation are provided solely for the department to contract with a consultant to study the current and ongoing impacts of the SeaTac international airport. The general fund-state funding provided in this subsection serves as a state match and may not be spent unless \$400,000 of local matching funds is transferred to the department. The department must seek

feedback on project scoping and consultant selection from the cities listed in (b) of this subsection.

(b) The study must include, but not be limited to:

(i) The impacts that the current and ongoing airport operations have on quality of life associated with air traffic noise, public health, traffic, congestion, and parking in residential areas, pedestrian access to and around the airport, public safety and crime within the cities, effects on residential and nonresidential property values, and economic development opportunities, in the cities of SeaTac, Burien, Des Moines, Tukwila, Federal Way, Normandy Park, and other impacted neighborhoods; and

(ii) Options and recommendations for mitigating any negative impacts identified through the analysis.

(c) The department must collect data and relevant information from various sources including the port of Seattle, listed cities and communities, and other studies.

(d) The study must be delivered to the legislature by December 1, 2019.

(55) \$1,276,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of chapter 16, Laws of 2017, 3rd sp.s. (E2SSB 5254).

(56) (a) \$150,000 of the liquor revolving account-state appropriation is provided solely for the department of commerce to conduct a study that analyzes counties' revenue capacity in relation to their constitutional and statutory obligations. At a minimum, the study must include:

(i) A comparison of county expenditures for services provided as agents of the state compared to the state and local revenue capacity for state services;

(ii) An analysis of where funding gaps are most pronounced, such as by issue area and specific areas of the state;

(iii) How the situation has changed over the last thirty years; and

(iv) Baseline data and a methodology that can be replicated in future studies and analysis.

(b) An interim report focusing on the results of (a) (i) of this section must be

presented to the governor and appropriate committees of the legislature by or before December 31, 2018. The final report must be presented to the governor and appropriate committees of the legislature by or before June 30, 2019.

(57) (a) \$125,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department of commerce to provide a grant to a nonprofit organization to assist fathers transitioning from incarceration to family reunification. The grant recipient must have experience contracting with:

(i) The department of corrections to support offender betterment projects; and

(ii) The department of social and health services to provide access and visitation services.

(b) The grant recipient must provide data on program outcomes to the Washington statewide reentry council. This data must be included in the Washington statewide reentry council's report of activities and recommendations to the governor and appropriate committees of the legislature as required by RCW 43.380.050.

(58) \$45,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a grant to a nonprofit organization that addresses the causes and barriers of poverty and homelessness with comprehensive and holistic services. The funding must be used to support food bank services and a summer meals program that serves at least ten different sites in the South King county region for children and families.

(59) \$1,500,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to contract with a nonprofit organization to provide Washington state residents with legal representation related to family and community safety.

(60) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a small business innovation exchange project to increase economic development opportunities for women, minority, and veteran owned small businesses in the south King county region.

(61) \$100,000 of the general fund-state appropriation for fiscal year 2019

is provided solely for a grant to the city of Federal Way for an emergency shelter to serve homeless families with children.

(62) \$250,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for capacity-building grants through the united Indians of all tribes foundation to promote and improve educational, cultural, and social services for Native American communities in Washington state.

(63) \$66,000 of the general fund-state appropriation for fiscal year 2018 and \$147,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of Engrossed Second Substitute House Bill No. 2914 (postconsumer materials). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(64) \$41,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 2101 (sexual assault nurse examiners). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(65) \$200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a grant to a museum to assist with armistice day activities in schools and other community settings to celebrate the 100th anniversary of World War I and armistice day. Funding must be used for a World War I America museum exhibit, new curriculum, teacher training, student and classroom visits, and visits from veterans and active duty military.

(66) \$250,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to contract with a nonprofit economic development association with members that include cities, ports, and at least twenty associate development organizations to study strategies and best practices for economic development and job creation in rural and underserved communities. The study must include strategies used successfully both in Washington and in other states, including examples of how rural and underserved communities have recruited technology employers and increased technology jobs in their communities.

(67) \$149,000 of the general fund-state appropriation for fiscal year 2019

is provided solely for a pilot project in Clark county to increase access to local workforce training. The funding must be used to work with partners in careers to complete an assessment of basic literacy skills and connection to classes at Clark college or other programs to support the reading and math skills needed to complete workforce training; for case management to connect job seekers to community resources; and to support first time users or returners navigating the worksorce system and engagement in on the job training and industry specific training in high demand fields.

(68) \$40,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a grant to the Douglas county associate development organization that serves on the core leadership team of the Wenatchee valley's our valley our future community and economic development program to support communities adversely impacted by wildfire damage and the reduction of aluminum smelter facilities.

Sec. 128. 2017 3rd sp.s. c 1 s 129 (uncodified) is amended to read as follows:

FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund-State Appropriation (FY 2018).....	(\$850,000)
	\$799,000
General Fund-State Appropriation (FY 2019).....	(\$905,000)
	\$854,000
Lottery Administrative Account-State Appropriation.....	\$50,000
<u>Pension Funding Stabilization Account-State</u>	
<u>Appropriation.....</u>	\$102,000
TOTAL APPROPRIATION.....	\$1,805,000

Sec. 129. 2017 3rd sp.s. c 1 s 130 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund-State Appropriation (FY 2018).....	(\$11,711,000)
	\$12,572,000
General Fund-State Appropriation (FY 2019).....	(\$11,956,000)

	<u>\$12,185,000</u>
General Fund-Federal	
Appropriation	\$39,716,000
General Fund-Private/Local	
Appropriation	(((\$501,000))
	<u>\$843,000</u>
Economic Development Strategic Reserve	
Account-State	
Appropriation.....	\$314,000
Recreation Access Pass Account-State	
Appropriation	<u>\$75,000</u>
Personnel Service Fund-State	
Appropriation	(((\$8,882,000))
	<u>\$8,888,000</u>
Higher Education Personnel Services	
Account-State	
Appropriation.....	\$1,497,000
Performance Audits of Government	
Account-State	
Appropriation.....	\$621,000
Statewide Information Technology	
System Development	
Revolving Account-State	
Appropriation	(((\$6,503,000))
	<u>\$10,022,000</u>
OFM Central Services-State	
Appropriation	(((\$19,237,000))
	<u>\$19,308,000</u>
Pension Funding Stabilization Account-State	
Appropriation.....	<u>\$2,448,000</u>
TOTAL APPROPRIATION.....	<u>\$100,938,000</u>
	<u>\$108,489,000</u>

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

(1) The appropriations in this section represent a transfer of expenditure authority of \$4,000,000 of the general fund-federal appropriation from the health care authority to the office of financial management to implement chapter 246, Laws of 2015 (all-payer health care claims database).

(2) (a) The student achievement council and all institutions of higher education eligible to participate in the state need grant shall ensure that data needed to analyze and evaluate the effectiveness of

the state need grant program are promptly transmitted to the education data center so that it is available and easily accessible. The data to be reported must include but not be limited to:

(i) The number of state need grant recipients;

(ii) The number of students on the unserved waiting list of the state need grant;

(iii) Persistence and completion rates of state need grant recipients and students on the state need grant unserved waiting list, disaggregated by institutions of higher education;

(iv) State need grant recipients and students on state need grant unserved waiting list grade point averages; and

(v) State need grant program costs.

(b) The student achievement council shall submit student unit record data for the state need grant program applicants and recipients to the education data center.

(3) \$149,000 of the general fund-state appropriation for fiscal year 2018 and \$144,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to implement chapter 172, Laws of 2017 (SHB 1741) (educator preparation data/PESB).

(4) \$84,000 of the general fund-state appropriation for fiscal year 2018 and \$75,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to implement chapter 53, Laws of 2017 (2SHB 1120) (regulatory fairness act).

(5) The office of financial management must perform a legal and policy review of whether the lead organization of the statewide health claims database established in chapter 43.371 RCW may collect certain data from drug manufacturers and use this data to bring greater public transparency to prescription drug prices. Specifically, the review must analyze whether the organization may collect and use manufacturer's pricing data on high-cost new and existing prescription drugs, including itemized production and sales data and Canadian pricing. The office of financial management must report by December 15, 2017, to the health care committees of the legislature the results of the study and any necessary legislation to authorize the collection

of pricing data and to produce public analysis and reports that help promote prescription drug transparency.

(6) \$500,000 of the general fund-state appropriation for fiscal year 2018, \$131,000 of the general fund-state appropriation for fiscal year 2019, and \$139,000 of the personnel service account-state appropriation are provided solely for implementation of Engrossed Second Substitute House Bill No. 1661 (children, youth, families department). The cost allocation contract must include a determination of the amount of administrative funding to be transferred between appropriations in sections 223(1) and 223(2) of this act to section 222(3) of this act for the new department of children, youth, and families. If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(7) (~~(\$4,503,000)~~) \$8,022,000 of the statewide information technology system development revolving account-state appropriation is provided solely for readiness activities related to the One Washington replacement project to modernize and improve administrative systems and related business processes across state government over a multi-biennia time period and this project is subject to the conditions, limitations, and review provided in section 724 of this act. The funding provided in this subsection is for conducting business warehouse planning and system integrations and contracting with a strategic partner for the design of the long-term program blueprint detailing the readiness, planning, and implementation activities related to this project. Legislative expectation is that the strategic partner selected for this design of this long-term blueprint will have proven experience in successfully managing similar efforts in other states or jurisdictions and that the ultimate project scope will integrate performance information and provide information on discrete units of costs for state governmental activities with the goal of improved management and efficiency. The office of financial management will provide the needed management support for this design effort and will ensure that state agencies fully participate in this initial design effort, including the office of chief information officer. The office of financial management will provide quarterly reports to the legislative

fiscal committees and the legislative evaluation and accountability program committee. Before submitting additional funding requests for this project, the office of financial management will submit a comprehensive detailed feasibility study and financial plan for the project to the legislative evaluation and accountability program committee.

(8) \$4,000,000 of the general fund-federal appropriation is provided solely for the procurement and implementation of the Washington state all payer claims database project and this project is subject to the conditions, limitations, and review provided in section 724 of this act.

(9) \$140,000 of the general fund-state appropriation for fiscal year 2018 and \$140,000 of the general fund-federal appropriation are provided solely for the authority to incorporate long-term inpatient care as defined in RCW 71.24.025 into the psychiatric managed care capitation risk model. The model shall be submitted to the governor and appropriate committees of the legislature by December 1, 2017. The model must integrate civil inpatient psychiatric hospital services including ninety and one hundred eighty day commitments provided in state hospitals or community settings into medicaid managed care capitation rates and nonmedicaid contracts. The model should phase-in the financial risk such that managed care organizations bear full financial risk for long-term civil inpatient psychiatric hospital commitments beginning January 2020. The model must address strategies to ensure that the state is able to maximize the state's allotment of federal disproportionate share funding.

(10) The office of financial management will convene a work group consisting of the department of social and health services and appropriate fiscal and policy staff from the house of representatives office of program research and senate committee services for the purpose of reviewing language traditionally added to section 201 in supplemental operating omnibus appropriations acts to allow the department to transfer moneys between sections of the act and to allow for moneys that are provided solely for a specified purpose to be used for other than that purpose. The work group will review the department's use of the

language, develop options to reduce or eliminate the need for this language, and explore revisions to the language. The work group must also discuss alternatives to the language to achieve the shared goal of balancing expenditures to appropriation while preserving the legislature's ability to direct policy through appropriation. Alternatives should include increased use of supplemental budget decision packages, the creation of a reserve fund for unanticipated expenditures, and other measures the work group develops.

(11) Within existing resources, the labor relations section shall produce a report annually on workforce data and trends for the previous fiscal year. At a minimum, the report must include a workforce profile; information on employee compensation, including salaries and cost of overtime; and information on retention, including average length of service and workforce turnover.

(12) \$75,000 of the recreation access pass account-state appropriation is provided solely for the office of financial management, in consultation with the parks and recreation commission, department of natural resources, and department of fish and wildlife, to further analyze the cost and revenue potential of the options and recommendations in *Recreation Fees in Washington: Options and Recommendations* (The William D. Ruckelshaus Center, December 2017). The office must collaborate with other relevant agencies and appropriate stakeholders. The office must provide a report to the appropriate committees of the legislature by September 1, 2018. For each of the options, the report must:

(a) Identify the types of recreational access pass products, exemption and discount types, and levels;

(b) Specify price points and projected demand for each type of recreational access pass product that would result in revenue increases of five percent, ten percent, and fifteen percent;

(c) Describe implementation and logistical considerations of selling each of the options through a single place on the internet or through the department of fish and wildlife's licensing system;

(d) Identify fiscal impacts of changing the state access pass to each of

the options identified including any combination state and federal recreational access pass options; and

(e) Provide any additional recommendations for implementation, transition, or changes in state law needed to implement each of the options.

(13) \$76,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1851 (government contracting). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(14) \$52,000 of the general fund-state appropriation for fiscal year 2018 and \$412,000 of the general fund-state appropriation for fiscal year 2019 are provided to the office of financial management for staffing and support to prepare for the 2020 census.

(15) \$2,000,000 of the general fund-state appropriation for fiscal year 2018 is provided solely to support the implementation of the department of children, youth, and families. The department must submit an expenditure plan to the office of financial management and may expend implementation funds only after approval by the director of the office of financial management.

(16) (a) \$179,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the sentencing guidelines commission to conduct a comprehensive review of the sentencing reform act under chapter 9.94A RCW and make recommendations to accomplish the following goals:

(i) Assess the degree to which the sentencing reform act as applied has achieved each of its stated purposes;

(ii) Ensure Washington's sentencing policies and practices are evidence-based, aligned with best practices, and consistent with federal and state case law;

(iii) Ensure Washington's sentencing laws and practices promote public safety by holding offenders accountable for their actions while also facilitating their successful reintegration into the community;

(iv) Simplify Washington's sentencing laws to make them easier to understand and apply; and

(v) Eliminate inconsistencies, which may have developed through various amendatory changes.

(b) In conducting the review under (a) of this subsection, the sentencing guidelines commission shall:

(i) Review the current sentencing grid and recommend changes to simplify the grid and increase judicial discretion, including, but not limited to: Reviewing and simplifying RCW 9.94A.501, 9.94A.505, 9.94A.525, and 9.94A.533; reviewing and simplifying the sentencing grid under RCW 9.94A.510 by reducing the number of cells in the grid and creating broader sentencing ranges for lower level offenses; reviewing and revising seriousness levels under RCW 9.94A.515 to ensure offenses have appropriately designated seriousness levels; reviewing the drug sentencing grid under RCW 9.94A.517 and 9.94A.518 to determine if drug offenses can be incorporated into a new or revised sentencing grid; and reviewing minimum term requirements under RCW 9.94A.540 to avoid inconsistencies with proposed changes to the grid and other sentencing policies;

(ii) Review mitigating and aggravating factors under RCW 9.94A.535 and sentencing enhancements under RCW 9.94A.533, including mandatory consecutive requirements, and recommend changes to reflect current sentencing purposes and policies and case law;

(iii) Review fines, fees, and other legal financial obligations associated with criminal convictions, including, but not limited to, a review of: Fines under RCW 9.94A.550; restitution under RCW 9.94A.750; and legal financial obligations under RCW 9.94A.760;

(iv) Review community supervision and community custody programs under RCW 9.94A.701 through 9.94A.723 and other related provisions, including, but not limited to: Reviewing and revising eligibility criteria for community custody under RCW 9.94A.701 and 9.94A.702; reviewing the length and manner of supervision for various offenses; reviewing earned time toward termination of supervision; and reviewing the consequences for violations of conditions; and

(v) Review available alternatives to full confinement, including, but not limited to: Work crew under RCW 9.94A.725 and home detention and electronic home

monitoring under RCW 9.94A.734 through 9.94A.736.

(c) The sentencing guidelines commission shall report its findings and recommendations based on the review under (a) of this subsection to the governor and appropriate committees of the legislature by May 1, 2019.

(17) \$25,000 of the general fund-state appropriation for fiscal year 2018 and \$125,000 of the general fund-state appropriation for fiscal year 2019 are provided to the education research and data center within the office of financial management for the sole purpose of providing an annual report on postsecondary enrollment and completion of Washington students with demographic information included on race, ethnicity, gender, students with disabilities, English language proficiency, income level, region, and types of credentials, including but not limited to in- and out-of-state public and private traditional two- and four-year degree granting institutions, private vocational schools, state apprenticeship programs, and professional licenses. The appropriation must also be used to respond to data requests from researchers outside of state agencies and to develop a plan for improving data governance for more accurate and timely responses.

Sec. 130. 2017 3rd sp.s. c 1 s 131 (uncodified) is amended to read as follows:

FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account-State

Appropriation ((\$38,898,000))

\$41,135,000

The appropriation in this section is subject to the following conditions and limitations: \$200,000 of the administrative hearings revolving account-state appropriation is provided solely for the agency, in collaboration with the office of financial management, to conduct a review of the agency's fee structure, billing methodology, and assumptions about employee productivity which impact the fee structure and billing methodology.

Sec. 131. 2017 3rd sp.s. c 1 s 132 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account—State
Appropriation..... (~~(\$28,028,000)~~)
\$28,050,000

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

(1) No portion of this appropriation may be used for acquisition of gaming system capabilities that violate state law.

(2) Pursuant to RCW 67.70.040, the commission shall take such action necessary to reduce by \$6,000,000 each fiscal year the total amount of compensation paid to licensed lottery sales agents. It is anticipated that the result of this action will reduce retail commissions to an average of 5.1 percent of sales.

NEW SECTION. **Sec. 132.** A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE GAMBLING COMMISSION**

Gambling Revolving Account—
State \$100,000

The appropriation in this section is subject to the following conditions and limitations: \$100,000 of the gambling revolving account—state appropriation is provided solely for the gambling commission to contract for a study on problem gambling to determine the scope of pathological or problem gambling in the state. The gambling commission shall submit results of the study to the legislature by December 31, 2018. The study shall include, but not be limited to identifying:

(1) The prevalence of gambling-related problems among the adult and juvenile populations in Washington State;

(2) Which populations are most impacted by problem gambling;

(3) Services offered for individuals with gambling-related problems;

(4) Funding available for problem gambling programs and services; and

(5) Any deficit related to in-state problem gambling funding, services, or programs based on the calculated need determined in the study.

Sec. 133. 2017 3rd sp.s. c 1 s 133 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund—State Appropriation (FY 2018)..... (~~(\$258,000)~~)
\$255,000

General Fund—State Appropriation (FY 2019)..... (~~(\$269,000)~~)
\$255,000

Pension Funding Stabilization Account—
State

Appropriation.....\$26,000

TOTAL APPROPRIATION.....~~(\$526,000)~~
\$536,000

Sec. 134. 2017 3rd sp.s. c 1 s 134 (uncodified) is amended to read as follows:

FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund—State Appropriation (FY 2018)..... (~~(\$269,000)~~)
\$269,000

General Fund—State Appropriation (FY 2019)..... (~~(\$254,000)~~)
\$242,000

Pension Funding Stabilization Account—
State

Appropriation.....\$26,000

TOTAL APPROPRIATION.....~~(\$522,000)~~
\$537,000

Sec. 135. 2017 3rd sp.s. c 1 s 135 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS

Department of Retirement Systems
Expense

Account—State
Appropriation..... (~~(\$56,498,000)~~)

\$57,921,000

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

(1) \$124,000 of the department of retirement systems expense account—state appropriation is provided solely to implement Substitute House Bill No. 2786

(LEOFF/DOC, DSHS firefighters). If the bill is not enacted by July 1, 2018, the amount provided in this subsection shall lapse.

\$313,809,000

(2) \$107,000 of the department of retirement systems expense account-state appropriation is provided solely to implement House Bill No. 1560 (retirement system defaults). If the bill is not enacted by July 1, 2018, the amount provided in this subsection shall lapse.

(3) \$255,000 of the department of retirement systems expense account-state appropriation is provided solely to implement Substitute House Bill No. 1558 (PSERS/offender nursing care). If the bill is not enacted by July 1, 2018, the amount provided in this subsection shall lapse.

Sec. 136. 2017 3rd sp.s. c 1 s 136 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund-State Appropriation (FY 2018)	(\$140,954,000)	\$129,868,000
General Fund-State Appropriation (FY 2019)	(\$138,496,000)	\$130,864,000
Timber Tax Distribution Account-State Appropriation.....	(\$6,772,000)	\$6,773,000
Waste Reduction/Recycling/Litter Control-State Appropriation.....		\$157,000
State Toxics Control Account-State Appropriation		\$112,000
Business License Account-State Appropriation	(\$28,211,000)	\$22,907,000
Performance Audits of Government Account-State Appropriation.....		\$4,640,000
<u>Pension Funding Stabilization Account-State Appropriation.....</u>		<u>\$13,488,000</u>
Financial Services Regulation Account-State Appropriations.....		\$5,000,000
TOTAL APPROPRIATION.....		\$324,342,000

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

(1) \$5,628,000 of the general fund-state appropriation for fiscal year 2018, \$5,628,000 of the general fund-state appropriation for fiscal year 2019, and \$11,257,000 of the business license account-state appropriation are provided solely for the taxpayer legacy system replacement project.

~~((3))~~ (2) Prior to the suspension of the streamlined sales tax mitigation program established under chapter 82.14 RCW, the department must analyze if and when expected revenue gains from the provisions of sections 201 through 213 of House Bill No. 2163 will be equal to or exceed revenue losses to local taxing districts, as measured under the streamlined sales tax mitigation system from the switch to destination sourcing of sales tax. The analysis must include a comprehensive review of tax, wage, census, and economic data. The review must consider online sales tax and streamlined sales tax mitigation trends for areas with rich concentrations of warehousing distribution and manufacturing centers. The department must provide a report and recommendations to the governor and appropriate committees of the legislature by November 1, 2018. If House Bill No. 2163 (revenue) is not enacted by July 31, 2017, this subsection is void.

~~((4))~~ (3) \$8,028,000 of the general fund-state appropriation for fiscal year 2018 and \$6,304,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of House Bill No. 2163 (revenue). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(4) \$228,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2396 (child care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(5) \$1,250,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of House Bill No. 2967 (capital gains tax/property tax). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(6) \$1,745,000 of the general fund-state appropriation for fiscal year 2018 and \$2,019,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 209, Laws of 2017 (EHB 2005).

(7) \$72,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2718 (civil forfeiture proceedings). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 137. 2017 3rd sp.s. c 1 s 137 (uncodified) is amended to read as follows:

FOR THE BOARD OF TAX APPEALS

General Fund-State Appropriation (FY 2018)	(\$1,409,000)	
		\$1,387,000
General Fund-State Appropriation (FY 2019)	(\$1,438,000)	
		\$1,625,000

Pension Funding Stabilization Account-State

Appropriation.....	\$162,000	
TOTAL APPROPRIATION.....	\$2,847,000	\$3,174,000

The appropriations in this subsection are subject to the following conditions and limitations: \$80,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the board of tax appeals to contract for or temporarily hire a tax referee to help resolve filed appeals.

Sec. 138. 2017 3rd sp.s. c 1 s 139 (uncodified) is amended to read as follows:

FOR THE INSURANCE COMMISSIONER

General	Fund-Federal	
Appropriation	\$4,615,000	
Insurance Commissioners Regulatory Account-State		
Appropriation.....	(\$59,548,000)	
		\$60,524,000
TOTAL APPROPRIATION.....	\$64,163,000	\$65,139,000

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

(1) \$48,000 of the insurance commissioners regulatory account-state appropriation is provided solely for implementation of chapter 103, Laws of 2017 (EHB 1450) (title insurance rating orgs.).

(2) \$12,000 of the insurance commissioners regulatory account-state appropriation is provided solely for implementation of chapter 49, Laws of 2017 (SHB 1027) (surplus line broker licenses).

Sec. 139. 2017 3rd sp.s. c 1 s 140 (uncodified) is amended to read as follows:

FOR THE STATE INVESTMENT BOARD

State Investment Board Expense Account-State		
Appropriation.....	(\$48,916,000)	
		\$48,908,000

Sec. 140. 2017 3rd sp.s. c 1 s 141 (uncodified) is amended to read as follows:

FOR THE LIQUOR AND CANNABIS BOARD

Dedicated Marijuana Fund-State Appropriation		
(FY 2018)	(\$10,400,000)	
		\$10,382,000

Dedicated Marijuana Fund-State Appropriation		
(FY 2019)	(\$9,596,000)	
		\$10,620,000

Liquor Revolving Account-State Appropriation.....	(\$69,578,000)	
		\$69,420,000

General	Fund-Federal	
Appropriation.....	\$2,912,000	

General Fund-State Appropriation (FY 2018)	(\$372,000)	
		\$334,000

General Fund-State Appropriation (FY 2019)	(\$393,000)	
		\$353,000

General	Fund-Private/Local	
Appropriation.....	\$50,000	

Pension Funding Stabilization Account—
State

Appropriation.....\$78,000
TOTAL APPROPRIATION.....~~\$93,301,000~~
\$94,149,000

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

(1) \$11,000 of the liquor revolving account—state appropriation is provided solely for the implementation of chapter 96, Laws of 2017 (E2SHB 1351) (sale of spirits, beer and wine).

(2) The liquor and cannabis board may require electronic payment of the marijuana excise tax levied by RCW 69.50.535. The liquor and cannabis board may allow a waiver to the electronic payment requirement for good cause as provided by rule.

(3) \$1,420,000 of the dedicated marijuana account—state appropriation for fiscal year 2018 and \$885,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 are provided solely for the marijuana traceability system used to track the production, processing, and retail sale of each marijuana product as it moves through the regulated recreational and medical marketplace. The board may accept a proposal for a traceability system that is less than the amounts appropriated within this section if the proposal meets the board's requirements. The traceability system is subject to the conditions, limitations, and review provided in section 724 (~~of this act~~), chapter 1, Laws of 2017 3rd sp. sess.

(4) \$93,000 of the general fund—state appropriation for fiscal year 2018 and \$70,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to implement and enforce vapor products licensing, packaging, and sales regulations pursuant to chapter 38, Laws of 2016 (ESSB 6328).

(5) Within existing resources, the state liquor and cannabis board shall establish a way by which any inspection or approval of a marijuana processor's professional closed loop systems, equipment, extraction operation, and facilities, may be performed by a qualified person or entity other than a local fire code official, in the event that a local fire code official does not perform such an inspection or approval as

required by state liquor and cannabis board rule.

(6) Within the amounts appropriated within this section, the board shall, in consultation with the department of revenue, study the benefits and costs of restructuring the distillery licensing and fee structure as proposed in House Bill No. 2609 (distilled spirits production), including benefits resulting from the increased use of Washington-grown materials in spirits production in the state. As part of the study, the board shall convene meetings in at least three locations in the state at which stakeholders and the public have an opportunity to provide input on the proposal. The board shall submit a report to the appropriate committees of the legislature by December 1, 2018, reporting the study's findings and, if the board deems appropriate, any recommendations.

(7) (a) Within amounts appropriated in this section, the state liquor and cannabis board shall conduct a study regarding the development and implementation of a system for the home delivery of medical marijuana products to qualifying medical marijuana patients by licensed medical marijuana retailers. The board shall examine the legal and regulatory issues to be addressed in order to provide safe home delivery and to ensure effective monitoring of the delivery process to minimize the likelihood of illicit activity.

(b) The board shall consult with the department of health, industry representatives, local government officials, law enforcement officials, and any other person or entity deemed necessary to complete the study.

(c) In the course of the study, the board shall consider the following:

(i) Eligibility requirements for marijuana retailers applying for a medical marijuana delivery endorsement;

(ii) Verification procedures regarding age, identity, and registration in the medical marijuana authorization database with respect to the medical marijuana patient receiving delivery;

(iii) Qualifications for, and the training of, persons delivering medical marijuana products on behalf of the medical marijuana retailer;

(iv) Methods of ordering and payment;

(v) Maintaining the integrity of the marijuana traceability system during the course of the delivery process;

(vi) Safe and secure transportation of marijuana products from the retailer to the purchaser, including delivery vehicle requirements;

(vii) Methods of ensuring that a retailer's delivery employees and delivery system are in compliance with regulatory requirements;

(viii) Medical marijuana deliveries by retailers operating out of Indian country; and

(ix) Civil penalties and administrative actions for regulatory violations by a retailer holding a medical marijuana delivery endorsement.

(d) By December 1, 2018, the board must report to the legislature and the appropriate committees its findings and recommendations regarding the implementation of a medical marijuana home delivery system.

Sec. 141. 2017 3rd sp.s. c 1 s 142 (uncodified) is amended to read as follows:

FOR THE UTILITIES AND TRANSPORTATION COMMISSION

General	Fund-Private/Local	
Appropriation	\$16,464,000	
Public Service Revolving Account-State		
Appropriation.....	(((\$40,248,000))	
		\$40,240,000
Pipeline Safety	Account-State	
Appropriation	(((\$3,412,000))	
		\$3,411,000
Pipeline Safety	Account-Federal	
Appropriation	\$3,072,000	
TOTAL APPROPRIATION.....	\$63,196,000	
		\$63,187,000

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

(1) By December 31, 2017, the commission shall report findings and recommendations to the energy committees of the legislature on best practices and policies for electric utilities to develop distributed energy resource plans, applying the traditional utility

regulatory principles of fairness, efficiency, reliability, and revenue stability. The report must address: A review of policies and practices for distributed energy resource planning in other states, an inventory of current utility distribution planning practices and capabilities in Washington, and recommendations for using distributed energy resource planning to inform utility integrated resource plans.

(2) \$2,093,000 of the public service revolving account-state appropriation is provided solely for the commission to cover the costs of moving its offices to a new location, in cooperation with the department of enterprise services.

(3) Up to \$800,000 of the public service revolving account-state appropriation in this section is for the utilities and transportation commission to supplement funds committed by a telecommunications company to expand rural broadband service on behalf of an eligible governmental entity. The amount in this subsection represents payments collected by the utilities and transportation commission pursuant to the Qwest performance assurance plan.

Sec. 142. 2017 3rd sp.s. c 1 s 143 (uncodified) is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General	Fund-State	Appropriation (FY 2018).....	(((\$7,676,000))	
				\$7,015,000
General	Fund-State	Appropriation (FY 2019).....	(((\$7,910,000))	
				\$8,828,000
General	Fund-Federal	Appropriation.....	(((\$118,521,000))	
				\$117,248,000
Enhanced	911	Account-State	Appropriation.....	(((\$51,857,000))
				\$53,470,000
Disaster	Response	Account-State	Appropriation.....	(((\$29,433,000))
				\$42,249,000
Disaster	Response	Account-Federal	Appropriation.....	(((\$81,560,000))
				\$118,587,000
Military Department	Rent and Lease	Account-State		

Appropriation.....\$615,000
 Worker and Community Right-to-Know
 Account-State
 Appropriation.....\$2,339,000
 Oil Spill Prevention Account-State
 Appropriation\$1,028,000
Pension Funding Stabilization Account-
State
 Appropriation.....\$1,243,000
 TOTAL APPROPRIATION.....~~\$300,939,000~~
 \$352,622,000

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

(1) The military department shall submit a report to the office of financial management and the legislative fiscal committees on October 1st and February 1st of each year detailing information on the disaster response account, including: (a) The amount and type of deposits into the account; (b) the current available fund balance as of the reporting date; and (c) the projected fund balance at the end of the 2017-2019 biennium based on current revenue and expenditure patterns.

(2) \$40,000,000 of the general fund-federal appropriation is provided solely for homeland security, subject to the following conditions: Any communications equipment purchased by local jurisdictions or state agencies shall be consistent with standards set by the Washington state interoperability executive committee.

(3) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the conditional scholarship program pursuant to chapter 28B.103 RCW.

(4) (~~(\$5,389,000)~~) \$1,582,000 of the general fund-state appropriation for fiscal year 2019 and \$8,007,000 of the enhanced 911 account-state appropriation (~~(is)~~) are provided solely for transitioning to an internet protocol based next generation 911 network and increased network costs during the transition and hardware required for the new system. The department's activities and procurement is a major information technology project subject to oversight

and review by the office of the chief information officer.

(5) \$11,000,000 of the enhanced 911 account-state appropriation is provided solely for financial assistance to counties.

(6) \$2,000,000 of the enhanced 911 account-state appropriation is provided solely for one-time grants to small and medium-sized, rural counties for replacement of equipment necessary to maintain 911 service after the state's transition to a next generation 911 system, including reimbursement of replacement and upgrades that have already been made.

(7) \$784,000 of the disaster response account-state appropriation is provided solely for fire suppression training (~~(and)~~), equipment, and supporting costs to national guard soldiers and airmen.

(8) \$38,000 of the enhanced 911 account-state appropriation is provided solely for implementation of chapter 295, Laws of 2017 (SHB 1258) (first responders/disability).

(9) \$372,000 of the disaster response account-state appropriation is provided solely for implementation of chapter 312, Laws of 2017 (SSB 5046) (language of public notices).

(10) Appropriations provided to the department are sufficient to fund the administrative costs associated with implementation of chapter 173, Laws of 2017 (E2SHB 1802) (veterans/shared leave access).

(11) (~~(\$951,000)~~) \$421,000 of the disaster response account-state appropriation is provided solely to Okanogan and Ferry counties to continue to address deficiencies within their communications infrastructure for 911 dispatch. Funding will be used to replace failing radio dispatching hardware within 911 dispatch centers; build interoperable communications between each county's dispatch center such that each can serve as a back-up to the other; and build upon the existing wireless microwave network for 911 calls, dispatch centers, and first responder radio operations.

Sec. 143. 2017 3rd sp.s. c 1 s 144 (uncodified) is amended to read as follows:

FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund-State Appropriation (FY 2018) (~~(\$2,076,000)~~)
\$1,960,000

General Fund-State Appropriation (FY 2019) (~~(\$2,251,000)~~)
\$2,137,000

Higher Education Personnel Services Account-State
 Appropriation..... \$1,327,000

Personnel Service Account-State Appropriation \$4,032,000

Pension Funding Stabilization Account-State
Appropriation..... \$228,000

TOTAL APPROPRIATION..... ~~\$9,686,000~~
\$9,684,000

Sec. 144. 2017 3rd sp.s. c 1 s 145 (uncodified) is amended to read as follows:

FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account-State
 Appropriation..... (~~(\$2,907,000)~~)
\$3,244,000

Sec. 145. 2017 3rd sp.s. c 1 s 147 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

General Fund-State Appropriation (FY 2018) (~~(\$4,368,000)~~)
\$4,364,000

General Fund-State Appropriation (FY 2019) (~~(\$4,405,000)~~)
\$4,381,000

General Fund-Private/Local Appropriation \$102,000

Building Code Council Account-State Appropriation (~~(\$1,056,000)~~)
\$1,481,000

TOTAL APPROPRIATION..... ~~\$9,931,000~~
\$10,328,000

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

(1) (~~(\$4,031,000)~~) \$3,994,000 of the general fund-state appropriation for

fiscal year 2018 and (~~(\$4,082,000)~~) \$3,974,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, legislative support services, joint legislative systems committee, and office of support services. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

(2) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal years 2018 and 2019 as necessary to meet the actual costs of conducting business.

(3) Before any agency may purchase a passenger motor vehicle as defined in RCW 43.19.560, the agency must have written approval from the director of the department of enterprise services. Agencies that are exempted from the requirement are the Washington state patrol, Washington state department of transportation, and the department of natural resources.

(4) From the fee charged to master contract vendors, the department shall transfer to the office of minority and women's business enterprises in equal monthly installments \$1,500,000 in fiscal year 2018 and \$1,300,000 in fiscal year 2019.

(5) The risk management system project funded through the risk management administration account created in RCW 4.92.220 is subject to the conditions, limitations, and review provided in section 724 of this act.

(6)(a) During the 2017-2019 fiscal biennium, the department must revise its master contracts with vendors, including cooperative purchasing agreements under

RCW 39.26.060, to include a provision to require that each vendor agrees to equality among its workers by ensuring similarly employed individuals are compensated as equals as follows:

(i) Employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;

(ii) Vendors may allow differentials in compensation for its workers based in good faith on any of the following:

(A) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.

(B) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience, that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.

(C) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

(b) The provision must allow for the termination of the contract if the public entity using the contract or agreement of the department of enterprise services determines that the vendor is not in compliance with this agreement or contract term.

(c) The department must implement this provision with any new contract and at the time of renewal of any existing contract.

(d) Any cost for the implementation of this section must be recouped from the fees charged to master contract vendors.

(7) \$349,000 of the general fund-state appropriation is provided solely for the state building code council.

Sec. 146. 2017 3rd sp.s. c 1 s 149 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

General Fund-State Appropriation (FY 2018).....(~~\$1,607,000~~)

\$1,570,000

General Fund-State Appropriation (FY 2019).....(~~\$1,633,000~~)

\$1,643,000

General Fund-Federal Appropriation.....\$2,228,000

General Fund-Private/Local Appropriation.....\$264,000

Pension Funding Stabilization Account-State

Appropriation.....\$136,000

TOTAL APPROPRIATION.....\$5,732,000

\$5,841,000

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

(1) \$103,000 of the general fund-state appropriation for fiscal year 2018 and \$103,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for archaeological determinations and excavations of inadvertently discovered skeletal human remains, and removal and reinterment of such remains when necessary.

(2) \$80,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department of archaeology and historic preservation to collaborate with the department of commerce to facilitate a capital needs assessment study of public libraries in distressed counties as defined by RCW 43.168.020(3). The study must assess library facility backlogs and the local funding capacity for both nonhistoric libraries and libraries on local, state, or national historic registries.

Sec. 147. 2017 3rd sp.s. c 1 s 150 (uncodified) is amended to read as follows:

FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY

General Fund-State Appropriation (FY 2018).....\$187,000

General Fund-State Appropriation (FY 2019).....\$188,000

Consolidated Technology Services Revolving	Account-State	Appropriation ((\$19,136,000))
		<u>\$18,578,000</u>
TOTAL APPROPRIATION.....		<u>\$19,511,000</u>
		<u>\$18,953,000</u>

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

(1) \$7,263,000 of the consolidated technology services revolving account-state appropriation is for the office of the chief information officer.

(2) (~~\$9,443,000~~) \$10,668,000 of the consolidated technology services revolving account-state appropriation is for the office of cyber security.

(3) The consolidated technology services agency shall work with customer agencies using the Washington state electronic records vault (WASERV) to identify opportunities to:

(a) Reduce storage volumes and costs associated with vault records stored beyond the agencies' record retention schedules; and

(b) Assess a customized service charge as defined in chapter 304, Laws of 2017 for costs of using WASERV to prepare data compilations in response to public records requests.

(4) The consolidated technology services agency shall provide desktop support services without charging a per device fee to the following agencies: The governor's office of Indian affairs, the commission on Asian Pacific American affairs, the citizen's commission on salaries for elected officials, the commission on Hispanic affairs, and the commission on African-American affairs. The consolidated technology services agency must not withhold or reduce desktop support services provided to small agencies that had been receiving desktop support services and had not previously received appropriations provided specifically for the purpose of reimbursing the consolidated technology services agency for those services.

(5) In conjunction with the office of the chief information officer's prioritization of proposed information technology expenditures, agency budget requests for proposed information

technology expenditures shall include the following: The agency's priority ranking of each information technology request; the estimated cost for the current biennium; the estimated total cost of the request over all biennia; and the expected timeline to complete the request. The office of the chief information officer and the office of financial management may request agencies to include additional information on proposed information technology expenditure requests.

(6) The consolidated technology services agency must not increase fees charged for existing services without prior approval by the office of financial management. The agency may develop fees to recover the actual cost of new infrastructure to support increased use of cloud technologies.

(7) \$500,000 of the consolidated technology services revolving account-state appropriation is provided solely for the agency, in collaboration with the office of financial management, to conduct a zero-based budget review of the agency's services. Information and analysis submitted by the department for the zero-based review under this subsection shall include:

(a) A statement of the statutory basis or other basis for the creation of each program or service and the history of each program or service that is being reviewed;

(b) A description of how each program or service fits within the strategic plan and goals of the agency and an analysis of the quantified objectives of each program or service within the agency;

(c) Any available performance measures indicating the effectiveness and efficiency of each program or service;

(d) A description with supporting cost and staffing data of each program or service and the populations served by each program or service, and the level of funding and staff required to accomplish the goals of the program or service if different than the actual maintenance level;

(e) An analysis of the major costs and benefits of operating each program or service and the rationale for specific expenditure and staffing levels;

(f) An analysis estimating each program's or service's administrative and other overhead costs;

(g) An analysis of the levels of services provided;

(h) An analysis estimating the amount of funds or benefits that actually reach the intended recipients; and

(i) An analysis and recommendations for alternative service delivery models that would save money or improve service quality.

~~((9))~~ (8) Within existing resources, the agency must provide oversight of state procurement and contracting for information technology goods and services by the department of enterprise services.

(9) Within existing resources, the agency must host, administer, and support the state employee directory in an online format to provide public employee contact information.

PART II

HUMAN SERVICES

Sec. 201. 2017 3rd sp.s. c 1 s 201 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

(1) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

(2) The department of social and health services shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated

in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(3) The legislature finds that medicaid payment rates, as calculated by the department pursuant to the appropriations in this act, bear a reasonable relationship to the costs incurred by efficiently and economically operated facilities for providing quality services and will be sufficient to enlist enough providers so that care and services are available to the extent that such care and services are available to the general population in the geographic area. The legislature finds that cost reports, payment data from the federal government, historical utilization, economic data, and clinical input constitute reliable data upon which to determine the payment rates.

(4) The department shall to the maximum extent practicable use the same system for delivery of spoken-language interpreter services for social services appointments as the one established for medical appointments in the health care authority. When contracting directly with an individual to deliver spoken language interpreter services, the department shall only contract with language access providers who are working at a location in the state and who are state-certified or state-authorized, except that when such a provider is not available, the department may use a language access provider who meets other certifications or standards deemed to meet state standards, including interpreters in other states.

(5) Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management, and authorization systems within the department of social and health services

are subject to technical oversight by the office of the chief information officer.

(6) (a) The department shall facilitate enrollment under the medicaid expansion for clients applying for or receiving state funded services from the department and its contractors. Prior to open enrollment, the department shall coordinate with the health care authority to provide referrals to the Washington health benefit exchange for clients that will be ineligible for medicaid.

(b) To facilitate a single point of entry across public and medical assistance programs, and to maximize the use of federal funding, the health care authority, the department of social and health services, and the health benefit exchange will coordinate efforts to expand HealthPlanfinder access to public assistance and medical eligibility staff. The department shall complete medicaid applications in the HealthPlanfinder for households receiving or applying for public assistance benefits.

(7) In accordance with RCW 71.24.380, the health care authority and the department are authorized to purchase medical and behavioral health services through integrated contracts upon request of all of the county authorities in a regional service area to become an early adopter of fully integrated purchasing of medical and behavioral health services. The department may combine and transfer such amounts appropriated under sections 204, 208, and 213 of this act as may be necessary to fund early adopter contracts. The amount of medicaid funding transferred from each program may not exceed the average per capita cost assumed in this act for individuals covered by that program, actuarially adjusted for the health condition of persons enrolled, times the number of clients enrolled. The amount of non-medicaid funding transferred from sections 204 and 208 may not exceed the amount that would have been contracted with a behavioral health organization if the county authorities had not requested to become an early adopter of fully integrated purchasing. These limits do not apply to the amounts provided in section 204(1)(s) of this act. If any funding that this act provides solely for a specific purpose is transferred under this subsection, that funding must be used consistently with the provisions and conditions for which it was provided.

(8) In accordance with RCW 71.24.380, the department is authorized to purchase mental health and substance use disorder services through integrated contracts with behavioral health organizations. The department may combine and transfer such amounts appropriated under sections 204 and 208 of this act as may be necessary to finance these behavioral health organization contracts. If any funding that this act provides solely for a specific purpose is transferred under this subsection, that funding must be used consistently with the provisions and conditions for which it was provided.

(9) (a) The appropriations to the department of social and health services in this act must be expended for the programs and in the amounts specified in this act. However, after May 1, 2018, unless prohibited by this act, the department may transfer general fund-state appropriations for fiscal year 2018 among programs and subprograms after approval by the director of the office of financial management. However, the department may not transfer state appropriations that are provided solely for a specified purpose except as expressly provided in (b) through (d) of this subsection.

(b) To the extent that transfers under (a) of this subsection are insufficient to fund actual expenditures in excess of fiscal year 2018 caseload forecasts and utilization assumptions in the long-term care, developmental disabilities, foster care, adoption support, and public assistance programs, the department may transfer state appropriations that are provided solely for a specified purpose.

(c) Within the mental health program, the department may transfer appropriations that are provided solely for a specified purpose within and between subprograms as needed to fund actual expenditures through the end of fiscal year 2018.

(d) Within the developmental disabilities program, the department may transfer appropriations that are provided solely for a specified purpose within and between subprograms as needed to fund actual expenditures through the end of fiscal year 2018.

(e) The department may not transfer appropriations, and the director of the office of financial management may not approve the transfer, unless the transfer is consistent with the objective of

conserving, to the maximum extent possible, the expenditure of state funds. The director of the office of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

Sec. 202. 2017 3rd sp.s. c 1 s 202 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—CHILDREN AND FAMILY SERVICES PROGRAM

General Fund—State Appropriation (FY 2018)	(\$348,992,000)	
		\$346,043,000
General Fund—Federal Appropriation	(\$265,365,000)	
		\$279,194,000
General Fund—Private/Local Appropriation	\$1,477,000	
Domestic Violence Prevention Account—State Appropriation.....	\$1,002,000	
Pension Funding Stabilization Account—State Appropriation.....	\$9,132,000	
TOTAL APPROPRIATION.....	\$616,836,000	
		\$636,848,000

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

(1) \$748,000 of the general fund—state appropriation for fiscal year 2018 is provided solely to contract for the operation of one pediatric interim care center. The center shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the center must be in need of special care as a result of substance abuse by their mothers. The center shall also provide on-site training to biological, adoptive, or foster parents. The center shall provide at least three months of consultation and support to the

parents accepting placement of children from the center. The center may recruit new and current foster and adoptive parents for infants served by the center. The department shall not require case management as a condition of the contract.

(2) \$253,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the costs of hub home foster families that provide a foster care delivery model that includes a licensed hub home. Use of the hub home model is intended to support foster parent retention, improve child outcomes, and encourage the least restrictive community placements for children in out-of-home care.

(3) \$579,000 of the general fund—state appropriation for fiscal year 2018 and \$55,000 of the general fund—federal appropriation are provided solely for a receiving care center east of the Cascade mountains.

(4) \$990,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for services provided through children's advocacy centers.

(5) \$1,351,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for implementation of performance-based contracts for family support and related services pursuant to RCW 74.13B.020.

(6) \$9,474,000 of the general fund—state appropriation for fiscal year 2018 and \$6,022,000 of the general fund—federal appropriation are provided solely for family assessment response.

(7) \$94,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for a contract with a child advocacy center in Spokane to provide continuum of care services for children who have experienced abuse or neglect and their families.

(8) \$1,874,000 of the general fund—state appropriation for fiscal year 2018 and \$560,000 of the general fund—federal appropriation are provided solely for the children's administration to reduce the caseload ratios of social workers serving children in foster care to promote decreased lengths of stay and to make progress towards achievement of the Braam settlement caseload outcome.

(9) (a) \$539,000 of the general fund—state appropriation for fiscal year 2018,

\$328,000 of the general fund private/local appropriation, and \$126,000 of the general fund-federal appropriation are provided solely for a contract with an educational advocacy provider with expertise in foster care educational outreach. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems and to assure a focus on education during the department's transition to performance-based contracts. Funding must be prioritized to regions with high numbers of foster care youth, or regions where backlogs of youth that have formerly requested educational outreach services exist. The children's administration is encouraged to use private matching funds to maintain educational advocacy services.

(b) The children's administration shall contract with the office of the superintendent of public instruction, which in turn shall contract with a nongovernmental entity or entities to provide educational advocacy services pursuant to RCW 28A.300.590.

(10) The children's administration shall continue to implement policies to reduce the percentage of parents requiring supervised visitation, including clarification of the threshold for transition from supervised to unsupervised visitation prior to reunification.

(11) \$111,000 of the general fund-state appropriation for fiscal year 2018 and \$26,000 of the general fund-federal appropriation are provided solely for a base rate increase for licensed family child care providers. In addition, \$45,000 of the general fund-state appropriation for fiscal year 2018 and \$11,000 of the general fund-federal appropriation are provided solely for increasing paid professional days from three days to five days for licensed family child care providers. Amounts in this subsection are provided solely for the 2017-2019 collective bargaining agreement covering family child care providers as set forth in section 940 of this act. Amounts provided in this section are contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this subsection shall lapse.

(12) \$159,000 of the general fund-state appropriation for fiscal year 2018 and \$65,000 of the general fund-federal appropriation are provided solely to implement chapter 265, Laws of 2017 (SHB 1867) (extended foster care).

(13) \$100,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for a contract with a national nonprofit organization to, in partnership with private matching funds, subcontract with a community organization for specialized, enhanced adoption placement services for legally free children in state custody. The contract must supplement, but not supplant, the work of the children's administration to secure permanent adoptive homes for children.

(14) \$375,000 of the general fund-state appropriation for fiscal year 2018 and \$56,000 of the general fund-federal appropriation are provided solely for the children's administration to develop, implement, and expand strategies to improve the capacity, reliability, and effectiveness of contracted visitation services for children in temporary out-of-home care and their parents and siblings. Strategies may include, but are not limited to, increasing mileage reimbursement for providers, offering transportation-only contract options, and mechanisms to reduce the level of parent-child supervision when doing so is in the best interest of the child. The children's administration must submit an analysis of the strategies and associated outcomes no later than October 1, 2018.

(15) \$63,000 of the general fund-state appropriation for fiscal year 2018 and \$19,000 of the general fund-federal appropriation are provided solely for implementation of Engrossed Second Substitute House Bill No. 1661 (child, youth, families/department). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(16) The children's administration is encouraged to control exceptional reimbursement decisions so that the child's needs are met without excessive costs.

(17) \$839,000 of the general fund-state appropriation for fiscal year 2018 and \$160,000 of the general fund-federal appropriation are provided solely for a six percent base rate increase for child

care center providers, effective September 1, 2017.

(18) \$1,230,000 of the general fund-state appropriation for fiscal year 2018 and \$78,000 of the general fund-federal appropriation are provided solely to increase the travel reimbursement for in-home service providers.

(19) \$160,000 of the general fund-state appropriation for fiscal year 2018 and \$3,000 of the general fund-federal appropriation are provided solely to implement chapter 207, Laws of 2017 (E2SHB 1819) (paperwork requirements).

(20) \$25,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for an entity in Yakima county to provide advocacy and support services to children in foster care.

(21) \$203,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the department to conduct biennial inspections and certifications of facilities, both overnight and day shelters, that serve those who are under 18 years of age and are homeless.

(22) \$863,000 of the general fund-state appropriation for fiscal year 2018 and \$573,000 of the general fund-federal appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 5890 (foster care and adoption). Within the amounts provided in this subsection, \$366,000 of the general fund-state appropriation for fiscal year 2018 and \$174,000 of the general fund-federal appropriation are provided solely for short-term care for licensed foster families. If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

Sec. 203. 2017 3rd sp.s. c 1 s 203 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—JUVENILE REHABILITATION PROGRAM

General Fund-State Appropriation (FY 2018) ((~~\$95,885,000~~))
\$91,281,000

General Fund-State Appropriation (FY 2019) ((~~\$97,123,000~~))
\$94,061,000

General Fund-Federal Appropriation \$3,464,000

General	Fund-Private/Local
Appropriation.....	\$1,985,000
Washington Auto Theft Prevention Authority Account-	
State Appropriation.....	\$196,000
<u>Pension Funding Stabilization Account-State</u>	
<u>Appropriation.....</u>	<u>\$8,721,000</u>
TOTAL APPROPRIATION.....	\$198,653,000
	<u>\$199,708,000</u>

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

(1) \$331,000 of the general fund-state appropriation for fiscal year 2018 and \$331,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) \$2,841,000 of the general fund-state appropriation for fiscal year 2018 and \$2,841,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for grants to county juvenile courts for the following juvenile justice programs identified by the Washington state institute for public policy (institute) in its report: "Inventory of Evidence-based, Research-based, and Promising Practices for Prevention and Intervention Services for Children and Juveniles in the Child Welfare, Juvenile Justice, and Mental Health Systems." Additional funding for this purpose is provided through an interagency agreement with the health care authority. County juvenile courts shall apply to the juvenile rehabilitation administration for funding for program-specific participation and the administration shall provide grants to the courts consistent with the per-participant treatment costs identified by the institute.

(3) \$1,537,000 of the general fund-state appropriation for fiscal year 2018

and \$1,537,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for expansion of the following juvenile justice treatments and therapies in juvenile rehabilitation administration programs identified by the Washington state institute for public policy in its report: "Inventory of Evidence-based, Research-based, and Promising Practices for Prevention and Intervention Services for Children and Juveniles in the Child Welfare, Juvenile Justice, and Mental Health Systems." The administration may concentrate delivery of these treatments and therapies at a limited number of programs to deliver the treatments in a cost-effective manner.

(4) (a) \$6,198,000 of the general fund-state appropriation for fiscal year 2018 and \$6,198,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to implement evidence- and research-based programs through community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants. In addition to funding provided in this subsection, funding to implement alcohol and substance abuse treatment programs for locally committed offenders is provided through an interagency agreement with the health care authority.

(b) The juvenile rehabilitation administration shall administer a block grant to county juvenile courts for the purpose of serving youth as defined in RCW 13.40.510(4)(a) in the county juvenile justice system. Funds dedicated to the block grant include: Consolidated juvenile service (CJS) funds, community juvenile accountability act (CJAA) grants, chemical dependency/mental health disposition alternative (CDDA), and suspended disposition alternative (SDA). The juvenile rehabilitation administration shall follow the following formula and must prioritize evidence-based programs and disposition alternatives and take into account juvenile courts program-eligible youth in conjunction with the number of youth served in each approved evidence-based program or disposition alternative: (i) Thirty-seven and one-half percent for the at-risk population of youth ten to seventeen years old; (ii) fifteen percent for the assessment of low, moderate, and high-risk youth; (iii) twenty-five percent for evidence-based program participation; (iv) seventeen and one-half percent for minority populations; (v) three percent for the chemical

dependency and mental health disposition alternative; and (vi) two percent for the suspended dispositional alternatives. Funding for the special sex offender disposition alternative (SSODA) shall not be included in the block grant, but allocated on the average daily population in juvenile courts. Funding for the evidence-based expansion grants shall be excluded from the block grant formula. Funds may be used for promising practices when approved by the juvenile rehabilitation administration and juvenile courts, through the community juvenile accountability act committee, based on the criteria established in consultation with Washington state institute for public policy and the juvenile courts.

(c) If Second Substitute House Bill No. 1280 (referred and diverted youth) is enacted, then the administration must implement a stop-loss policy when allocating funding under (b) of this subsection in the 2017-2019 fiscal biennium. Under the stop-loss policy, funding formula changes may not result in a funding loss for any juvenile court of more than two percent from one year to the next. The committee in (d) of this subsection must establish a minimum base level of funding for juvenile courts with lower numbers of at-risk youth age 10 - 17. The administration must report to the legislature by December 1, (~~2018~~) 2019, about how funding is used for referred youth and the impact of that use on overall use of funding. If the bill is not enacted by July 31, (~~2017~~) 2018, this subsection is null and void.

(d) The juvenile rehabilitation administration and the juvenile courts shall establish a block grant funding formula oversight committee with equal representation from the juvenile rehabilitation administration and the juvenile courts. The purpose of this committee is to assess the ongoing implementation of the block grant funding formula, utilizing data-driven decision making and the most current available information. The committee will be co-chaired by the juvenile rehabilitation administration and the juvenile courts, who will also have the ability to change members of the committee as needed to achieve its purpose. The committee may make changes to the formula categories in (b) of this subsection if it determines the changes will increase statewide service delivery or effectiveness of evidence-based program or disposition

alternative resulting in increased cost/benefit savings to the state, including long-term cost/benefit savings. The committee must also consider these outcomes in determining when evidence-based expansion or special sex offender disposition alternative funds should be included in the block grant or left separate.

(e) The juvenile courts and administrative office of the courts must collect and distribute information and provide access to the data systems to the juvenile rehabilitation administration and the Washington state institute for public policy related to program and outcome data. The juvenile rehabilitation administration and the juvenile courts must work collaboratively to develop program outcomes that reinforce the greatest cost/benefit to the state in the implementation of evidence-based practices and disposition alternatives.

(5) \$98,000 of the general fund-state appropriation for fiscal year 2018 and \$98,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to the juvenile block grant funding formula oversight committee described in subsection (4) (d) of this section to contract with research entities to: (a) Assist juvenile justice programs identified as promising practices or research-based in undergoing the research necessary to demonstrate that the program is evidence-based; and (b) establish an annual, county-level evaluation of existing evidence-based juvenile justice programs.

(6) \$557,000 of the general fund-state appropriation for fiscal year 2018 and \$557,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for funding of the teamchild project.

(7) \$283,000 of the general fund-state appropriation for fiscal year 2018 and \$283,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the juvenile detention alternatives initiative.

(8) \$500,000 of the general fund-state appropriation for fiscal year 2018 and \$500,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a grant program focused on criminal street gang prevention and intervention. The

juvenile rehabilitation administration may award grants under this subsection. The juvenile rehabilitation administration shall give priority to applicants who have demonstrated the greatest problems with criminal street gangs. Applicants composed of, at a minimum, one or more local governmental entities and one or more nonprofit, nongovernmental organizations that have a documented history of creating and administering effective criminal street gang prevention and intervention programs may apply for funding under this subsection. Each entity receiving funds must report to the juvenile rehabilitation administration on the number and types of youth served, the services provided, and the impact of those services on the youth and the community.

(9) The juvenile rehabilitation institutions may use funding appropriated in this subsection to purchase goods ~~((and))~~, supplies, and services through hospital group purchasing organizations when it is cost-effective to do so.

(10) \$75,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the department to coordinate the examination of data associated with juvenile gang and firearm offenses. The review of data must include information from the administrative office of the courts, the office of the superintendent of public instruction, the office of financial management-education research data center, the Washington association of sheriffs and police chiefs, the caseload forecast council, and the department of corrections. For the purpose of carrying out the data review, named organizations are authorized to share data to include details of criminal arrest and conviction data. The department shall report to the governor and the appropriate legislative committees by February 1, 2018, with any recommendations for public policy that increases public safety.

(11) \$71,000 of the general fund-state appropriation for fiscal year 2018 and \$212,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for housing services to clients releasing from incarceration into the community.

(12) \$75,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of

Substitute House Bill No. 2907 (juvenile rehabilitation confinement). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 204. 2017 3rd sp.s. c 1 s 204 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH PROGRAM

(1) COMMUNITY SERVICES/BEHAVIORAL HEALTH ORGANIZATIONS

General Fund—State Appropriation (FY 2018) (~~(\$391,457,000)~~)

\$381,760,000

(~~General Fund—State Appropriation (FY 2019) (\$409,108,000)~~)

General Fund—Federal Appropriation (~~(\$1,021,705,000)~~)

\$481,439,000

General Fund—Private/Local Appropriation (~~(\$17,864,000)~~)

\$8,932,000

Dedicated Marijuana Account—State Appropriation

(FY 2018)..... \$3,684,000

(~~Dedicated Marijuana Account—State Appropriation~~

~~(FY 2019)..... \$3,684,000)~~)

Pension Funding Stabilization Account—State

Appropriation..... \$39,000

TOTAL APPROPRIATION.... \$1,847,592,000

\$875,854,000

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

(a) For the purposes of this subsection, amounts provided for behavioral health organizations shall also be available for the health care authority to contract with entities that assume the responsibilities of behavioral health organizations in regions in which the health care authority is purchasing medical and behavioral health services through fully integrated contracts pursuant to RCW 71.24.380.

(b) \$6,590,000 of the general fund—state appropriation for fiscal year

2018 (~~(, \$6,590,000 of the general fund—state appropriation for fiscal year 2019,)~~) and (~~(\$7,620,000)~~) \$3,810,000 of the general fund—federal appropriation are provided solely for the department and behavioral health organizations to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to behavioral health organizations with PACT teams, the department shall consider the differences between behavioral health organizations in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The department may allow behavioral health organizations which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under (~~(g)~~) (f) of this subsection. The department and behavioral health organizations shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(c) From the general fund—state appropriations in this subsection, the department shall assure that behavioral health organizations reimburse the department of social and health services aging and long term support administration for the general fund—state cost of medicaid personal care services that enrolled behavioral health organization consumers use because of their psychiatric disability.

(d) (~~(\$3,520,000)~~) \$1,760,000 of the general fund—federal appropriation is provided solely for the department to maintain a pilot project to put peer bridging staff into each behavioral health organization as part of the state psychiatric liaison teams to promote continuity of service as individuals return to their communities. The department must collect data and submit a report to the office of financial management and the appropriate committees of the legislature on the impact of peer staff on state hospital discharges and community placements by December 1, 2017.

(e) (~~(\$6,858,000 of the general fund—state appropriation for fiscal year 2019 and \$4,023,000 of the general fund—federal appropriation are provided~~

~~solely for new crisis triage or stabilization centers. The department must seek proposals from behavioral health organizations for the use of these funds based on regional priorities. Services in these facilities may include crisis stabilization and intervention, individual counseling, peer support, medication management, education, and referral assistance. The department shall monitor each center's effectiveness at lowering the rate of state psychiatric hospital admissions.~~

~~(f) \$15,862,000)~~ \$11,405,000 of the general fund-state appropriation for fiscal year 2018 is provided solely to assist behavioral health organizations with the costs of providing services to medicaid clients receiving services in psychiatric facilities classified as institutions of mental diseases. The department must distribute these amounts proportionate to the number of bed days for medicaid clients in institutions for mental diseases that were excluded from behavioral health organization fiscal year 2018 capitation rates because they exceeded the amounts allowed under federal regulations. The department must also use these amounts to directly pay for costs that are ineligible for medicaid reimbursement in institutions of mental disease facilities for American Indian and Alaska Natives who opt to receive behavioral health services on a fee for service basis. The amounts used for these individuals must be reduced from the allocation of the behavioral health organization where the individual resides. If a behavioral health organization receives more funding through this subsection than is needed to pay for the cost of their medicaid clients in institutions for mental diseases, they must use the remainder of the amounts to provide other services not covered under the medicaid program. The department must apply for a waiver from the center for medicaid and medicare services to allow for the full cost of stays in institutions of mental diseases to be included in fiscal year 2019 behavioral health organization capitation rates. The department may tailor the fiscal year 2019 waiver to specific populations for which the center for medicaid and medicare services has indicated they are likely to approve and work to further expand the waiver to other populations in fiscal year 2020. The department must submit a report on the status of the waiver to the office of

financial management and the appropriate committees of the legislature by December 1, 2017.

~~((g))~~ (f) \$81,930,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$81,930,000 of the general fund-state appropriation for fiscal year 2019 are))~~ is provided solely for persons and services not covered by the medicaid program. To the extent possible, levels of behavioral health organization spending shall be maintained in the following priority order: Crisis and commitment services; community inpatient services; and residential care services, including personal care and emergency housing assistance. These amounts must be distributed to behavioral health organizations proportionate to the fiscal year 2017 allocation of flexible nonmedicaid funds. The department must include the following language in medicaid contracts with behavioral health organizations unless they are provided formal notification from the center for medicaid and medicare services that the language will result in the loss of federal medicaid participation: "The contractor may voluntarily provide services that are in addition to those covered under the state plan, although the cost of these services cannot be included when determining payment rates unless including these costs are specifically allowed under federal law or an approved waiver."

~~((h))~~ (g) The department is authorized to continue to contract directly, rather than through contracts with behavioral health organizations for children's long-term inpatient facility services.

~~((i))~~ (h) \$1,125,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$1,125,000 of the general fund-state appropriation for fiscal year 2019 are))~~ is provided solely for the Spokane county behavioral health organization to implement services to reduce utilization and the census at eastern state hospital. Such services shall include:

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

(B) Crisis outreach and diversion services to stabilize in the community individuals in crisis who are at risk of

requiring inpatient care or jail services;

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

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

At least annually, the Spokane county behavioral health organization shall assess the effectiveness of these services in reducing utilization at eastern state hospital, identify services that are not optimally effective, and modify those services to improve their effectiveness.

~~((j))~~ (i) \$1,204,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$1,204,000 of the general fund-state appropriation for fiscal year 2019 are))~~ is provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

~~((k))~~ (j) Behavioral health organizations may use local funds to earn additional federal medicaid match, provided the locally matched rate does not exceed the upper-bound of their federally allowable rate range, and provided that the enhanced funding is used only to provide medicaid state plan or waiver services to medicaid clients. Additionally, behavioral health organizations may use a portion of the state funds allocated in accordance with (g) of this subsection to earn additional medicaid match, but only to the extent that the application of such funds to medicaid services does not diminish the level of crisis and commitment, community inpatient, residential care, and outpatient services presently available to persons not eligible for medicaid.

~~((l))~~ (k) \$2,291,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$2,291,000 of the general fund-state appropriation for fiscal year 2019 are))~~ is provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for facilitating access to programs that offer mental health services upon release from confinement. The department must collect information from the behavioral health organizations on their plan for using these funds, the numbers of individuals served, and the types of services provided and submit a

report to the office of financial management and the appropriate fiscal committees of the legislature by December 1st of each year of the biennium.

~~((m))~~ (l) Within the amounts appropriated in this section, funding is provided for the department to develop and phase in intensive mental health services for high needs youth consistent with the settlement agreement in *T.R. v. Dreyfus and Porter*.

~~((n))~~ (m) The department must establish minimum and maximum funding levels for all reserves allowed under behavioral health organization contracts and insert contract language that clearly states the requirements and limitations. The department must monitor and ensure that behavioral health organization reserves do not exceed maximum levels. The department must monitor behavioral health organization revenue and expenditure reports and must require a behavioral health organization to submit a corrective action plan on how it will spend its excess reserves within a reasonable period of time, when its reported reserves exceed maximum levels established under the contract. The department must review and approve such plans and monitor to ensure compliance. If the department determines that a behavioral health organization has failed to provide an adequate excess reserve corrective action plan or is not complying with an approved plan, the department must reduce payments to the behavioral health organization in accordance with remedial actions provisions included in the contract. These reductions in payments must continue until the department determines that the behavioral health organization has come into substantial compliance with an approved excess reserve corrective action plan.

~~((o))~~ (n) \$2,309,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$3,079,000 of the general fund-state appropriation for fiscal year 2019))~~ and ~~((and \$5,061,000))~~ \$2,169,000 of the general fund-federal appropriation are provided solely for the department to increase rates for community hospitals that provide a minimum of 200 medicaid psychiatric inpatient days. The department must increase both medicaid and nonmedicaid psychiatric per-diem reimbursement rates for these providers within these amounts. The amounts in this subsection include funding for

additional hold harmless payments resulting from the rate increase. The department shall prioritize increases for hospitals not currently paid based on provider specific costs using a similar methodology used to set rate for existing inpatient facilities and the latest available cost report information. Rate increases for providers must be set so as not to exceed the amounts provided within this subsection. The rate increase related to nonmedicaid clients must be done to maintain the provider at the same percentage as currently required under WAC 182-550-4800.

~~((p))~~ (o) \$100,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$100,000 of the general fund-state appropriation for fiscal year 2019 are))~~ is provided solely for the department to collaborate with tribal governments and develop a plan for establishing an evaluation and treatment facility that will specialize in providing care specifically to the American Indian and Alaska Native population. The plan must include options for maximizing federal participation and ~~((ensuring)), ensure that utilization will be based on medical necessity, and identify a specific geographic location where a tribal evaluation and treatment facility will be built.~~

~~((q))~~ (p) \$1,466,000 of the general fund-state appropriation for fiscal year 2018 ~~((, \$7,103,000 of the general fund-state appropriation for fiscal year 2019,))~~ and ~~((, \$9,715,000))~~ \$1,663,000 of the general fund-federal appropriation are provided solely for the department to contract with community hospitals or freestanding evaluation and treatment centers to provide up to forty-eight long-term inpatient care beds as defined in RCW 71.24.025. The department must seek proposals and contract directly for these services rather than contracting through behavioral health organizations. The department must coordinate with the department of social and health services in developing the contract requirements, selecting contractors, and establishing processes for identifying patients that will be admitted to these facilities. The department must not use any of the amounts provided under this subsection for contracts with facilities that are subject to federal funding restrictions that apply to institutions of mental diseases, unless they have received a waiver that allows for full federal participation in these facilities.

~~((r))~~ \$1,133,000 of the general fund-state appropriation for fiscal year 2019 and \$1,297,000 of the general fund-federal appropriation are provided solely to increase the number of psychiatric residential treatment beds for individuals transitioning from psychiatric inpatient settings. The department must seek proposals from behavioral health organizations for the use of these amounts and coordinate with the department of social and health services in awarding these funds. The department must not allow for any of the amounts provided under this subsection to be used for services in facilities that are subject to federal funding restrictions that apply to institutions of mental diseases, unless they have received a waiver that allows for full federal participation in these facilities.

~~((s))~~ (q) \$4,983,000 of the general fund-state appropriation for fiscal year 2018 ~~((, \$6,744,000 of the general fund-state appropriation for fiscal year 2019,))~~ and ~~((, \$25,365,000))~~ \$10,849,000 of the general fund-federal appropriation are provided solely for the department to increase medicaid capitation payments for behavioral health organizations. The department must work with the actuaries responsible for certifying behavioral health capitation rates to adjust average salary assumptions in order to implement this increase. In developing further updates for medicaid managed care rates for behavioral health services, the department must include and make available all applicable documents and analysis to legislative staff from the fiscal committees throughout the process. The department must require the actuaries to develop and submit rate ranges for each behavioral health organization prior to certification of specific rates.

~~((t))~~ (r) The number of beds allocated for use by behavioral health organizations at eastern state hospital shall be 192 per day. The number of nonforensic beds allocated for use by behavioral health organizations at western state hospital shall be 557 per day. In fiscal year 2019, the department must reduce the number of beds allocated for use by behavioral health organizations at western state hospital by 30 beds to allow for the repurposing of a civil ward at western state hospital to provide forensic services. The

contracted beds provided under ~~((q))~~ (p) of this subsection shall be allocated to the behavioral health organizations in lieu of beds at the state hospitals and be incorporated in their allocation of state hospital patient days of care for the purposes of calculating reimbursements pursuant to RCW 71.24.310. It is the intent of the legislature to continue the policy of expanding community based alternatives for long term civil commitment services that allow for state hospital beds to be prioritized for forensic patients.

~~((u))~~ (s) \$11,405,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$11,405,000 of the general fund-state appropriation for fiscal year 2019))~~ and ~~((and \$17,680,000))~~ \$8,840,000 of the general fund-federal appropriation are provided solely to maintain enhancements of community mental health services. The department must contract these funds for the operation of community programs in which the department determines there is a need for capacity that allows individuals to be diverted or transitioned from the state hospitals including but not limited to: (i) Community hospital or free standing evaluation and treatment services providing short-term detention and commitment services under the involuntary treatment act to be located in the geographic areas of the King behavioral health organization, the Spokane behavioral health organization outside of Spokane county, and the Thurston Mason behavioral health organization; (ii) one new full program of an assertive community treatment team in the King behavioral health organization and two new half programs of assertive community treatment teams in the Spokane behavioral health organization and the Pierce behavioral health organization; and (iii) three new recovery support services programs in the Great Rivers behavioral health organization, the greater Columbia behavioral health organization, and the north sound behavioral health organization. In contracting for community evaluation and treatment services, the department may not use these resources in facilities that meet the criteria to be classified under federal law as institutions for mental diseases. If the department is unable to come to a contract agreement with a designated behavioral health organization for any of the services

identified above, it may consider contracting for that service in another region that has the need for such service.

~~((v))~~ (t) \$200,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$1,296,000 of the general fund-state appropriation for fiscal year 2019 are))~~ is provided solely for clubhouse programs. ~~((Of this amount, \$400,000 must be used for support of the Spokane clubhouse program and the remaining funds must be used for support of new clubhouse programs.))~~ The department must develop options and cost estimates for implementation of clubhouse programs statewide through a medicaid state plan amendment or a medicaid waiver and submit a report to the office of financial management and the appropriate committees of the legislature by December 1, 2018.

~~((w))~~ (u) \$212,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$213,000 of the general fund-state appropriation for fiscal year 2019 are))~~ is provided solely to fund one pilot project in Pierce county and one in Yakima county to promote increased utilization of assisted outpatient treatment programs. The department shall require two behavioral health organizations to contract with local government to establish the necessary infrastructure for the programs. The department, in collaboration with the health care authority, shall provide a report by October 15, 2018, to the office of financial management and the appropriate fiscal and policy committees of the legislature to include the number of individuals served, outcomes to include reduced use of inpatient treatment and state hospital stays, and recommendations for further implementation based on lessons learned and best practices identified by the pilot projects.

~~((x))~~ (v) The department, in collaboration with the health care authority, shall work to ensure that a single platform provider credentialing system is implemented. The authority and department shall ensure that appropriate cost offsets and cost avoidance are assumed for reduced staff time required for provider credentialing activity and reductions in improper billing activity when implementing provider credentialing systems.

(w) No more than \$6,464,000 of the general fund-federal appropriation may be expended for supported housing and employment services described in initiative 3a and 3b of the medicaid transformation demonstration waiver under healthier Washington. Under this initiative, the department and the health care authority shall ensure that allowable and necessary services are provided to eligible clients as identified by the department or its providers or third party administrator. The department and the authority in consultation with the medicaid forecast work group, shall ensure that reasonable reimbursements are established for services deemed necessary within an identified limit per individual. The department shall not increase general fund-state expenditures under this initiative. The secretary in collaboration with the director of the authority shall report to the joint select committee on health care oversight no less than quarterly on financial and health outcomes. The secretary in cooperation with the director shall also report to the fiscal committees of the legislature all of the expenditures of this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(2) INSTITUTIONAL SERVICES

General Fund-State Appropriation (FY 2018)	(\$286,936,000)
	\$330,214,000
General Fund-State Appropriation (FY 2019)	(\$277,823,000)
	\$271,907,000
General Fund-Federal Appropriation	(\$148,093,000)
	\$181,895,000
General Fund-Private/Local Appropriation	(\$52,630,000)
	\$61,282,000
<u>Pension Funding Stabilization Account-State Appropriation.....</u>	\$34,746,000
TOTAL APPROPRIATION.....	\$765,482,000
	\$880,044,000

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

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

(b) \$311,000 of the general fund-state appropriation for fiscal year 2018 and \$310,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a community partnership between western state hospital and the city of Lakewood to support community policing efforts in the Lakewood community surrounding western state hospital. The amounts provided in this subsection (2)(b) are for the salaries, benefits, supplies, and equipment for one full-time investigator, one full-time police officer, and one full-time community service officer at the city of Lakewood. The department must collect data from the city of Lakewood on the use of the funds and the number of calls responded to by the community policing program and submit a report with this information to the office of financial management and the appropriate fiscal committees of the legislature each December of the fiscal biennium.

(c) \$45,000 of the general fund-state appropriation for fiscal year 2018 and \$45,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for payment to the city of Lakewood for police services provided by the city at western state hospital and adjacent areas.

(d) \$44,000 of the general fund-state appropriation for fiscal year 2018 and \$19,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for payment to the city of Medical Lake for police services provided by the city at eastern state hospital and adjacent areas. The city must develop a proposal and estimated costs for developing a community policing program in the area surrounding eastern state hospital and submit the proposal to the department by September 30, ~~((2017))~~ 2018. The city must provide current and historical data for police services to eastern state hospital and adjacent areas which justify funding for a community policing program and continued funding for base police services and a community policing program.

(e) ~~(\$25,053,000)~~ \$20,883,000 of the general fund-state appropriation for

fiscal year 2018 and (~~(\$25,847,000)~~) \$33,558,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of efforts to improve the timeliness of competency restoration services pursuant to chapter 5, Laws of 2015 (SSB 5889) (timeliness of competency treatment and evaluation services). These amounts must be used to maintain and further increase the number of forensic beds at western state hospital and eastern state hospital. Pursuant to chapter 7, Laws of 2015 1st sp. sess. (2E2SSB 5177) (timeliness of competency treatment and evaluation services), the department may contract some of these amounts for services at alternative locations if the secretary determines that there is a need.

(f) (~~(\$3,261,000)~~) \$3,928,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$3,261,000)~~) \$4,249,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to maintain and further increase implementation of efforts to improve the timeliness of competency evaluation services for individuals who are in local jails pursuant to chapter 5, Laws of 2015 (SSB 5889) (timeliness of competency treatment and evaluation services). This funding must be used solely to maintain increases in the number of staff providing competency evaluation services.

(g) \$135,000 of the general fund-state appropriation for fiscal year 2018 and \$135,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to hire an on-site safety compliance officer, stationed at Western State Hospital, to provide oversight and accountability of the hospital's response to safety concerns regarding the hospital's work environment.

(h) \$20,234,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$20,234,000)~~) \$32,424,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to meet the requirements of the systems improvement agreement with the centers for medicare and medicaid services as outlined in seven conditions of participation and to maintain federal funding. The department shall specifically account for all spending related to the agreement and reconcile it back to the original funding plan,

adjusted to reflect changes in amounts provided for fiscal year 2019. Changes of more than ten percent in any area of the spending plan must be submitted to the office of financial management for approval. The department must submit a financial analysis to the office of financial management and the appropriate committees of the legislature which compares current staffing levels at eastern and western state hospitals, at the ward level, with the specific staffing levels recommended in the state hospitals' clinical model analysis project report submitted by OTB Solutions in 2016. To the extent that the financial analysis includes any differential in staffing from what was recommended in the report, the department must clearly identify these differences and the associated costs. The department must submit the financial analysis by September 1, 2017.

(i) Within these amounts, the department must hire chemical dependency professionals to provide integrated substance use disorder and mental health treatment at the state psychiatric hospitals.

(j) \$1,000 of the general fund-state appropriation for fiscal year 2018 and \$2,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of Senate Bill No. 5118 (personal needs allowance). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(k) \$34,584,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for increased staffing and other costs at the state hospitals that are required to maintain federal certification and compliance with federal agreements. Throughout the biennium, the department must track state hospital staffing expenditures, including the use of overtime and contracted locums, to allotments and submit monthly reports to the office of financial management. The office of financial management must review these reports and make a determination as to whether the overspending in these areas is required to maintain federal certification and compliance with federal agreements. The office of financial management must notify the department each month whether and to what level the overspending on staffing is approved and may be maintained and

whether and to what level the department must reduce such expenditures. By December 2, 2018, the office of financial management must provide a report to the appropriate committees of the legislature on spending beyond appropriations for staffing at the state hospitals and identify the level of overspending that has been approved and any direction provided by the office of financial management to reduce overspending on staffing that was not required to maintain federal certification and compliance with federal agreements.

(l) \$100,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to track compliance with RCW 71.05.365 requirements for transition of state hospital patients into community settings within fourteen days of the determination that they no longer require active psychiatric treatment at an inpatient level of care. The department must use these funds to track the following elements related to this requirement: (i) The date on which an individual is determined to no longer require active psychiatric treatment at an inpatient level of care; (ii) the date on which the behavioral health organizations and other organizations responsible for resource management services for the person is notified of this determination; and (iii) the date on which either the individual is transitioned to the community or has been re-evaluated and determined to again require active psychiatric treatment at an inpatient level of care. The department must provide this information in regular intervals to behavioral health organizations and other organizations responsible for resource management services. The department must summarize the information and provide a report to the office of financial management and the appropriate committees of the legislature on progress toward meeting the fourteen day standard by December 1, 2018.

(m) \$140,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department and the University of Washington to begin implementation the first phase of a collaborative plan for a high-quality forensic teaching service. Indirect charges for amounts contracted to the University of Washington must not exceed ten percent. The department and the

University of Washington must research and pursue behavioral health workforce education grants from federal or private foundations that could be used in support of this project. By November 1, 2018, the department, in collaboration with the University of Washington, must submit a report to the office of financial management and the appropriate committees of the legislature with a progress update, readiness to proceed to the second phase of the project, a detailed cost analysis of the second phase, and identification of any federal or private grants identified and the status of those applications.

(n) \$11,200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to develop and implement an acuity based staffing tool at western state hospital and eastern state hospital. The staffing tool must be designed and implemented to identify, on a daily basis, the clinical acuity on each patient ward and determine the minimum level of direct care staff by profession to be deployed to meet the needs of the patients on each ward. The department must also continue to develop, in collaboration with the office of financial management's labor relations office and state labor unions, an overall state hospital staffing plan which looks at all positions and functions of the facilities and is informed by a review of the Oregon state hospital staffing model. \$300,000 of the amounts in this subsection are provided solely for and must be used for staff costs required to establish, monitor, track, and report monthly staffing and expenditures at the state hospitals, including overtime and use of locums, to the functional categories identified in the recommended staffing plan. The remainder of the funds must be used for direct care staffing needed in order to implement the acuity based staffing tool. The allotments and tracking of staffing and expenditures must include all areas of the state hospitals, must be done at the ward level, and must include contracted facilities providing forensic restoration services as well as the office of forensic mental health services. By September 1, 2018, the department must submit a report to the office of financial management and the appropriate committees of the legislature that includes the following: (a) Progress in implementing the acuity based staffing tool; (b) a comparison of

average daily staffing expenditures to budgeted staffing levels and the recommended state hospital staffing plan by function; and (c) metrics and facility performance for the use of overtime and extra duty pay, patient length of stay, discharge management, active treatment planning, medication administration, patient and staff aggression, and staff recruitment and retention. The department must use information gathered from implementation of the clinical staffing tool and the hospital-wide staffing model to inform and prioritize future budget requests for staffing at the state hospitals. Beginning on January 1, 2019, the department must submit calendar quarterly reports to the office of financial management and the appropriate committees of the legislature which includes monitoring of monthly spending and staffing levels compared to allotments and to the recommended state hospital staffing model.

(o) \$250,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department, in collaboration with the health care authority, to develop and implement a predictive modeling tool which identifies clients who are at high risk of future involvement with the criminal justice system and for developing a model to estimate demand for civil and forensic state hospital bed needs pursuant to the following requirements.

(i) The predictive modeling tool must be developed to leverage data from a variety of sources and identify factors that are strongly associated with future criminal justice involvement. By December 1, 2018, the department must submit a report to the office of financial management and the appropriate committees of the legislature which describes the following: (A) The proposed data sources to be used in the predictive model and how privacy issues will be addressed; (B) modeling results including a description of measurable factors most strongly predictive of risk of future criminal justice involvement; (C) an assessment of the accuracy, timeliness, and potential effectiveness of the tool; (D) identification of interventions and strategies that can be effective in reducing future criminal justice involvement of high risk patients; and (E) the timeline for implementing processes to provide monthly lists of high-risk client to

contracted managed care organizations and behavioral health organizations.

(ii) The model for civil and forensic state hospital bed need must be developed in consultation with staff from the office of financial management and the appropriate fiscal committees of the state legislature. The model shall incorporate factors for capacity in state hospitals as well as contracted facilities which provide similar levels of care, referral patterns, wait lists, lengths of stay, and other factors identified as appropriate for predicting the number of beds needed to meet the demand for civil and forensic state hospital services. The department must submit a report to the office of financial management and the appropriate committees of the legislature by October 1, 2018, with a description of the model and the estimated civil and forensic state hospital bed need through the end of fiscal year 2021. The department must continue to update the model on a calendar quarterly basis and provide updates to the office of financial management and the appropriate committees of the legislature accordingly.

(3) SPECIAL PROJECTS

General Fund-State Appropriation (FY 2018).....	(\$514,000)	
		\$486,000
(General Fund-State Appropriation (FY 2019).....	(\$508,000)	
General Fund-Federal Appropriation.....	(\$25,852,000)	\$3,148,000
<u>Pension Funding Stabilization Account-State</u>		
Appropriation.....		\$28,000
TOTAL APPROPRIATION.....		\$26,874,000
		\$3,662,000

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

~~((a))~~ \$446,000 of the general fund-state appropriation for fiscal year 2018 ~~(, \$446,000 of the general fund-state appropriation for fiscal year 2019,)~~ and ~~(\$178,000)~~ \$89,000 of the general fund-federal appropriation are provided solely for the University of Washington's evidence-based practice

institute which supports the identification, evaluation, and implementation of evidence-based or promising practices. The institute must work with the department to develop a plan to seek private, federal, or other grant funding in order to reduce the need for state general funds. The department must collect information from the institute on the use of these funds and submit a report to the office of financial management and the appropriate fiscal committees of the legislature by December 1st of each year of the biennium.

~~((b) No more than \$19,557,000 of the general fund federal appropriation may be expended for supported housing and employment services described in initiative 3a and 3b of the medicaid transformation demonstration waiver under healthier Washington. Under this initiative, the department and the health care authority shall ensure that allowable and necessary services are provided to eligible clients as identified by the department or its providers or third party administrator. The department and the authority in consultation with the medicaid forecast work group, shall ensure that reasonable reimbursements are established for services deemed necessary within an identified limit per individual. The department shall not increase general fund state expenditures under this initiative. The secretary in collaboration with the director of the authority shall report to the joint select committee on health care oversight no less than quarterly on financial and health outcomes. The secretary in cooperation with the director shall also report to the fiscal committees of the legislature all of the expenditures of this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.))~~

(4) PROGRAM SUPPORT

General Fund-State Appropriation (FY 2018)	(\$10,175,000)
	<u>\$9,265,000</u>
General Fund-State Appropriation (FY 2019)	(\$9,543,000)
	<u>\$2,979,000</u>
General Fund-Federal Appropriation	(\$12,046,000)

	<u>\$8,310,000</u>
General Fund-Private/Local Appropriation.....	(\$502,000)
	<u>\$251,000</u>
<u>Pension Funding Stabilization Account-State</u>	
<u>Appropriation</u>	<u>\$526,000</u>
TOTAL APPROPRIATION	<u>\$32,266,000</u>
	<u>\$21,331,000</u>

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

(a) The department must complete an update of the state quality strategy required under federal managed care regulations and submit to the center for medicaid and medicare services by October 1, 2017. The department must provide a report to the office of financial management and the appropriate committees of the legislature by December 1, 2017, which includes the following: (i) A copy of the quality strategy submitted to the center for medicaid and medicare services; (ii) identification of all performance measures that are currently being measured for behavioral health organizations, and managed care organizations and the variations in performance among these entities; (iii) identification of any performance measures that are included in behavioral health organization and managed care organization 2018 contracts and whether these measures are connected to payment; and (iv) identification of any performance measures planned for incorporation of behavioral health organization and managed care organization 2019 contracts and whether these measures will be connected to payment during that contract period.

(b) \$62,000 of the general fund-state appropriation for fiscal year 2018 and \$41,000 of the general fund-federal appropriation are provided solely for the implementation of chapter 207, Laws of 2017 (E2SHB 1819) (children's mental health).

(c) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to adopt license and certification fees in fiscal year ~~(=)~~ 2018 ~~(and 2019)~~ to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with

proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower costs of licensing for these programs than for other organizations which are not accredited.

Sec. 205. 2017 3rd sp.s. c 1 s 205 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL DISABILITIES PROGRAM

(1) COMMUNITY SERVICES

General Fund—State Appropriation (FY 2018)	(\$612,748,000)	<u>\$601,597,000</u>
General Fund—State Appropriation (FY 2019)	(\$662,252,000)	<u>\$665,395,000</u>
General Fund—Federal Appropriation	(\$1,301,629,000)	<u>\$1,303,675,000</u>
General Fund—Private/Local Appropriation	(\$534,000)	<u>\$2,407,000</u>
<u>Pension Funding Stabilization Account—State</u>		
Appropriation.....		<u>\$6,872,000</u>
TOTAL APPROPRIATION....	\$2,577,163,000	<u>\$2,579,946,000</u>

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

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

(b) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and 43.135.055,

the department is authorized to increase nursing facility, assisted living facility, and adult family home fees as necessary to fully support the actual costs of conducting the licensure, inspection, and regulatory programs. The license fees may not exceed the department's annual licensing and oversight activity costs and shall include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(i) The current annual renewal license fee for adult family homes shall be \$225 per bed beginning in fiscal year 2018 and \$225 per bed beginning in fiscal year 2019. A processing fee of \$2,750 shall be charged to each adult family home when the home is initially licensed. This fee is nonrefundable. A processing fee of \$700 shall be charged when adult family home providers file a change of ownership application.

(ii) The current annual renewal license fee for assisted living facilities shall be \$106 per bed beginning in fiscal year 2018 and ~~(\$106)~~ \$116 per bed beginning in fiscal year 2019.

(iii) The current annual renewal license fee for nursing facilities shall be \$359 per bed beginning in fiscal year 2018 and \$359 per bed beginning in fiscal year 2019.

(c) \$7,142,000 of the general fund—state appropriation for fiscal year 2018, \$18,249,000 of the general fund—state appropriation for fiscal year 2019, and \$27,336,000 of the general fund—federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw under the provisions of chapters 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this subsection shall lapse.

(d) \$787,000 of the general fund—state appropriation for fiscal year 2018, \$2,183,000 of the general fund—state appropriation for fiscal year 2019, and \$3,714,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the agreement between the governor and the

service employees international union healthcare 775nw. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this subsection shall lapse.

(e) The department may authorize a one-time waiver of all or any portion of the licensing and processing fees required under RCW 70.128.060 in any case in which the department determines that an adult family home is being relicensed because of exceptional circumstances, such as death or incapacity of a provider, and that to require the full payment of the licensing and processing fees would present a hardship to the applicant. In these situations the department is also granted the authority to waive the required residential administrator training for a period of 120 days if necessary to ensure continuity of care during the relicensing process.

(f) Community residential cost reports that are submitted by or on behalf of contracted agency providers are required to include information about agency staffing including health insurance, wages, number of positions, and turnover.

(g) \$650,000 of the general fund-state appropriation for fiscal year 2018, \$650,000 of the general fund-state appropriation for fiscal year 2019, and \$800,000 of the general fund-federal appropriation are provided solely for the development and implementation of eight enhanced respite beds across the state for children. These services are intended to provide families and caregivers with a break in caregiving, the opportunity for behavioral stabilization of the child, and the ability to partner with the state in the development of an individualized service plan that allows the child to remain in his or her family home. The department must provide the legislature with a respite utilization report in January of each year that provides information about the number of children who have used enhanced respite in the preceding year, as well as the location and number of days per month that each respite bed was occupied.

(h) \$900,000 of the general fund-state appropriation for fiscal year 2018 and \$900,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the development and

implementation of eight community respite beds across the state for adults. These services are intended to provide families and caregivers with a break in caregiving and the opportunity for stabilization of the individual in a community-based setting as an alternative to using a residential habilitation center to provide planned or emergent respite. The department must provide the legislature with a respite utilization report by January of each year that provides information about the number of individuals who have used community respite in the preceding year, as well as the location and number of days per month that each respite bed was occupied.

(i) \$100,000 of the general fund-state appropriation for fiscal year 2018, \$95,000 of the general fund-state appropriation for fiscal year 2019, and \$195,000 of the general fund-federal appropriation are provided solely for discharge case managers stationed at the state psychiatric hospitals. Discharge case managers will transition clients ready for hospital discharge into less restrictive alternative community placements. The transition of clients ready for discharge will free up bed capacity at the state psychiatric hospitals.

(j) \$1,239,000 of the general fund-state appropriation for fiscal year 2018, \$2,055,000 of the general fund-state appropriation for fiscal year 2019, and \$3,218,000 of the general fund-federal appropriation are provided solely to create new community alternative placement beds that prioritize the transition of clients who are ready for discharge from the state psychiatric hospitals, but who have additional long-term care or developmental disability needs.

(i) Community alternative placement beds include enhanced service facility beds, adult family home beds, skilled nursing facility beds, shared supportive housing beds, state operated living alternative beds, and assisted living facility beds.

(ii) Each client must receive an individualized assessment prior to leaving one of the state psychiatric hospitals. The individualized assessment must identify and authorize personal care, nursing care, behavioral health stabilization, physical therapy, or other necessary services to meet the

unique needs of each client. It is the expectation that, in most cases, staffing ratios in all community alternative placement options described in (j)(i) of this subsection will need to increase to meet the needs of clients leaving the state psychiatric hospitals. If specialized training is necessary to meet the needs of a client before he or she enters a community placement, then the person centered service plan must also identify and authorize this training.

(iii) When reviewing placement options, the department must consider the safety of other residents, as well as the safety of staff, in a facility. An initial evaluation of each placement, including any documented safety concerns, must occur within thirty days of a client leaving one of the state psychiatric hospitals and entering one of the community placement options described in (j)(i) of this subsection. At a minimum, the department must perform two additional evaluations of each placement during the first year that a client has lived in the facility.

(iv) During fiscal year 2018, in a presentation to the select committee on quality improvement in state hospitals, the department must describe the process of fielding and subsequently investigating complaints of abuse, neglect, and exploitation within the community alternative placement options described in (j)(i) of this subsection. At a minimum, the presentation must include data about the number of complaints, and the nature of complaints, over the preceding five fiscal years.

(v) During fiscal year 2019, in a presentation to the select committee on quality improvement in state hospitals, the department must provide an update about clients placed out of the state psychiatric hospitals into the community alternative placement options described in (j)(i) of this subsection. At a minimum, for each setting, the presentation must include data about the number of placements, average daily rate, complaints fielded, and complaints investigated. The presentation must also include information about modifications, including the placement of clients into alternate settings, that occurred due to the evaluations required under (j)(iii) of this subsection.

In developing bed capacity, the department shall consider the complex needs of individuals waiting for

discharge from the state psychiatric hospitals.

(k) \$738,000 of the general fund-state appropriation for fiscal year 2018, \$1,963,000 of the general fund-state appropriation for fiscal year 2019, and \$2,701,000 of the general fund-federal appropriation are provided solely for expanding the number of clients receiving services under the basic plus medicaid waiver. Approximately six hundred additional clients are anticipated to graduate from high school during the 2017-2019 fiscal biennium and will receive employment services under this expansion.

(l) \$14,127,000 of the general fund-state appropriation for fiscal year 2018, \$25,428,000 of the general fund-state appropriation for fiscal year 2019, and \$39,554,000 of the general fund-federal appropriation are provided solely to increase the benchmark rate for community residential service providers offering supported living, group home, and licensed staff residential services to individuals with development disabilities. The amounts in this subsection (1)(l) include funding to increase the benchmark rate by the following amounts:

(i) \$1.25 per hour effective July 1, 2017, and;

(ii) An additional \$1.00 per hour effective July 1, 2018.

The amounts provided in this subsection must be used to improve the recruitment and retention of quality direct care staff to better protect the health and safety of clients with developmental disabilities.

(m) Respite personal care provided by individual providers to developmental disabilities administration clients, as authorized by the department and accessed by clients through a medicaid waiver, must be funded in maintenance level of the operating budget on the basis of actual and forecasted client utilization.

(n) \$4,000 of the general fund-state appropriation for fiscal year 2018, \$11,000 of the general fund-state appropriation for fiscal year 2019, and \$13,000 of the general fund-federal appropriation are provided solely to implement chapter 270, Laws of 2017 (SB 5118) (personal needs allowance).

(o) \$1,716,000 of the general fund-state appropriation for fiscal year 2018, \$3,493,000 of the general fund-state appropriation for fiscal year 2019, and \$4,267,000 of the general fund-federal appropriation are provided solely for a targeted vendor rate increase to contracted client service providers.

(i) Within the amounts provided in this subsection, \$1,674,000 of the general fund-state appropriation for fiscal year 2018, \$3,424,000 of the general fund-state appropriation for fiscal year 2019, and \$4,126,000 of the general fund-federal appropriation are provided solely for a vendor rate increase of two percent in fiscal year 2018 and an additional two percent in fiscal year 2019 for all contracted vendors with the exception of nursing home providers, the program of all-inclusive care for the elderly, nurse delegators, community residential service providers, individual providers, agency providers, and adult family homes.

(ii) Within the amounts provided in this subsection, \$42,000 of the general fund-state appropriation for fiscal year 2018, \$69,000 of the general fund-state appropriation for fiscal year 2019, and \$141,000 of the general fund-federal appropriation are provided solely to increase vendor rates for adult residential care and enhanced adult residential care in the 2017-2019 fiscal biennium up to the statewide minimum wage established in Initiative Measure No. 1433.

(p) \$51,000 of the general fund-state appropriation for fiscal year 2018, \$51,000 of the general fund-state appropriation for fiscal year 2019, and \$102,000 of the general fund-federal appropriation are provided solely to increase the daily rate for private duty nursing in adult family homes by \$63.77.

(q) \$371,000 of the general fund-state appropriation for fiscal year 2018, \$445,000 of the general fund-state appropriation for fiscal year 2019, and \$1,069,000 of the general fund-federal appropriation are provided solely for increasing the hourly rate for nurse delegators from \$32.96 to \$45.32 effective September 1, 2017.

(r) \$212,000 of the general fund-state appropriation for fiscal year 2018 and \$269,000 of the general fund-federal appropriation are provided solely to implement Senate Bill No. . . . (S-

2907.2). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(s) \$2,199,000 of the general fund-state appropriation for fiscal year 2018, \$2,878,000 of the general fund-state appropriation for fiscal year 2019, and \$6,388,000 of the general fund-federal appropriation are provided solely for the implementation of an agreement reached between the governor and the adult family home council under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(t) The department must define a plan and funding estimate necessary to implement an electronic visit verification system for service providers that contract with the department and that are subject to the requirements of the federal twenty-first century cures act. Implementation of the electronic visit verification system is expected to be fully compliant with the federal twenty-first century cures act no later than July 1, 2019.

(i) Any funding necessary to support the electronic visit verification system must be requested in a decision package that is submitted to the office of financial management no later than the 2019-2021 fiscal biennial budget cycle.

(ii) The plan and funding estimate must address in-home care workers employed by home care agencies that contract with the department, and any other service providers that contract with the department and that are determined by the federal centers for medicare and medicaid services to be subject to the electronic visit verification system requirement.

(iii) In defining a plan for the electronic visit verification system, the department must explore options to maximize cost-efficiency. Options may include but are not limited to:

(A) A shared system with other states; and,

(B) Development of a shared system with the consumer-directed employer that will implement an electronic visit verification system for individual providers of home care services.

(u) The developmental disabilities administration shall work with stakeholders to design and implement a proposed specialty contract for adult family homes that exclusively serve individuals who have a primary need of care related to a developmental or intellectual disability. The specialty contract must be designed as a statement of work with specific provisions related to the assessment, environment, regulations, provision of care, and training requirements. The specialty contract must be designed to support an intentional environment to improve resident quality of life, increase resident length of stay, clarify regulations, streamline training requirements, reduce the need for institutional settings, and attract more adult family providers to develop such highly needed resources. The specialty contract must be completed by July 1, 2018, for consideration and potential implementation in the 2019-2021 collective bargaining agreement and biennial budget.

(v) \$623,000 of the general fund-state appropriation for fiscal year 2019 and \$623,000 of the general fund-federal appropriation are provided solely to hold community residential service provider rates harmless for instruction and support services and administration, to the extent possible within amounts appropriated in this subsection, if the tiered rate methodology is implemented effective January 1, 2019.

(w) \$1,873,000 of the general fund-private/local appropriation and \$1,874,000 of the general fund-federal appropriation are provided solely to implement Substitute House Bill No. 1792 (residential services and supports). The annual certification renewal fee for community residential service businesses shall be \$908 per client. The annual certification renewal fee may not exceed the department's annual licensing and oversight activity costs. If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(x) \$564,000 of the general fund-state appropriation for fiscal year 2019 and \$564,000 of the general fund-federal appropriation are provided solely for the department to use the King county classification for the purpose of determining the benchmark rate, which is the rate at which direct care staff hours are paid specific to a county

classification, in Snohomish county for community residential service businesses as defined in RCW 74.39A.009(5).

(y) \$21,000 of the general fund-state appropriation for fiscal year 2019 and \$26,000 of the general fund-federal appropriation are provided solely to implement Substitute House Bill No. 2651 (personal needs allowance). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(z) \$34,000 of the general fund-state appropriation for fiscal year 2018, \$293,000 of the general fund-state appropriation for fiscal year 2019, and \$480,000 of the general fund-federal appropriation are provided solely to implement Substitute House Bill No. 2963 or Engrossed Substitute Senate Bill No. 6199 (consumer directed employer organizations). If neither bill is enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(aa) The department of social and health services developmental disabilities administration shall participate in the development of an implementation plan to build statewide capacity among school districts to improve transition planning for students in special education who meet criteria for services from the developmental disabilities administration, pursuant to section 501(68) of this act.

(bb) \$1,070,000 of the general fund-state appropriation for fiscal year 2019 and \$1,242,000 of the general fund-federal appropriation are provided solely to expand the individual and family services waiver by approximately three hundred eighty clients by the end of the 2017-2019 biennium. Within the amount appropriated in this subsection, the developmental disabilities administration shall focus on extending services to eligible individuals with developmental disabilities who are not otherwise receiving paid services from the developmental disabilities administration.

(cc) \$290,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the enhancement of existing parent-to-parent programs that serve parents of children with a developmental disability and the establishment of new programs in Okanogan county and Whitman county.

(2) INSTITUTIONAL SERVICES

General Fund-State Appropriation (FY 2018) (~~(\$104,159,000)~~)
\$99,642,000

General Fund-State Appropriation (FY 2019) (~~(\$106,818,000)~~)
\$106,874,000

General Fund-Federal Appropriation (~~(\$195,757,000)~~)
\$203,719,000

General Fund-Private/Local Appropriation (~~(\$25,041,000)~~)
\$27,041,000

Pension Funding Stabilization Account-State
Appropriation..... \$12,441,000

TOTAL APPROPRIATION..... \$431,775,000
\$449,717,000

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

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

(b) \$495,000 of the general fund-state appropriation for fiscal year 2018 and \$495,000 of the general fund-state appropriation for fiscal year 2019 are for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers.

(c) \$2,978,000 of the general fund-state appropriation for fiscal year 2018, \$2,978,000 of the general fund-state appropriation for fiscal year 2019, and \$5,956,000 of the general fund-federal appropriation are for additional staff to ensure compliance with centers for medicare and medicaid services requirements for habilitation, nursing care, staff safety, and client safety at the residential habilitation centers.

(d) The residential habilitation centers may use funds appropriated in this subsection to purchase goods (~~and~~), supplies, and services through

hospital group purchasing organizations when it is cost-effective to do so.

(e) \$2,000 of the general fund-state appropriation for fiscal year 2018, \$5,000 of the general fund-state appropriation for fiscal year 2019, and \$5,000 of the general fund-federal appropriation are provided solely to implement chapter 270, Laws of 2017 (SB 5118) (personal needs allowance).

(f) \$229,000 of the general fund-state appropriation for fiscal year 2019 and \$229,000 of the general fund-federal appropriation are provided solely for purposes of maintaining basic life-and-safety equipment and structures in a manner that supports a safe and compliant environment of care at the residential habilitation centers. The department is to develop a budget structure that allows for transparency in the management and monitoring of these expenditures as well as related performance and outcomes. The department is to report to the office of financial management on expenditure levels and outcomes achieved at the close of each fiscal year.

(g) \$2,308,000 of the general fund-state appropriation for fiscal year 2018, \$6,169,000 of the general fund-state appropriation for fiscal year 2019, and \$8,477,000 of the general fund-federal appropriation are provided solely for additional staffing resources to provide direct care to clients living in the intermediate care facilities at Rainier school, Fircrest school, and Lakeland village to address deficiencies identified by the centers for medicare and medicaid services, and to gather information for the 2019 legislative session that will support appropriate levels of care for residential habilitation center clients.

(i) The department of social and health services must contract with the William D. Ruckelshaus center or other neutral party to facilitate meetings and discussions about how to support appropriate levels of care for residential habilitation clients based on the clients' needs and ages. The options explored in the meetings and discussions must include, but are not limited to, conversion of cottages from certification as an intermediate care facility to certification and licensure as a skilled nursing facility, developing a state operated nursing facility for eligible clients, and placement of additional clients from the residential

habilitation centers into state operated living alternatives. An agreed-upon preferred vision must be included within a report to the office of financial management and appropriate fiscal and policy committees of the legislature before December 1, 2018. The report must describe the policy rationale, implementation plan, timeline, and recommended statutory changes for the preferred vision.

The parties invited to participate in the meetings and discussion must include:

(A) One member from each of the two largest caucuses in the senate, who shall be appointed by the majority leader and minority leader of the senate;

(B) One member from each of the two largest caucuses in the house of representatives, who shall be appointed by the speaker and minority leader of the house of representatives;

(C) One member from the office of the governor, appointed by the governor;

(D) One member from the developmental disabilities council;

(E) One member from the ARC of Washington;

(F) One member from the Washington federation of state employees;

(G) One member from the service employee international union 1199;

(H) One member from the developmental disabilities administration within the department of social and health services; and

(I) One member from the aging and long term support administration within the department of social and health services.

(ii) Before November 1, 2018, the department of social and health services must submit a report to the office of financial management and the appropriate fiscal and policy committees of the legislature that includes the following information: All information provided for subsections A through D below must be provided so as to clearly identify data that represents the intermediate care facility versus the skilled nursing facility components of the residential habilitation centers.

(A) The current number of clients living in the residential habilitation centers from the most recent month of available data. The information must be

provided by month for each cottage on each campus, and must distinguish between long-term and short-term admissions.

(B) The average age of clients living in the residential habilitation centers from fiscal year 2013 through fiscal year 2018. The information must be provided by month for each cottage on each campus.

(C) The number of staff, segmented by the type of position, at the residential habilitation centers from fiscal year 2013 through fiscal year 2018. The information must be provided by month for each cottage on each campus. Any staff that are not directly associated with a cottage must be provided separately for each campus.

(D) Ratios of staff to clients at the residential habilitation centers from fiscal year 2013 through fiscal year 2018. The ratios must include, but are not limited to, the number of direct care staff per client and the number of indirect care staff per client. The ratio of direct care staff per client must be provided by month for each cottage on each campus. The ratio of indirect care staff per client must be provided by month for each campus.

(E) The number of individuals with a developmental disability residing long term at the state psychiatric hospitals from fiscal year 2013 through fiscal year 2018. The information must be provided by month for each of the state psychiatric hospitals.

(F) The average age of individuals with a developmental disability residing long term at the state psychiatric hospitals from fiscal year 2013 through fiscal year 2018. The information must be provided by month for each of the state psychiatric hospitals.

(G) The following information pertinent to the goal of transitioning from the use of intermediate care facilities on residential habilitation center campuses to skilled nursing facilities, when appropriate to individual client needs and preferences, no later than January 1, 2021:

(I) An analysis of existing facilities that might serve as skilled nursing facilities, including options on residential habilitation center campuses and options off campus that might be purchased, rented, or leased by the state. The report must display location,

closure date if applicable, and total bed capacity for each facility.

(II) The number of clients living in intermediate care facility cottages at the residential habilitation centers who meet the functional criteria for nursing facility level of care as determined by assessments conducted by the department.

(III) The number of clients living in intermediate care facility cottages at the residential habilitation centers whom, directly or through their legal guardian, express interest in or willingness to live in a skilled nursing facility in interviews and assessments conducted by the department.

(IV) A description of the process and a feasibility analysis for the transition of a cottage or multiple cottages at a residential habilitation center from certification as an intermediate care facility to certification and licensure as a skilled nursing facility no later than January 1, 2021. This section of the report must include, but is not limited to, a description of the role for the department of health, department of social and health services, and the centers for medicare and medicaid services.

(V) The estimated capital investment needed to transition a cottage, or multiple cottages, at a residential habilitation center from certification as an intermediate care facility to certification and licensure as a skilled nursing facility no later than January 1, 2021.

(H) Options for the alternate use of buildings, vacant or occupied, at Fircrest, Rainier, Yakima valley, or Lakeland village. The suggestions must include but are not limited to expanding capacity for nursing care, dental care, and other specialty services for individuals with developmental or intellectual disabilities.

(I) Options for transferring the ownership of charitable, educational, penal, and reform institutions land on the Fircrest campus from the department of natural resources to the department of social and health services.

(I) Purchase of the charitable, educational, penal, and reform institutions land on the Fircrest campus by the department of social and health services. This option must include but is not limited to the most recent appraisal

of the value of charitable, educational, penal, and reform institutions land on the Fircrest campus.

(II) A land swap of equal value between the charitable, educational, penal, and reform institutions land on the Fircrest campus and other state-owned property.

(III) A combination of the options outlined within (I) and (II) of this subsection (g) (ii) (I).

(J) Options for the additional use of state operated living alternative placements to assist clients with the transition from an institutional setting to a community setting. The report must identify the number of clients who could transition into state operated living alternative placements, and the length of time necessary to transition clients into the additional placements.

(K) Options for establishing additional crisis stabilization services at the residential habilitation centers. The report must identify the operating costs, capital costs, timeline, and desired location associated with the additional capacity.

(L) Options for transferring individuals who have been residing long term at the state psychiatric hospitals into an alternative location, or multiple locations. One of the options must explore the possibility of transferring these individuals to the residential habilitation centers. For any option that is explored, the report must identify the operating costs, capital costs, timeline, and desired location associated with the additional capacity.

(M) The expenditures for overtime, prescription drugs, controlled substances, medical supplies, janitorial supplies, household supplies, maintenance supplies, and office supplies at the residential habilitation centers from fiscal year 2013 through fiscal year 2018. The information must be provided by month for each campus. The department must also provide the strategy, or strategies, that are being implemented to decrease expenditures for overtime, prescription drugs, controlled substances, medical supplies, janitorial supplies, household supplies, maintenance supplies, and office supplies at the residential habilitation centers.

(N) \$23,000 of the general fund-state appropriation for fiscal year 2019 and

\$23,000 of the general fund-federal appropriation are provided solely to implement Substitute House Bill No. 2651 (personal needs allowance). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(3) PROGRAM SUPPORT

General Fund-State Appropriation (FY 2018) (~~(\$2,469,000)~~)
\$2,351,000

General Fund-State Appropriation (FY 2019) (~~(\$2,531,000)~~)
\$2,417,000

General Fund-Federal Appropriation (~~(\$2,946,000)~~)
\$2,986,000

Pension Funding Stabilization Account-State
 Appropriation..... \$270,000
 TOTAL APPROPRIATION..... \$7,946,000
\$8,024,000

(4) SPECIAL PROJECTS

General Fund-State Appropriation (FY 2018) (~~(\$64,000)~~)
\$55,000

General Fund-State Appropriation (FY 2019) (~~(\$64,000)~~)
\$62,000

General Fund-Federal Appropriation \$1,092,000

Pension Funding Stabilization Account-State
 Appropriation..... \$11,000
 TOTAL APPROPRIATION..... \$1,220,000

Sec. 206. 2017 3rd sp.s. c 1 s 206 (uncodified) is amended to read as follows:

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

General Fund-State Appropriation (FY 2018) (~~(\$1,099,017,000)~~)
\$1,077,282,000

General Fund-State Appropriation (FY 2019) (~~(\$1,196,263,000)~~)
\$1,208,737,000

General Fund-Federal Appropriation..... (~~(\$2,839,653,000)~~)
\$2,845,278,000

General Fund-Private/Local Appropriation..... (~~(\$33,572,000)~~)
\$37,639,000

Traumatic Brain Injury Account-State Appropriation.....\$4,540,000

Skilled Nursing Facility Safety Net Trust Account-

State Appropriation.....\$133,360,000

Pension Funding Stabilization Account-State

Appropriation.....\$13,165,000

TOTAL APPROPRIATION....\$5,306,405,000

\$5,320,001,000

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

(1) (a) For purposes of implementing chapter 74.46 RCW, the weighted average nursing facility payment rate shall not exceed (~~(\$201.39)~~) \$200.47 for fiscal year 2018 and shall not exceed (~~(\$209.35)~~) \$216.64 for fiscal year 2019.

(b) The department shall provide a medicaid rate add-on to reimburse the medicaid share of the skilled nursing facility safety net assessment as a medicaid allowable cost. The nursing facility safety net rate add-on may not be included in the calculation of the annual statewide weighted average nursing facility payment rate.

(2) In accordance with RCW 18.51.050, 18.20.050, 70.128.060, and 43.135.055, the department is authorized to increase nursing facility, assisted living facility, and adult family home fees as necessary to fully support the actual costs of conducting the licensure, inspection, and regulatory programs. The license fees may not exceed the department's annual licensing and oversight activity costs and shall include the department's cost of paying providers for the amount of the license fee attributed to medicaid clients.

(a) The current annual renewal license fee for adult family homes shall be \$225 per bed beginning in fiscal year 2018 and \$225 per bed beginning in fiscal year 2019. A processing fee of \$2,750 shall be charged to each adult family home when

the home is initially licensed. This fee is nonrefundable. A processing fee of \$700 shall be charged when adult family home providers file a change of ownership application.

(b) The current annual renewal license fee for assisted living facilities shall be \$106 per bed beginning in fiscal year 2018 and (~~(\$106)~~) \$116 per bed beginning in fiscal year 2019.

(c) The current annual renewal license fee for nursing facilities shall be \$359 per bed beginning in fiscal year 2018 and \$359 per bed beginning in fiscal year 2019.

(3) The department is authorized to place long-term care clients residing in nursing homes and paid for with state only funds into less restrictive community care settings while continuing to meet the client's care needs.

(4) \$1,858,000 of the general fund-state appropriation for fiscal year 2018 and \$1,857,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for operation of the volunteer services program. Funding shall be prioritized towards serving populations traditionally served by long-term care services to include senior citizens and persons with disabilities.

(5) \$14,674,000 of the general fund-state appropriation for fiscal year 2018, \$37,239,000 of the general fund-state appropriation for fiscal year 2019, and \$55,716,000 of the general fund-federal appropriation are provided solely for the implementation of the agreement reached between the governor and the service employees international union healthcare 775nw under the provisions of chapters 74.39A and 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this subsection shall lapse.

(6) \$4,833,000 of the general fund-state appropriation for fiscal year 2018, \$13,413,000 of the general fund-state appropriation for fiscal year 2019, and \$22,812,000 of the general fund-federal appropriation are provided solely for the homecare agency parity impacts of the agreement between the governor and the service employees international union healthcare 775nw. Funding is contingent upon the enactment of Senate Bill No.

5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the appropriation in this subsection shall lapse.

(7) \$5,094,000 of the general fund-state appropriation for fiscal year 2018 and \$5,094,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.

(8) The department may authorize a one-time waiver of all or any portion of the licensing and processing fees required under RCW 70.128.060 in any case in which the department determines that an adult family home is being relicensed because of exceptional circumstances, such as death or incapacity of a provider, and that to require the full payment of the licensing and processing fees would present a hardship to the applicant. In these situations the department is also granted the authority to waive the required residential administrator training for a period of 120 days if necessary to ensure continuity of care during the relicensing process.

(9) In accordance with RCW 18.390.030, the biennial registration fee for continuing care retirement communities shall be \$1,889 for each facility.

(10) \$234,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$234,000)~~) \$479,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the kinship navigator program in the Colville Indian reservation, Yakama Nation, and other tribal areas.

(11) \$42,000 of the general fund-state appropriation for fiscal year 2018, \$127,000 of the general fund-state appropriation for fiscal year 2019, and \$169,000 of the general fund-federal appropriation are provided solely to implement chapter 270, Laws of 2017 (SB 5118) (personal needs allowance).

(12) Within available funds, the aging and long term support administration must maintain a unit within adult protective services that specializes in the investigation of financial abuse allegations and self-neglect allegations.

(13) Within amounts appropriated in this subsection, the department shall

assist the legislature to continue the work of the joint legislative executive committee on planning for aging and disability issues.

(a) A joint legislative executive committee on aging and disability is continued, with members as provided in this subsection.

(i) Four members of the senate, with the leaders of the two largest caucuses each appointing two members, and four members of the house of representatives, with the leaders of the two largest caucuses each appointing two members;

(ii) A member from the office of the governor, appointed by the governor;

(iii) The secretary of the department of social and health services or his or her designee;

(iv) The director of the health care authority or his or her designee;

(v) A member from disability rights Washington and a member from the office of long-term care ombuds;

(vi) The insurance commissioner or his or her designee, who shall serve as an ex officio member; and

(vii) Other agency directors or designees as necessary.

(b) The committee must make recommendations and continue to identify key strategic actions to prepare for the aging of the population in Washington, including state budget and policy options, by conducting at least, but not limited to, the following tasks:

(i) Identify strategies to better serve the health care needs of an aging population and people with disabilities to promote healthy living and palliative care planning;

(ii) Identify strategies and policy options to create financing mechanisms for long-term service and supports that allow individuals and families to meet their needs for service;

(iii) Identify policies to promote financial security in retirement, support people who wish to stay in the workplace longer, and expand the availability of workplace retirement savings plans;

(iv) Identify ways to promote advance planning and advance care directives and implementation strategies for the Bree

collaborative palliative care and related guidelines;

(v) Identify ways to meet the needs of the aging demographic impacted by reduced federal support;

(vi) Identify ways to protect the rights of vulnerable adults through assisted decision-making and guardianship and other relevant vulnerable adult protections;

(vii) Identify options for promoting client safety through residential care services and consider methods of protecting older people and people with disabilities from physical abuse and financial exploitation;

(viii) Identify other policy options and recommendations to help communities adapt to the aging demographic in planning for housing, land use, and transportation; and

(ix) Identify ways to support individuals with developmental disabilities with long-term care needs who are enrolled members of a federally recognized Indian tribe, or residing in the household of an enrolled members of a federally recognized Indian tribe, and are receiving care from a family member.

(c) At least one committee meeting must be devoted to the exploration of legislation that would allow family members to provide personal care services to persons with developmental disabilities or long-term care needs under a voluntary consumer-directed medicaid service program. During the meeting, the committee should hear testimony from as many impacted parties as possible, including clients, providers, advocacy groups, and staff from state agencies. Testimony should explore program design, program oversight, necessary statutory changes, barriers to implementation, fiscal estimates, and timeline for implementation.

(d) Staff support for the committee shall be provided by the office of program research, senate committee services, the office of financial management, and the department of social and health services.

(e) Within existing appropriations, the cost of meetings must be paid jointly by the senate, house of representatives, and the office of financial management. Joint committee expenditures are subject

to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees. The joint committee members may be reimbursed for travel expenses as authorized under RCW 43.03.050 and 43.03.060, and chapter 44.04 RCW as appropriate. Advisory committee members may not receive compensation or reimbursement for travel and expenses.

(14) (a) The department of social and health services must facilitate a stakeholder work group consisting of assisted living provider associations and the state long-term care ombuds in a collaborative effort to redesign the medicaid payment methodology for contracted assisted living, adult residential care, and enhanced adult residential care. The department must submit a report with the final work group recommendations to the appropriate legislative committees by November 30, 2017. A proposed timeline for implementation of the new methodology must be included in the report. The new methodology must:

(i) Adhere to the standards of an acuity-based payment system as originally intended by the legislature, and the department will rely on the time study conducted in 2003 in establishing the acuity scale;

(ii) Create a standardized methodology that supports a reasonable medicaid payment that promotes access, choice, and quality;

(iii) Incorporate metrics such as medians, lids, floors, and other options that provide flexibility to adjust to economic conditions while maintaining the integrity of the methodology;

(iv) Be supported by relevant, reliable, verifiable, and independent data to the extent possible; and

(v) To the extent possible, repurpose and streamline data sources and modeling that the aging and long-term support administration uses for other rate-setting processes.

(b) In developing payment metrics for medicaid-covered services, staff and service requirements must be reviewed for assisted living, adult residential care, and enhanced adult residential care as described in chapters 74.39A and 18.20 RCW. At a minimum, the proposed rate methodology must include a component that

recognizes staffing for intermittent nursing and personal care services. Service area adjustments based on population density must be reviewed and compared with other options to recognize high-cost areas. The most recent and complete wage data available through the bureau of labor statistics must also be included for review and consideration. The methodology work group must consider operational requirements and indirect services in developing the model. The work group must include a rate component that recognizes statutory and regulatory physical plant requirements. The work group must review and consider physical plant requirements for assisted living as described in chapter 51.50 RCW. A fair rental valuation must be reviewed and considered as an option for the capital component. The recognition of food for medicaid residents must also be included in the work group considerations. The department's current methodology to address room and board requirements, and the appropriateness of the continued use of the 2003 time study and whether it can be reasonably adjusted or whether a new time study should be conducted, must be reviewed and considered by the work group.

(15) Within amounts appropriated in this section, the department must pay medicaid nursing facility payment rates for public hospital district providers in rural communities as defined under chapter 70.44 RCW that are no less than June 30, 2016, reimbursement levels. This action is intended to assure continued access to essential services in rural communities.

(16) \$5,370,000 of the general fund-state appropriation for fiscal year 2018, \$10,199,000 of the general fund-state appropriation for fiscal year 2019, and \$18,346,000 of the general fund-federal appropriation are provided solely for a targeted vendor rate increase to contracted client service providers.

(a) Within the amounts provided in this subsection, \$2,763,000 of the general fund-state appropriation for fiscal year 2018, \$5,741,000 of the general fund-state appropriation for fiscal year 2019, and \$9,775,000 of the general fund-federal appropriation are provided solely for a vendor rate increase of two percent in fiscal year 2018 and an additional two percent in fiscal year 2019 for all contracted vendors with the exception of nursing

home providers, the program of all-inclusive care for the elderly, nurse delegators, community residential service providers, individual providers, agency providers, and adult family homes.

(b) Within the amounts provided in this subsection, \$2,607,000 of the general fund-state appropriation for fiscal year 2018, \$4,458,000 of the general fund-state appropriation for fiscal year 2019, and \$8,571,000 of the general fund-federal appropriation are provided solely to increase vendor rates for nursing homes, assisted living facilities including adult residential care and enhanced adult residential care, adult day health and adult day care providers, and home care agency administration in the 2017-2019 fiscal biennium up to the statewide minimum wage established in Initiative Measure No. 1433.

(17) \$4,815,000 of the general fund-state appropriation for fiscal year 2018, \$8,527,000 of the general fund-state appropriation for fiscal year 2019, and \$12,277,000 of the general fund-federal appropriation are provided solely to create new community alternative placement beds that prioritize the transition of clients who are ready for discharge from the state psychiatric hospitals, but who have additional long-term care or developmental disability needs.

(a) Community alternative placement beds include enhanced service facility beds, adult family home beds, skilled nursing facility beds, shared supportive housing beds, state operated living alternative beds, and assisted living facility beds.

(b) Each client must receive an individualized assessment prior to leaving one of the state psychiatric hospitals. The individualized assessment must identify and authorize personal care, nursing care, behavioral health stabilization, physical therapy, or other necessary services to meet the unique needs of each client. It is the expectation that, in most cases, staffing ratios in all community alternative placement options described in (a) of this subsection will need to increase to meet the needs of clients leaving the state psychiatric hospitals. If specialized training is necessary to meet the needs of a client before he or she enters a community placement, then the

person centered service plan must also identify and authorize this training.

(c) When reviewing placement options, the department must consider the safety of other residents, as well as the safety of staff, in a facility. An initial evaluation of each placement, including any documented safety concerns, must occur within thirty days of a client leaving one of the state psychiatric hospitals and entering one of the community placement options described in (a) of this subsection. At a minimum, the department must perform two additional evaluations of each placement during the first year that a client has lived in the facility.

(d) During fiscal year 2018, in a presentation to the select committee on quality improvement in state hospitals, the department must describe the process of fielding and subsequently investigating complaints of abuse, neglect, and exploitation within the community alternative placement options described in (a) of this subsection. At a minimum, the presentation must include data about the number of complaints, and the nature of complaints, over the preceding five fiscal years.

(e) During fiscal year 2019, in a presentation to the select committee on quality improvement in state hospitals, the department must provide an update about clients placed out of the state psychiatric hospitals into the community alternative placement options described in (a) of this subsection. At a minimum, for each setting, the presentation must include data about the number of placements, average daily rate, complaints fielded, and complaints investigated. The presentation must also include information about modifications, including the placement of clients into alternate settings, that occurred due to the evaluations required under (c) of this subsection.

In developing bed capacity, the department shall consider the complex needs of individuals waiting for discharge from the state psychiatric hospitals.

(18) \$315,000 of the general fund-state appropriation for fiscal year 2018, \$315,000 of the general fund-state appropriation for fiscal year 2019, and \$630,000 of the general fund-federal appropriation are provided solely for discharge case managers stationed at the

state psychiatric hospitals. Discharge case managers will transition clients ready for hospital discharge into less restrictive alternative community placements. The transition of clients ready for discharge will free up bed capacity at the state psychiatric hospitals.

(19) \$135,000 of the general fund-state appropriation for fiscal year 2018, \$135,000 of the general fund-state appropriation for fiscal year 2019, and \$270,000 of the general fund-federal appropriation are provided solely for financial service specialists stationed at the state psychiatric hospitals. Financial service specialists will help to transition clients ready for hospital discharge into alternative community placements. The transition of clients ready for discharge will free up bed capacity at the state hospitals.

(20) \$5,007,000 of the general fund-state appropriation for fiscal year 2018, \$5,143,000 of the general fund-state appropriation for fiscal year 2019, and \$10,154,000 of the general fund-federal appropriation are provided solely to implement chapter 286, Laws of 2017 (SB 5715) (nursing home payments).

(21) \$750,000 of the general fund-state appropriation for fiscal year 2018 and \$750,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to implement chapter 287, Laws of 2017 (SB 5736) (nutrition programs).

(22) \$183,000 of the general fund-state appropriation for fiscal year 2018, \$92,000 of the general fund-state appropriation for fiscal year 2019, and \$2,479,000 of the general fund-federal appropriation are provided solely to finish the programming necessary to give the department the ability to pay individual provider overtime when hours over 40 hours per week are authorized for payment and are subject to the conditions, limitations, and review provided in section 724 of this act.

(23) \$229,000 of the general fund-state appropriation for fiscal year 2018, \$229,000 of the general fund-state appropriation for fiscal year 2019, and \$458,000 of the general fund-federal appropriation are provided solely to increase the daily rate for private duty nursing in adult family homes by \$63.77.

(24) \$246,000 of the general fund-state appropriation for fiscal year 2018

and \$313,000 of the general fund-federal appropriation are provided solely to implement Senate Bill No. . . . (S-2907.2). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(25) (a) No more than \$41,388,000 of the general fund-federal appropriation may be expended for tailored support for older adults and medicaid alternative care described in initiative 2 of the medicaid transformation demonstration waiver under healthier Washington. The department shall not increase general fund-state expenditures on this initiative. The secretary in collaboration with the director of the health care authority shall report to the joint select committee on health care oversight no less than quarterly on financial and health outcomes. The secretary in cooperation with the director shall also report to the fiscal committees of the legislature all of the expenditures of this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(b) No more than \$2,200,000 of the general fund-federal appropriation may be expended for supported housing and employment services described in initiative 3a and 3b of the medicaid transformation demonstration waiver under healthier Washington. Under this initiative, the department and the health care authority shall ensure that allowable and necessary services are provided to eligible clients as identified by the department or its providers third party administrator. The department and the authority in consultation with the medicaid forecast work group shall ensure that reasonable reimbursements are established for services deemed necessary within an identified limit per individual. The department shall not increase general fund-state expenditures under this initiative. The secretary in cooperation with the director shall report to the joint select committee on health care oversight no less than quarterly on financial and health outcomes. The secretary in cooperation with the director shall also report to the fiscal committees of the legislature all of the expenditures of this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(26) \$351,000 of the general fund-state appropriation for fiscal year 2018, \$421,000 of the general fund-state appropriation for fiscal year 2019, and \$1,012,000 of the general fund-federal appropriation are provided solely for increasing the hourly rate for nurse delegators from \$32.96 to \$45.32 effective September 1, 2017.

(27) \$10,017,000 of the general fund-state appropriation for fiscal year 2018, \$13,111,000 of the general fund-state appropriation for fiscal year 2019, and \$29,104,000 of the general fund-federal appropriation are provided solely for the implementation of an agreement reached between the governor and the adult family home council under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(28) The department must define a plan and funding estimate necessary to implement an electronic visit verification system for service providers that contract with the department and that are subject to the requirements of the federal twenty-first century cures act. Implementation of the electronic visit verification system is expected to be fully compliant with the federal twenty-first century cures act no later than July 1, 2019.

(a) Any funding necessary to support the electronic visit verification system must be requested in a decision package that is submitted to the office of financial management no later than the 2019-2021 fiscal biennial budget cycle.

(b) The plan and funding estimate must address in-home care workers employed by home care agencies that contract with the department, and any other service providers that contract with the department and that are determined by the federal centers for medicare and medicaid services to be subject to the electronic visit verification system requirement.

(c) In defining a plan for the electronic visit verification system, the department must explore options to maximize cost-efficiency. Options may include but are not limited to:

(i) A shared system with other states, and;

(ii) Development of a shared system with the consumer-directed employer that will implement an electronic visit verification system for individual providers of home care services.

(29) (a) \$20,000 of the general fund-state appropriation for fiscal year 2018 and \$80,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department of social and health services aging and long-term support administration to convene an advisory group to accomplish the following:

(i) To develop a model program to monitor guardians appointed pursuant to Title 11 RCW and to develop recommendations for best practices. The model guardianship monitoring program must provide for oversight of both lay and professional guardians. The advisory group must receive the results of the joint legislative audit and review committee review of currently operating monitoring practices in each county of the state, as required in section 103(15) of this act, which will also be provided to the joint legislative executive committee on aging and disability described in section 206(13) of this act; and

(ii) To develop a model in-person training program for use by lay guardians across the state as a supplement to current online training. The advisory group must receive the results of the joint legislative audit and review committee review of currently operating monitoring practices in each county of the state, as required in section 103(15) of this act, which will also be provided to the joint legislative executive committee on aging and disability.

(b) The advisory group shall be appointed by the secretary of the department of social and health services, in consultation with stakeholders, and consist of:

(i) Individuals with disabilities, family members of individuals with disabilities, and disability advocates, with relevant experience or expertise;

(ii) Seniors, family members of seniors, and senior advocates, with relevant experience or expertise;

(iii) Representatives of the courts and the elder bar with relevant knowledge or authority;

(iv) Professional guardians;

(v) At least one individual with expertise in language access;

(vi) Providers of health care or health care professionals; and

(vii) At least one representative of organized labor with experience in guardianship.

(c) The cochairs of the joint legislative executive committee on aging and disability shall appoint two legislators to serve on the advisory group, one from the democratic caucus and one from the republican caucus.

(d) Staff support to the committee shall be provided by the department of social and health services aging and long-term support administration.

(e) The advisory group shall prepare a report of its findings and recommendations and present its report to the joint legislative executive committee on aging and disability by December 1, 2018.

(30) \$92,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to contract with a single nonprofit organization that holds an in-home care agency license and operates homeless shelters for a pilot project to test the outcomes of providing personal care services to aged and/or functionally disabled individuals in homeless shelters. The pilot shall examine whether personal care services are effective in creating and maintaining connections between homeless individuals and supportive services such as health care, mental health, and substance abuse services. The department shall submit an interim report by January 15, 2019, and a final report by August 14, 2019, to the governor and appropriate legislative committees.

(31) \$40,000 of the general fund-state appropriation for fiscal year 2019 and \$40,000 of the general fund-federal appropriation are provided solely for the department, in partnership with the department of health and the health care authority, to assist a collaborative public-private entity with implementation of recommendations in the state plan to address alzheimer's disease and other dementias.

(32) \$3,686,000 of the general fund-private/local appropriation and

\$2,548,000 of the general fund-federal appropriation are provided solely to implement Substitute House Bill No. 1792 (residential services and supports). The annual certification renewal fee for community residential service businesses shall be \$908 per client. The annual certification renewal fee may not exceed the department's annual licensing and oversight activity costs. If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(33) \$1,000,000 of the general fund-state appropriation for fiscal year 2019 and \$1,200,000 of the general fund-federal appropriation are provided solely to maintain client access to medicaid contracted assisted living, enhanced adult residential care, and adult residential care services under chapter 74.39A RCW. Licensed assisted living facilities that contract with the department to serve medicaid clients under these specified contract types must have an average medicaid occupancy of at least sixty percent, determined using the medicaid days from the immediately preceding calendar year during the months of July 1st through December 31st to qualify for additional funding under this subsection.

(34) \$615,000 of the general fund-state appropriation for fiscal year 2019 and \$698,000 of the general fund-federal appropriation are provided solely to implement Substitute House Bill No. 2651 (personal needs allowance). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(35) \$19,000 of the general fund-state appropriation for fiscal year 2018, \$35,000 of the general fund-state appropriation for fiscal year 2019, and \$54,000 of the general fund-federal appropriation are provided solely to implement Engrossed House Bill No. 2750 (assisted living facility quality). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(36) \$166,000 of the general fund-state appropriation for fiscal year 2018, \$800,000 of the general fund-state appropriation for fiscal year 2019, and \$1,510,000 of the general fund-federal appropriation are provided solely to implement Substitute House Bill No. 2963 or Engrossed Substitute Senate Bill No. 6199 (consumer directed employer organizations). If neither bill is

enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(37) \$100,000 of the general fund-state appropriation for fiscal year 2019 and \$100,000 of the general fund-federal appropriation are provided solely for the department of social and health services aging and long-term support administration to contract for an updated actuarial model of the 2016 independent feasibility study and actuarial modeling of public and private options for leveraging private resources to help individuals prepare for long-term services and supports needs. The follow-up study must model alternative variations of the previously studied public long-term care benefit for workers, funded through a payroll deduction that would provide a time-limited long-term care insurance benefit, including but not limited to alternative minimum hours worked per year for vesting.

(b) The feasibility study and actuarial analysis must include input from the joint legislative executive committee on aging and disability and other interested stakeholders, and must include an analysis of each variation based on:

- (i) The expected costs and benefits for participants;
- (ii) The total anticipated number of participants;
- (iii) The projected savings to the state medicaid program, if any; and
- (iv) Legal and financial risks to the state.

(c) The department must provide status updates to the joint legislative executive committee on aging and disability. The feasibility study and actuarial analysis shall be completed and submitted to the department by September 1, 2018. The department shall submit a report, including the director's findings and recommendations based on the feasibility study and actuarial analysis, to the governor and the appropriate committees of the legislature by October 1, 2018.

(38) \$50,000 of the general fund-state appropriation for fiscal year 2019 and \$50,000 of the general fund-federal appropriation are provided solely for the department of social and health services aging and long-term support

administration to contract with the area agencies on aging to convene a work group to include long-term care industry members, family members who provide long-term services and supports, and other groups with interest in long-term services and supports to develop a proposal on how family members could be included as providers of long-term services and supports under the previously studied public long-term care benefit. The work group shall review options and propose:

(a) Minimum qualifications that would allow a family caregiver to serve as a long-term services and supports provider, which may:

- (i) Be distinct from the qualifications on the effective date of this act for individual providers;
- (ii) Require training based primarily on the individual needs and preferences of the beneficiary;
- (iii) Take into account the existing relationship between the family caregiver and the beneficiary, the duration of the caregiving experience, and the type of care being provided.

(b) Administrative program options for providing compensation, benefits, and protections for family caregivers, considering cost-effectiveness and administrative simplification. The program options shall consider how to preserve the quality of the long-term care workforce and must include worker protections and benefits.

(c) The work group shall develop recommendations and provide the recommendations to the joint legislative and executive committee on aging and disability by November 15, 2018.

Sec. 207. 2017 3rd sp.s. c 1 s 207 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ECONOMIC SERVICES PROGRAM

General Fund-State Appropriation (FY 2018)	(\$396,063,000)	
		\$364,376,000
General Fund-State Appropriation (FY 2019)	(\$415,638,000)	
		\$378,511,000

General	Fund-Federal
Appropriation	(\$1,421,095,000)
	<u>\$1,445,306,000</u>
General	Fund-Private/Local
Appropriation	\$5,144,000
Administrative Contingency Account- State	
Appropriation.....	\$5,400,000
Pension Funding Stabilization Account- State	
Appropriation.....	\$29,264,000
TOTAL APPROPRIATION....	<u>\$2,243,340,000</u>
	<u>\$2,228,001,000</u>

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

(1) (a) (~~(\$155,022,000)~~) \$127,164,000 of the general fund-state appropriation for fiscal year 2018, (~~(\$160,136,000)~~) \$128,881,000 of the general fund-state appropriation for fiscal year 2019, \$836,761,000 of the general fund-federal appropriation, (~~and~~) \$5,400,000 of the administrative contingency account-state appropriation, and \$8,155,000 of the pension funding stabilization account-state appropriation are provided solely for all components of the WorkFirst program. Within the amounts provided for the WorkFirst program, the department may provide assistance using state-only funds for families eligible for temporary assistance for needy families. The department must create a WorkFirst budget structure that allows for transparent tracking of budget units and subunits of expenditures where these units and subunits are mutually exclusive from other department budget units. The budget structure must include budget units for the following: Cash assistance, child care, WorkFirst activities, and administration of the program. Within these budget units, the department must develop program index codes for specific activities and develop allotments and track expenditures using these codes. The department shall report to the office of financial management and the relevant fiscal and policy committees of the legislature prior to adopting a structure change.

(b) (~~(\$267,057,000)~~) \$261,925,000 of the amounts in (a) of this subsection are provided solely for assistance to clients, including grants, diversion cash assistance, and additional

diversion emergency assistance including but not limited to assistance authorized under RCW 74.08A.210. The department may use state funds to provide support to working families that are eligible for temporary assistance for needy families but otherwise not receiving cash assistance. Within amounts provided in (b) of this subsection, \$1,622,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Substitute Senate Bill No. 5890 (foster care and adoption). If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse. Of the amounts provided in this subsection (1) (b), \$10,565,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to increase the grant standard by eight percent.

(c) (~~(\$168,005,000)~~) \$160,490,000 of the amounts in (a) of this subsection are provided solely for WorkFirst job search, education and training activities, barrier removal services, limited English proficiency services, and tribal assistance under RCW 74.08A.040. The department must allocate this funding based on client outcomes and cost effectiveness measures. Amounts provided in (c) of this subsection include funding for implementation of chapter 156, Laws of 2017 (2SSB 5347) (WorkFirst "work activity"). Within amounts provided in (c) of this subsection, the department shall implement the working family support program. The department shall adopt rules to take effect July 31, 2017, to limit the working family support program at 10,000 households.

(~~(i)~~) \$1,700,000 of the funds appropriated in (c) of this subsection are provided solely for enhanced transportation assistance provided that the department prioritize the use of these funds for the recipients most in need of financial assistance to facilitate their return to work. The department must not utilize these funds to supplant repayment arrangements that are currently in place to facilitate the reinstatement of drivers' licenses.

(~~(ii)~~) Prior to renewal of intergovernmental TANF agreements with a tribe, the department shall request information on the total expenditures and total number of clients served in the tribal TANF program. When the per-client costs in the tribal TANF program have

~~increased since the initial agreement, the department may negotiate a lower state maintenance of effort level based on the increased resources provided by the tribe since the original agreement. The department shall report to the office of financial management and the fiscal committees of the legislature the revised amount of the state maintenance of effort level within two weeks of each newly signed intergovernmental TANF agreement.)~~

(d) (i) ~~((\$501,608,000))~~ \$478,555,000 of the amounts in (a) of this subsection are provided solely for the working connections child care program under RCW 43.215.135. In order to not exceed the appropriated amount, the department shall manage the program so that the average monthly caseload does not exceed 33,000 households and the department shall give prioritized access into the program according to the following order:

(A) Families applying for or receiving temporary assistance for needy families (TANF);

(B) TANF families curing sanction;

(C) Foster children;

(D) Families that include a child with special needs;

(E) Families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center;

(F) Families with a child residing with a biological parent or guardian who have received child protective services, child welfare services, or a family assessment response from the department in the past six months, and has received a referral for child care as part of the family's case management.

(G) Families that received subsidies within the last thirty days and:

(I) Have reapplied for subsidies; and

(II) Have household income of two hundred percent federal poverty level or below; and

(H) All other eligible families.

(ii) The department, within existing appropriations, must ensure quality control measures for the working connections child care program by maximizing the use of information

technology systems and the development or modification of the application and standard operating procedures to ensure that cases are:

(A) Appropriately and accurately processed; and

(B) Routinely monitored for eligibility in a manner that is similar to processes and systems currently in place for regular monitoring in other public assistance programs. Eligibility criteria routinely monitored must include, at a minimum:

(I) Participation in work or other approved activities;

(II) Household composition; and

(III) Maximum number of subsidized child care hours authorized.

The department must submit a preliminary report by December 1, 2017, and a final report by December 1, 2018, to the governor and the appropriate fiscal and policy committees of the legislature detailing the specific actions taken to implement this subsection.

(iii) Of the amounts provided in (d) of this subsection, \$4,620,000 of the appropriation for fiscal year 2018 and \$4,792,000 of the appropriation for fiscal year 2019 are provided for a base rate increase, a rate increase for Family Friend and Neighbor providers, covering an increase for health insurance premiums, and increasing paid professional development days from three days to five days. This funding is for the 2017-2019 collective bargaining agreement covering family child care providers as set forth in section 940 of this act.

(iv) Of the amounts provided in (d) of this subsection, \$8,547,000 of the general fund-state appropriation for fiscal year 2018 and \$10,438,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for subsidy base rate increases for child care center providers.

(v) Of the amounts provided in this subsection (1)(d), \$779,000 of the general fund-state appropriation for fiscal year 2018 and \$722,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for homeless families.

(e) \$34,248,000 of the general fund—federal appropriation is provided solely for child welfare services within the department of children, youth, and families.

(f) (~~(\$170,442,000)~~) \$171,143,000 of the amounts in (1)(a) of this section are provided solely for WorkFirst and working connections child care administration and overhead. \$127,000 of the funds appropriated in this subsection for fiscal year 2019 are provided solely for implementation of chapter 9, Laws of 2017 3rd sp. sess. (working connections child care).

(g) The amounts in subsections (1)(b) through (e) of this section shall be expended for the programs and in the amounts specified. However, the department may transfer up to 10 percent of funding between subsections (1)(b) through (f) of this section. The department shall provide notification prior to any transfer to the office of financial management and to the appropriate legislative committees and the legislative-executive WorkFirst oversight task force. The approval of the director of financial management is required prior to any transfer under this subsection.

(h) Each calendar quarter, the department shall provide a maintenance of effort and participation rate tracking report for temporary assistance for needy families to the office of financial management, the appropriate policy and fiscal committees of the legislature, and the legislative-executive WorkFirst oversight task force. The report must detail the following information for temporary assistance for needy families:

(i) An overview of federal rules related to maintenance of effort, excess maintenance of effort, participation rates for temporary assistance for needy families, and the child care development fund as it pertains to maintenance of effort and participation rates;

(ii) Countable maintenance of effort and excess maintenance of effort, by source, provided for the previous federal fiscal year;

(iii) Countable maintenance of effort and excess maintenance of effort, by source, for the current fiscal year, including changes in countable maintenance of effort from the previous year;

(iv) The status of reportable federal participation rate requirements, including any impact of excess maintenance of effort on participation targets;

(v) Potential new sources of maintenance of effort and progress to obtain additional maintenance of effort; and

(vi) A two-year projection for meeting federal block grant and contingency fund maintenance of effort, participation targets, and future reportable federal participation rate requirements.

(i) In the 2017-2019 fiscal biennium, it is the intent of the legislature to provide appropriations from the state general fund for the purposes of (b) through (f) of this subsection if the department does not receive additional federal temporary assistance for needy families contingency funds in each fiscal year as assumed in the budget outlook.

(j) The department must submit a report by December 1, 2018, to the governor and the appropriate fiscal and policy committees of the legislature that estimates the caseload and fiscal impact of returning to pre-2011 temporary assistance for needy families policies. At a minimum, the report must include an analysis of the caseload and fiscal impact of:

(i) Removing the sixty-month lifetime limit;

(ii) Lessening sanction policies; and

(iii) No longer requiring the WorkFirst orientation.

(2) \$1,657,000 of the general fund—state appropriation for fiscal year 2018 and \$1,657,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for naturalization services.

(3) \$2,366,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for employment services for refugees and immigrants, of which \$1,774,000 is provided solely for the department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services; and \$2,366,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for employment services for refugees and immigrants, of which \$1,774,000 is provided solely for the

department to pass through to statewide refugee and immigrant assistance organizations for limited English proficiency pathway services.

(4) On ~~((December))~~ January 1, 2017, and annually thereafter, the department must report to the governor and the legislature on all sources of funding available for both refugee and immigrant services and naturalization services during the current fiscal year and the amounts expended to date by service type and funding source. The report must also include the number of clients served and outcome data for the clients.

(5) To ensure expenditures remain within available funds appropriated in this section, the legislature establishes the benefit under the state food assistance program, pursuant to RCW 74.08A.120, to be one hundred percent of the federal supplemental nutrition assistance program benefit amount.

(6) The department shall review clients receiving services through the aged, blind, or disabled assistance program, to determine whether they would benefit from assistance in becoming naturalized citizens, and thus be eligible to receive federal supplemental security income benefits. Those cases shall be given high priority for naturalization funding through the department.

(7) ~~(((\$433,000))~~ \$856,000 of the general fund-state appropriation for fiscal year 2018, ~~(((\$451,000))~~ \$2,494,000 of the general fund-state appropriation for fiscal year 2019, and ~~(((\$6,451,000))~~ \$17,203,000 of the general fund-federal appropriation are provided solely for ESAR Architectural Development and are subject to the conditions, limitations, and review provided in section 724 of this act.

(8) The department shall continue the interagency agreement with the department of veterans' affairs to establish a process for referral of veterans who may be eligible for veterans' services. This agreement must include out-stationing department of veterans' affairs staff in selected community service office locations in King and Pierce counties to facilitate applications for veterans' services.

(9) \$750,000 of the general fund-state appropriation for fiscal year 2018 and \$750,000 of the general fund-state appropriation for fiscal year 2019 are

provided solely for operational support of the Washington information network 211 organization.

(10) \$90,000 of the general fund-state appropriation for fiscal year 2018, \$8,000 of the general fund-state appropriation for fiscal year 2019, and \$36,000 of the general fund-federal appropriation are provided solely for implementation of chapter 270, Laws of 2017 (SB 5118) (personal needs allowance).

~~(((\$127,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 1624 (working connections child care). If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse.))~~ \$438,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Substitute House Bill No. 1831 (public assistance/resources). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(12) \$43,000 of the general fund-state appropriation for fiscal year 2018 and \$16,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Second Substitute Bill No. 2667 (essential needs/ABD programs). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(13) \$58,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 2651 (personal needs allowance). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(14) \$119,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Second Substitute House Bill No. 1291 (Pacific Islander health care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 208. 2017 3rd sp.s. c 1 s 208 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund-State Appropriation (FY 2018) (~~(\$78,842,000)~~)
\$96,763,000

(~~(General Fund-State Appropriation (FY 2019) \$71,308,000)~~)

General Fund-Federal Appropriation (~~(\$575,249,000)~~)
\$301,240,000

General Fund-Private/Local Appropriation (~~(\$20,211,000)~~)
\$10,101,000

Criminal Justice Treatment Account-State
 Appropriation..... (~~(\$12,978,000)~~)
\$6,488,000

Problem Gambling Account-State
 Appropriation (~~(\$1,453,000)~~)
\$725,000

Dedicated Marijuana Account-State
 Appropriation
 (FY 2018)..... \$24,802,000
 (~~(Dedicated Marijuana Account-State
 Appropriation
 (FY 2019)..... \$24,802,000)~~)

Pension Funding Stabilization Account-State
Appropriation..... \$264,000

TOTAL APPROPRIATION..... ~~\$809,645,000~~
\$440,383,000

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

(1) \$3,278,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$3,278,000 of the dedicated marijuana account-state appropriation for fiscal year 2019~~) are provided solely for a memorandum of understanding with the department of social and health services juvenile rehabilitation administration to provide substance abuse treatment programs for juvenile offenders. Of the amounts provided in this subsection:

(a) \$1,130,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$1,130,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 are~~) is provided solely for alcohol and

substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these funds as described in section 203(4) of this act.

(b) \$282,000 of the dedicated marijuana account-state appropriation for fiscal year (~~2017 and \$282,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 are~~) 2018 is provided solely for the expansion of evidence-based treatments and therapies as described in section 203(2) of this act.

(2) During the 2017-19 fiscal biennium, any amounts provided in this section that are used for case management services for pregnant and parenting women must be contracted directly between the department and providers rather than through contracts with behavioral health organizations.

(3) Within the amounts appropriated in this section, the department may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program or other specialized chemical dependency case management providers for pregnant, post-partum, and parenting women. For all contractors: (i) Service and other outcome data must be provided to the department by request; and (ii) indirect charges for administering the program shall not exceed ten percent of the total contract amount.

(~~(\$3,500,000)~~) \$1,750,000 of the general fund-federal appropriation (from the substance abuse prevention and treatment federal block grant) is provided solely for the continued funding of existing county drug and alcohol use prevention programs.

(5) \$200,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$200,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 are~~) is provided solely for a contract with the Washington state institute for public policy to conduct cost-benefit evaluations of the implementation of chapter 3, Laws of 2013 (Initiative Measure No. 502).

(6) \$500,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$500,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 are~~) is provided solely to design and

administer the Washington state healthy youth survey and the Washington state young adult behavioral health survey.

(7) \$396,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$396,000 of the dedicated marijuana account state appropriation for fiscal year 2019 are~~) is provided solely for maintaining increased services to pregnant and parenting women provided through the parent child assistance program.

(8) \$250,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$250,000 of the dedicated marijuana account state appropriation for fiscal year 2019 are~~) is provided solely for a grant to the office of superintendent of public instruction to provide life skills training to children and youth in schools that are in high needs communities.

(9) \$386,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$386,000 of the dedicated marijuana account state appropriation for fiscal year 2019 are~~) is provided solely to maintain increased prevention and treatment services provided by tribes to children and youth.

(10) \$2,684,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$2,684,000 of the dedicated marijuana account state appropriation for fiscal year 2019,~~) and (~~\$1,900,000~~) \$950,000 of the general fund-federal appropriation are provided solely to maintain increased residential treatment services for children and youth.

(11) \$250,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$250,000 of the dedicated marijuana account state appropriation for fiscal year 2019 are~~) is provided solely for training and technical assistance for the implementation of evidence based, research based, and promising programs which prevent or reduce substance use disorders.

(12) \$2,434,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$2,434,000 of the dedicated marijuana account state appropriation for fiscal year 2019 are~~) is provided solely for expenditure into the home visiting services account.

(13) \$2,500,000 of the dedicated marijuana account-state appropriation for fiscal year 2018 (~~and \$2,500,000 of the dedicated marijuana account state appropriation for fiscal year 2019 are~~) is provided solely for grants to community-based programs that provide prevention services or activities to youth, including programs for school-based resource officers. These funds must be utilized in accordance with RCW 69.50.540.

(14) Within the amounts provided in this section, behavioral health organizations must provide outpatient chemical dependency treatment for offenders enrolled in the medicaid program who are supervised by the department of corrections pursuant to a term of community supervision. Contracts with behavioral health organizations must require that behavioral health organizations include in their provider network specialized expertise in the provision of manualized, evidence-based chemical dependency treatment services for offenders. The department of corrections and the department must develop a memorandum of understanding for department of corrections offenders on active supervision who are medicaid eligible and meet medical necessity for outpatient substance use disorder treatment. The agreement will ensure that treatment services provided are coordinated, do not result in duplication of services, and maintain access and quality of care for the individuals being served. The department must provide all necessary data, access, and reports to the department of corrections for all department of corrections offenders that receive medicaid paid services.

(15) (~~\$1,125,000~~) \$563,000 of the general fund-federal appropriation is provided solely for the department to develop a memorandum of understanding with the department of health for implementation of chapter 297, Laws of 2017 (ESHB 1427) (opioid treatment programs). The department must use these amounts to reimburse the department of health for costs incurred through the implementation of the bill.

(16) \$891,000 of the general fund-state appropriation for fiscal year 2018 (~~and \$2,580,000 of the general fund-state appropriation for fiscal year 2019,~~) and (~~\$2,755,000~~) \$435,000 of the general fund-federal appropriation are provided solely for the development

and operation of two secure detoxification facilities. The department must not use any of these amounts for services in facilities that are subject to federal funding restrictions that apply to institutions for mental diseases, unless they have received a waiver that allows for full federal participation in these facilities.

(17) (~~(\$1,000,000)~~) \$500,000 of the criminal justice treatment account—state appropriation is provided solely to maintain increased funding for substance abuse treatment and support services for offenders and support of drug courts.

(18) The department must review the treatment services provided by the behavioral health organizations (BHO) to individuals supervised by the department of corrections in the community. In reviewing, the department shall compile data specific to BHOs and in the aggregate for access to services, timeliness, number of referrals from the department of corrections, and number of individuals served. The department will consult with the department of corrections and must report to the governor and the appropriate legislative committees no later than November 30, 2017, the transition of services from the department of corrections to the BHOs and identify barriers to access and services for community supervised individuals and provide recommendations for improved services to this population.

(19) \$100,000 of the general fund—state appropriation for fiscal year 2018 (~~(and \$100,000 of the general fund state appropriation for fiscal year 2019 are)~~) is provided solely for parenting education services focused on pregnant and parenting women.

(20) Within existing appropriations, the department shall prioritize the prevention and treatment of intravenous opiate-based drug use.

(21) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110, and 43.135.055, the department is authorized to adopt fees for the review and approval of mental health and substance use disorder treatment programs in fiscal (~~(years)~~) year 2018 (~~(and 2019)~~) as necessary to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department

has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited. To the extent that the fees charged in fiscal year 2018 are not expected to fully cover the cost of the program, the department must submit a report to the office of financial management and the appropriate fiscal committees of the legislature identifying what further increases would be required and the differential impact on providers. This report must be submitted by December 1, 2017.

(22) \$31,995,000 of the general fund—state appropriation for fiscal year 2018 is provided solely to assist behavioral health organizations with the costs of providing services to medicaid clients receiving services in psychiatric facilities classified as institutions of mental diseases. The department must distribute these amounts proportionate to the number of bed days for medicaid clients in institutions for mental diseases that were excluded from behavioral health organization fiscal year 2018 capitation rates because they exceeded the amounts allowed under federal regulations. The department must also use these amounts to directly pay for costs that are ineligible for medicaid reimbursement in institutions of mental disease facilities for American Indian and Alaska Natives who opt to receive behavioral health services on a fee-for-service basis. The amounts used for these individuals must be reduced from the allocation of the behavioral health organization where the individual resides. If a behavioral health organization receives more funding through this subsection than is needed to pay for the cost of their medicaid clients in institutions for mental diseases, they must use the remainder of the amounts to provide other services not covered under the medicaid program. The department must apply for a waiver from the center for medicaid and medicare services to allow for the full cost of

stays in institutions of mental diseases to be included in fiscal year 2019 behavioral health organization capitation rates. The department may tailor the fiscal year 2019 waiver to specific populations for which the center for medicaid and medicare services has indicated they are likely to approve and work to further expand the waiver to other populations in fiscal year 2020.

Sec. 209. 2017 3rd sp.s. c 1 s 209 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL REHABILITATION PROGRAM

General Fund—State Appropriation (FY 2018) (~~(\$14,899,000)~~)
\$13,890,000

General Fund—State Appropriation (FY 2019) (~~(\$15,603,000)~~)
\$14,594,000

General Fund—Federal Appropriation (~~(\$97,328,000)~~)
\$109,730,000

Pension Funding Stabilization Account—State

Appropriation..... \$2,024,000

TOTAL APPROPRIATION..... \$127,830,000

\$140,238,000

The appropriations in this section are subject to the following conditions and limitations: The department of social and health services vocational rehabilitation program shall participate in the development of an implementation plan to build statewide capacity among school districts to improve transition planning for students in special education who meet criteria for services from the developmental disabilities administration, pursuant to section 501(68) of this act.

Sec. 210. 2017 3rd sp.s. c 1 s 210 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT PROGRAM

General Fund—State Appropriation (FY 2018) (~~(\$45,488,000)~~)
\$46,202,000

General Fund—State Appropriation (FY 2019) (~~(\$46,173,000)~~)
\$47,375,000

Pension Funding Stabilization Account—State

Appropriation.....\$4,858,000

TOTAL APPROPRIATION.....\$91,661,000

\$98,435,000

The appropriations in this section are subject to the following conditions and limitations: The special commitment center may use funds appropriated in this subsection to purchase goods (~~and~~), supplies, and services through hospital group purchasing organizations when it is cost-effective to do so.

Sec. 211. 2017 3rd sp.s. c 1 s 211 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund—State Appropriation (FY 2018) (~~(\$36,681,000)~~)
\$33,757,000

General Fund—State Appropriation (FY 2019) (~~(\$30,791,000)~~)
\$31,754,000

General Fund—Federal Appropriation (~~(\$39,963,000)~~)
\$44,783,000

((General Fund Private/Local Appropriation.....\$654,000))

\$116,541,000

Pension Funding Stabilization Account—State

Appropriation.....\$6,247,000

TOTAL APPROPRIATION.....\$108,089,000

\$116,541,000

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

(1) \$300,000 of the general fund—state appropriation for fiscal year 2018 and (~~(\$300,000)~~) \$500,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a Washington state mentoring organization to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

(2) Within amounts appropriated in this section, the department shall provide to the department of health, where available, the following data for all nutrition assistance programs funded by the United States department of agriculture and administered by the department. The department must provide the report for the preceding federal fiscal year by February 1, 2018, and February 1, 2019. The report must provide:

- (a) The number of people in Washington who are eligible for the program;
- (b) The number of people in Washington who participated in the program;
- (c) The average annual participation rate in the program;
- (d) Participation rates by geographic distribution; and
- (e) The annual federal funding of the program in Washington.

(3) \$1,216,000 of the general fund-state appropriation for fiscal year 2019 and \$515,000 of the general fund-federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1661 (child, youth, families department). If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse.

(4) \$81,000 of the general fund-state appropriation for fiscal year 2018, \$86,000 of the general fund-state appropriation for fiscal year 2019, and \$167,000 of the general fund-federal appropriation are provided solely for the implementation of an agreement reached between the governor and the Washington federation of state employees for the language access providers under the provisions of chapter 41.56 RCW for the 2017-2019 fiscal biennium. Funding is contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(5) \$2,031,000 of the general fund-state appropriation for fiscal year 2019 and \$816,000 of the general fund-federal appropriation for fiscal year 2019 are provided solely for a time, leave, and attendance scheduling system and are subject to the conditions, limitations, and review provided in section 724,

chapter 1, Laws of 2017 3rd sp. sess. The department shall examine business practices and coordinate with the department of enterprise services and the department of transportation regarding the scheduling system.

Sec. 212. 2017 3rd sp.s. c 1 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES-PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund-State Appropriation (FY 2018).....	(\$81,319,000)	\$82,017,000
General Fund-State Appropriation (FY 2019).....	(\$43,380,000)	\$42,354,000
General Fund-Federal Appropriation.....	(\$57,578,000)	\$57,287,000
TOTAL APPROPRIATION.....		<u>\$182,277,000</u>
		<u>\$181,658,000</u>

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

(1) \$39,000 of the general fund-state appropriation for fiscal year 2018 and \$11,000 of the general fund-federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1661 (child, youth, families department). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(2) \$12,000 of the general fund-state appropriation for fiscal year 2018, \$12,000 of the general fund-state appropriation for fiscal year 2019, and \$24,000 of the general fund-federal appropriation are provided solely for the implementation of chapter 268, Laws of 2017 (2SHB 1402) (incapacitated persons/rights).

Sec. 213. 2017 3rd sp.s. c 1 s 213 (uncodified) is amended to read as follows:

FOR THE STATE HEALTH CARE AUTHORITY

During the 2017-2019 fiscal biennium, the health care authority shall provide support and data as required by the office of the state actuary in providing the legislature with health care

actuarial analysis, including providing any information in the possession of the health care authority or available to the health care authority through contracts with providers, plans, insurers, consultants, or any other entities contracting with the health care authority.

Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management, and authorization systems within the health care authority are subject to technical oversight by the office of the chief information officer.

The health care authority shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The health care authority may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the health care authority receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

The appropriations to the health care authority in this act shall be expended for the programs and in the amounts specified in this act. To the extent that appropriations in this section are insufficient to fund actual expenditures in excess of caseload forecasts and utilization assumptions, the authority, after May 1, 2018, may transfer general fund-state appropriations for fiscal year 2018 that are provided solely for a specified purpose. The authority may not transfer funds, and the director of the office of financial management shall not approve the transfer, unless the transfer

is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of the office of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification must include a narrative explanation and justification of changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications and transfers.

(1) MEDICAL ASSISTANCE

General Fund-State Appropriation (FY 2018) ((\$2,065,747,000))
\$2,024,873,000

General Fund-State Appropriation (FY 2019) ((\$2,114,943,000))
\$2,083,591,000

General Fund-Federal
Appropriation..... ((\$11,503,815,000))
\$11,823,834,000

General Fund-Private/Local
Appropriation..... ((\$232,300,000))
\$204,427,000

Emergency Medical Services and Trauma Care Systems

Trust Account-State
Appropriation..... \$15,086,000

Hospital Safety Net Assessment
Account-State
Appropriation ((\$725,012,000))
\$693,099,000

Medicaid Fraud Penalty Account-State
Appropriation..... \$28,163,000

Medical Aid Account-State
Appropriation..... \$528,000

Dedicated Marijuana Account-State
Appropriation
(FY 2018) ((\$16,205,000))
\$17,616,000

Dedicated Marijuana Account-State
Appropriation
(FY 2019) ((\$17,039,000))
\$18,396,000

~~((State Health Care Authority
Administrative Account—~~

~~State Appropriation..... \$7,000))~~

Pension Funding Stabilization Account—
State

Appropriation..... \$4,538,000

TOTAL APPROPRIATION... \$16,718,845,000

\$16,914,151,000

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

(a) \$256,645,000 of the general fund-state appropriation for fiscal year 2018 and \$264,704,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the authority to implement a single, standard medicaid preferred drug list to be used by all contracted medicaid managed health care systems, on or before January 1, 2018. The preferred drug list shall be developed in consultation with all contracted managed health care systems and the state pharmacy and therapeutics committee or drug utilization review board and shall further the goals and objectives of the medicaid program. The list shall be designed to maximize federal rebates and supplemental rebates and ensure access to clinically effective and appropriate drug therapies under each class. Entities eligible for 340B drug pricing shall continue to operate under their current pricing agreement, unless otherwise required by federal laws or regulations. The authority may utilize external consultants with expertise in evidence-based drug class reviews, pharmacy benefit management, and purchasing to assist with the completion of this development and implementation. The authority shall require each managed care organization that has contracted with the authority to provide care to medicaid beneficiaries to use the established preferred drug list; and shall prohibit each managed care organization and any of its agents from negotiating or collecting rebates for any medications listed in the state's medicaid single preferred drug list whether preferred or nonpreferred. To assist in the implementation of the single preferred drug list, contracted medicaid managed health care systems shall provide the authority drug-specific financial information in a format and frequency determined by the authority to include the actual amounts

paid to pharmacies for prescription drugs dispensed to covered individuals compared to the cost invoiced to the health plan and individual rebates collected for prescription drugs dispensed to medicaid members. Information disclosed to the authority by the manufacturer pursuant to this provision shall only be used for the purposes of developing and implementing a single, standard state preferred drug list in accordance with this provision. The authority, medicaid managed care organizations, and all other parties shall maintain the confidentiality of drug-specific financial and other proprietary information and such information shall not be subject to the Washington public records act. The authority shall provide a report to the governor and appropriate committees of the legislature by November 15, 2018, and by November 15, 2019, including a comparison of the amount spent in the previous two fiscal years to expenditures under the new system by, at a minimum, fund source, total expenditure, drug class, and top twenty-five drugs. The data provided to the authority shall be aggregated in any report by the authority, the legislature, or the office of financial management so as not to disclose the proprietary or confidential drug-specific information, or the proprietary or confidential information that directly or indirectly identifies financial information linked to a single manufacturer. It is the intent of the legislature to revisit this policy in subsequent biennia to determine whether it is in the best interest of the state.

(b) ~~(((\$118,813,000))~~ \$113,356,000 of the general fund-state appropriation for fiscal year 2018 and ~~(((\$120,265,000))~~ \$140,578,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for ~~((holding))~~ managed care capitation ~~((rates flat at calendar year 2017 levels in state fiscal years and calendar years 2018 and 2019))~~ payments.

(c) \$122,244,000 of the general fund-state appropriation for fiscal year 2018 and \$116,038,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the authority through the competitive procurement process, to contract with licensed dental health plans or managed health care plans on a prepaid or fixed-sum risk basis to provide carved-out managed dental care services on a statewide basis that will

result in greater efficiency and will facilitate better access and oral health outcomes for medicaid enrollees. Except in areas where only a single plan is available, the authority must contract with at least two plans. The authority shall include in the contracts: (i) Quarterly reporting requirements to include medicaid utilization and encounter data by current dental technology (CDT) code; (ii) a direction to increase the dental provider network; (iii) a commitment to retain innovative programs that improve access and care such as the access to baby and child dentistry program; (iv) a program to reduce emergency room use for dental purposes; (v) a requirement to ensure that dental care is being coordinated with the primary care provider of the patient to ensure integrated care; (vi) a provision that no less than eighty-five percent of the contracting fee be used to directly offset the cost of providing direct patient care as opposed to administrative costs; and (vii) a provision to ensure the contracting fee shall be sufficient to compensate county health departments and federally qualified health centers for dental patient care. The plan(s) awarded this contract must absorb all start-up costs associated with moving the program from fee-for-service to managed care and shall commit to achieving an overall savings to the program based on 2016 fee-for-service experience. In order to comply with state insurance underwriting standards, the authority shall ensure that savings offered by dental plans are actuarially sound. Starting January 31, 2019, and every year thereafter through December 2024, the authority shall submit an annual report to the governor and the appropriate committees of the legislature detailing how the contracted entities have met the requirements of the contract. The report shall include specific information to include utilization, how the contracted entities have increased their dental provider networks, how the emergency room use for dental purposes has been reduced, and how dental care has been integrated with patients' primary care providers. If after the end of five years the data reported does not demonstrate sufficient progress to address the stated contracted goals, the legislature will reevaluate whether carved-out dental managed care needs to be replaced with a different delivery model. The authority is authorized to seek any necessary state

plan amendments or federal waivers to implement this subsection. Additional dental program savings achieved by the plans beyond those assumed in the 2017-2019 omnibus appropriations act will be used to increase dental provider reimbursement rates.

~~(d) ((\$1,540,849,000 of the general fund state appropriation for fiscal year 2018 and \$1,585,513,000 of the general fund state appropriation for fiscal year 2019 are provided solely for medicaid services and the medicaid program. However,))~~ By October 30, 2018, the authority shall report to the governor and the appropriate committees of the legislature anticipated savings related to reduction in dental emergency department visits and utilization once managed care dental coverage begins.

(e) No later than November 1, 2018, and each year thereafter, the authority shall report to the governor and appropriate committees of the legislature: (i) Savings attributed to behavioral and physical integration in areas that are scheduled to integrate in the following calendar year, and (ii) savings attributed to behavioral and physical health integration and the level of savings achieved in areas that have integrated behavioral and physical health.

(f) The authority shall not accept or expend any federal funds received under a medicaid transformation waiver under healthier Washington except as described in ~~((e) and (f))~~ (g) and (h) of this subsection until specifically approved and appropriated by the legislature. To ensure compliance with legislative directive budget requirements and terms and conditions of the waiver, the authority shall implement the waiver and reporting requirements with oversight from the office of financial management. The legislature finds that appropriate management of the innovation waiver requires better analytic capability, transparency, consistency, timeliness, accuracy, and lack of redundancy with other established measures and that the patient must be considered first and foremost in the implementation and execution of the demonstration waiver. In order to effectuate these goals, the authority shall: (i) Require the Dr. Robert Bree collaborative and the health technology assessment program to reduce the administrative burden upon providers by only requiring performance measures

that are nonduplicative of other nationally established measures. The joint select committee on health care oversight will evaluate the measures chosen by the collaborative and the health technology assessment program for effectiveness and appropriateness; (ii) develop a patient satisfaction survey with the goal to gather information about whether it was beneficial for the patient to use the center of excellence location in exchange for additional out-of-pocket savings; (iii) ensure patients and health care providers have significant input into the implementation of the demonstration waiver, in order to ensure improved patient health outcomes; and (iv) in cooperation with the department of social and health services, consult with and provide notification of work on applications for federal waivers, including details on waiver duration, financial implications, and potential future impacts on the state budget, to the joint select committee on health care oversight prior to submitting waivers for federal approval. By federal standard, the medicaid transformation demonstration waiver shall not exceed the duration originally granted by the centers for medicare and medicaid services and any programs created or funded by this waiver do not create an entitlement.

~~((f))~~ (g) No more than ~~(\$479,600,000)~~ \$486,683,000 of the general fund-federal appropriation and no more than ~~(\$154,289,000)~~ \$129,103,000 of the general fund-local appropriation may be expended for transformation through accountable communities of health described in initiative 1 of the medicaid transformation demonstration waiver under healthier Washington, including preventing youth drug use, opioid prevention and treatment, and physical and behavioral health integration. Under this initiative, the authority shall take into account local input regarding community needs. In order to ensure transparency to the appropriate fiscal committees of the legislature, the authority shall provide fiscal staff of the legislature query ability into any database of the fiscal intermediary that authority staff would be authorized to access. The authority shall not increase general fund-state expenditures under this initiative. The director shall report to the joint select committee on health care oversight no less than

quarterly, and include details for each accountable community of health, on the financial status and measurable health outcomes. The director shall also report to the fiscal committees of the legislature all of the expenditures under this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees. By December 15, 2019, the authority in collaboration with each accountable community of health shall demonstrate how it will be self-sustaining by the end of the demonstration waiver period, including sources of outside funding, and provide this reporting to the joint select committee on health care oversight. If by the third year of the demonstration waiver there are not measurable, improved patient outcomes and financial returns, the Washington state institute for public policy will conduct an audit of the accountable communities of health, in addition to the process set in place through the independent evaluation required by the agreement with centers for medicare and medicaid services. Prior to the 2018 legislative session, the human services, health care, and judiciary committees of the legislature will convene a joint work session to review models in the delivery system and the impacts on medical liability. The work sessions should include integrated delivery models with multiple health care providers and medical malpractice insurance carriers.

~~((f))~~ (h) No more than ~~(\$42,584,000)~~ \$38,425,000 of the general fund-federal appropriation may be expended for supported housing and employment services described in initiative 3a and 3b of the medicaid transformation demonstration waiver under healthier Washington. Under this initiative, the authority and the department of social and health services shall ensure that allowable and necessary services are provided to eligible clients as identified by the department or its third party administrator. The authority and the department in consultation with the medicaid forecast work group, shall ensure that reasonable reimbursements are established for services deemed necessary within an identified limit per individual. The authority shall not increase general fund-state expenditures under this initiative. The director shall report to the joint select committee on health care oversight no less than

quarterly on financial and health outcomes. The director shall also report to the fiscal committees of the legislature all of the expenditures of this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

~~((g))~~ (i) Sufficient amounts are appropriated in this subsection to implement the medicaid expansion as defined in the social security act, section 1902(a)(10)(A)(i)(VIII).

~~((h))~~ (j) The legislature finds that medicaid payment rates, as calculated by the health care authority pursuant to the appropriations in this act, bear a reasonable relationship to the costs incurred by efficiently and economically operated facilities for providing quality services and will be sufficient to enlist enough providers so that care and services are available to the extent that such care and services are available to the general population in the geographic area. The legislature finds that the cost reports, payment data from the federal government, historical utilization, economic data, and clinical input constitute reliable data upon which to determine the payment rates.

~~((i))~~ (k) Based on quarterly expenditure reports and caseload forecasts, if the health care authority estimates that expenditures for the medical assistance program will exceed the appropriations, the health care authority shall take steps including but not limited to reduction of rates or elimination of optional services to reduce expenditures so that total program costs do not exceed the annual appropriation authority.

~~((j))~~ (l) In determining financial eligibility for medicaid-funded services, the health care authority is authorized to disregard recoveries by Holocaust survivors of insurance proceeds or other assets, as defined in RCW 48.104.030.

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

~~((l))~~ (n) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the health care authority shall provide the person with the same benefits

as he or she would receive if eligible for medicaid, using state-only funds to the extent necessary.

~~((m))~~ (o) \$4,261,000 of the general fund-state appropriation for fiscal year 2018, \$4,261,000 of the general fund-state appropriation for fiscal year 2019, and \$8,522,000 of the general fund-federal appropriation are provided solely for low-income disproportionate share hospital payments.

~~((n))~~ (p) Within the amounts appropriated in this section, the health care authority shall provide disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

~~((o))~~ (q) \$6,000,000 of the general fund-federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

~~((p))~~ (r) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2017-2019 fiscal biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2017, and by November 1, 2018, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2018 and fiscal year 2019, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (i) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2017-2019 biennial operating appropriations act and in effect on July 1, 2015, (ii) one-half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (iii) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2017-2019 fiscal biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the

hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. ~~(\$10,575,000)~~ \$359,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$13,185,000)~~ \$361,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for state grants for the participating hospitals.

~~((q))~~ (s) The health care authority shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

~~((r))~~ (t) The health care authority shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The health care authority shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the health care authority shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

~~((s))~~ (u) The authority shall submit reports to the governor and the legislature by September 15, 2018, and no later than September 15, 2019, that delineate the number of individuals in medicaid managed care, by carrier, age, gender, and eligibility category, receiving preventative services and vaccinations. The reports should include baseline and benchmark information from the previous two fiscal years and should be inclusive of, but not limited to, services recommended under the United States preventative services task force, advisory committee on immunization practices, early and periodic screening, diagnostic, and treatment (EPSDT) guidelines, and other relevant preventative and vaccination medicaid guidelines and requirements.

~~((t))~~ (v) Managed care contracts must incorporate accountability measures that monitor patient health and improved health outcomes, and shall include an expectation that each patient receive a wellness examination that documents the baseline health status and allows for monitoring of health improvements and outcome measures.

~~((u))~~ (w) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit.

~~((v))~~ (x) The health care authority shall coordinate with the department of social and health services to provide referrals to the Washington health benefit exchange for clients that will be ineligible for medicaid.

~~((w))~~ (y) To facilitate a single point of entry across public and medical assistance programs, and to maximize the use of federal funding, the health care authority, the department of social and health services, and the health benefit exchange will coordinate efforts to expand HealthPlanfinder access to public assistance and medical eligibility staff. The health care authority shall complete medicaid applications in the HealthPlanfinder for households receiving or applying for medical assistance benefits.

~~((x))~~ (z) \$90,000 of the general fund-state appropriation for fiscal year 2018, \$90,000 of the general fund-state appropriation for fiscal year 2019, and \$180,000 of the general fund-federal appropriation are provided solely to continue operation by a nonprofit

organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program.

~~((y))~~ (aa) The appropriations in this section reflect savings and efficiencies by transferring children receiving medical care provided through fee-for-service to medical care provided through managed care.

~~((z))~~ (bb) Within the amounts appropriated in this section, the authority shall reimburse for primary care services provided by naturopathic physicians.

~~((aa))~~ (cc) Within the amounts appropriated in this section, the authority shall continue to provide coverage for pregnant teens that qualify under existing pregnancy medical programs, but whose eligibility for pregnancy related services would otherwise end due to the application of the new modified adjusted gross income eligibility standard.

~~((bb))~~ (dd) Sufficient amounts are appropriated in this section to remove the mental health visit limit and to provide the shingles vaccine and screening, brief intervention, and referral to treatment benefits that are available in the medicaid alternative benefit plan in the classic medicaid benefit plan.

~~((cc))~~ (ee) The authority shall use revenue appropriated from the dedicated marijuana fund for contracts with community health centers under RCW 69.50.540 in lieu of general fund-state payments to community health centers for services provided to medical assistance clients, and it is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

~~((dd))~~ (ff) \$127,000 of the general fund-state appropriation for fiscal year 2018 and \$1,144,000 of the general fund-federal appropriation are provided solely to the ProviderOne provider overtime project and are subject to the conditions, limitations, and review provided in section 724 of this act.

~~((cc))~~ (gg) \$175,000 of the general fund-state appropriation for fiscal year 2018 and \$825,000 of the general fund-federal appropriation are provided solely to the ProviderOne CORE operating rules project and are subject to the

conditions, limitations, and review provided in section 724 of this act.

~~((ff))~~ ~~\$2,200,000~~) (hh) \$1,483,000 of the general fund-state appropriation for fiscal year 2018 ~~((and \$2,701,000))~~, \$1,594,000 of the general fund-state appropriation for fiscal year 2019, and \$1,509,000 of the general fund-federal appropriation are provided ~~((solely))~~ for a rate increase effective July 1, 2018 and performance payments to reward successful beneficiary engagement in the health homes program for ~~((dual eligible))~~ fee-for-service enrollees and these are the maximum amounts in each fiscal year the authority may expend for this purpose.

~~((gg))~~ (ii) \$450,000 of the general fund-state appropriation for fiscal year 2018, \$450,000 of the general fund-state appropriation for fiscal year 2019, and \$1,058,000 of the general fund-federal appropriation are provided solely for the authority to hire ten nurse case managers to coordinate medically assisted treatment and movements to medical homes for those being treated for opioid use disorder. Nurses shall be located in areas and provider settings with the highest concentration of opioid use disorder patients.

~~((hh))~~ (jj) Sufficient amounts are appropriated in this section for the authority to provide a collaborative care benefit beginning July 1, 2017.

~~((ii))~~ (kk) The authority and the department of social and health services shall convene a work group consisting of representatives of skilled nursing facilities, adult family homes, assisted living facilities, managers of in-home long-term care, hospitals, and managed health care systems. The work group shall identify barriers that may prevent skilled nursing facilities from accepting and admitting clients from acute care hospitals in a timely and appropriate manner. The work group shall consider what additional resources are needed to allow for faster transfers of enrollees, including those with complex needs. By December 1, 2017, the authority shall report the work group's findings to the governor and the appropriate committees of the legislature.

~~((jj))~~ (ll) Within the amounts appropriated within this section, the authority shall implement the plan to show how improved access to home health nursing reduces potentially preventable

readmissions, increases access to care, reduces hospital length of stay, and prevents overall hospital admissions for clients receiving private duty nursing, medically intensive care, or home health benefits as described in their report to the legislature dated December 15, 2016, entitled home health nursing. The authority shall report to the governor and appropriate committees of the legislature by December 31, 2017, information regarding the effect of the ten dollar rate increases for skilled nursing care delivered via private duty nursing or home health nursing, and how the rate changes impacted the utilization and cost of emergency room visits, reduced the length of stay for initial hospital admissions, and reduced utilization and costs of preventable hospital readmissions. The report will quantify potential cost saving opportunities that may exist through improved access to private duty and home health nursing statewide.

~~((kk))~~ (mm) Within the amounts appropriated within this section, beginning July 1, 2017, the authority must increase facility fees to birth centers to the amount listed on page two of their report to the legislature dated October 15, 2016, entitled reimbursement for births performed at birth centers. This increased rate is applicable in both a fee for service setting and is the minimum allowable rate in a managed care setting. The authority shall report to the governor and appropriate committees of the legislature by October 15, 2018, updated information regarding access to care, improvements to the Cesarean section rate, and savings outcomes for utilizing birth centers as an alternative to hospitals.

~~((ll))~~ (nn) Beginning no later than January 1, 2018, for any service eligible under the medicaid state plan for encounter payments, managed care organizations at the request of a rural health clinic shall pay the full published encounter rate directly to the clinic. At no time will a managed care organization be at risk for or have any right to the supplemental portion of the claim. Payments will be reconciled on at least an annual basis between the managed care organization and the authority, with final review and approval by the authority. By September 31, 2017, the authority shall report to the legislature on its progress implementing this subsection.

~~((mm))~~ (oo) Within the amounts appropriated in this section, and in consultation with appropriate parties, including the rural health clinic association of Washington and the centers for medicare and medicaid services, by December 1, 2017, the authority shall submit a report to the governor and appropriate committees of the legislature evaluating legislative and administrative options to reduce or eliminate any amounts owed by rural health clinics under the payment reconciliation process established in the medicaid state plan.

~~((nn))~~ (pp) \$500,000 of the general fund-state appropriation for fiscal year 2019 and \$500,000 of the general fund-federal appropriation are provided solely for the authority to implement the oral health connections pilot project in ~~((Yakima, Adams))~~ Spokane, Thurston, and Cowlitz counties. The authority shall work in collaboration with Washington dental service foundation to jointly develop and implement the program. The purpose of the three-year pilot is to test the effect that enhanced dental benefits for adult medicaid clients with diabetes and pregnant women have on access to dental care, health outcomes, and medical care costs. The authority must model the pilot on the access to baby and child dentistry program. The pilot program must include enhanced reimbursement rates for participating dental providers, including denturists licensed under chapter 18.30 RCW, and an increase in the allowable number of periodontal treatments to up to four per calendar year. Diabetic or pregnant adult medicaid clients who are receiving dental care within the pilot region(s), regardless of location of the service within the pilot region(s), are eligible for the increased number of periodontal treatments. The Washington dental service foundation shall partner with the authority and provide wraparound services to link patients to care. The authority and Washington dental service foundation shall jointly develop the program. The authority and foundation shall provide a joint progress report to the appropriate committees of the legislature on December 1, 2017, and December 1, 2018.

~~((oo))~~ (qq) Sufficient amounts are appropriated in this section to increase the daily rate by \$155.20 for skilled nursing performed by licensed practical nurses and registered nurses who serve

medically intensive children's program clients who reside in a group home setting.

~~((pp))~~ (rr) During the 2017-2019 fiscal biennium, the authority must revise its agreements and contracts with vendors to include a provision to require that each vendor agrees to equality among its workers by ensuring similarly employed individuals are compensated as equals as follows:

(i) Employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;

(ii) Vendors may allow differentials in compensation for its workers based in good faith on any of the following:

(A) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.

(B) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience, that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.

(C) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

(iii) The provision must allow for the termination of the contract if the authority or department of enterprise services determines that the vendor is not in compliance with this agreement or contract term.

(iv) The authority must implement this provision with any new contract and at the time of renewal of any existing contract.

~~((qq))~~ (ss) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a pilot program for treatment of inmates at the Snohomish

county jail who are undergoing detoxification from heroin and other opioids and for connecting those individuals with treatment providers in the community upon their release.

~~((tt))~~ (tt) \$6,487,000 of the general fund-state appropriation for fiscal year 2018 and \$1,340,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the physical health care costs of medicaid clients receiving services in facilities classified as institutions for mental diseases for longer than 15 days in a calendar month. The authority must apply for a waiver from the center for medicare and medicaid services to allow for the full cost of stays in institutions for mental diseases to be included in managed care rates beginning on July 1, 2018. The authority must submit a report on the status of the waiver to the office of financial management and the appropriate committees of the legislature by December 1, 2017.

~~((ss))~~ (uu) The authority shall evaluate adding a tele-pyschiatry consultation benefit for medicaid covered individuals. The authority shall submit a report with the cost associated with adding such a benefit to the governor and appropriate committees of the legislature by October 1, 2017.

~~((ttt))~~ (vv) \$33,000 of the general fund-state appropriation for fiscal year 2018, ~~((\$7,000 of the state health care authority administrative account state appropriation))~~ and \$42,000 of the general fund-federal appropriation are provided solely for the bleeding disorder collaborative for care.

~~((uu))~~ (ww) \$304,000 of the general fund-state appropriation for fiscal year 2018, \$304,000 of the general fund-state appropriation for fiscal year 2019, and \$608,000 of the general fund-federal appropriation are provided solely for the authority to contract with the University of Washington tele-pain pain management program and pain management call center to advance primary care provider knowledge of complex pain management issues, including opioid addiction.

~~((vvv))~~ (xx) \$165,000 of the general fund-state appropriation for fiscal year 2018, \$329,000 of the general fund-state appropriation for fiscal year 2019, and \$604,000 of the general fund-federal appropriation are provided solely for

implementation of chapter 202, Laws of 2017 (Engrossed Second Substitute House Bill No. 1713) (children's mental health).

~~((www))~~ (yy) \$1,813,000 of the general fund-state appropriation for fiscal year 2018, \$3,764,000 of the general fund-state appropriation for fiscal year 2019, and \$12,930,000 of the general fund-federal appropriation are provided solely for implementation of chapter 110, Laws of 2017 (Second Substitute House Bill No. 1338) (state health insurance pool).

~~((xxx) \$347,000)~~ (zz) \$69,000 of the general fund-state appropriation for fiscal year 2018, ~~((\$839,000))~~ \$1,118,000 of the general fund-state appropriation for fiscal year 2019, and \$943,000 of the general fund-federal appropriation are provided solely for implementation of chapter 198, Laws of 2017 (Substitute House Bill No. 1520) (hospital payment methodology).

~~((yyy))~~ (aaa) Sufficient amounts are appropriated in this section for the implementation of chapter 273, Laws of 2017 (Engrossed Second Substitute House Bill No. 1358) (community asst. referral programs).

~~((zzz))~~ (bbb) \$69,000 of the general fund-state appropriation for fiscal year 2018, \$560,000 of the general fund-state appropriation for fiscal year 2019, and \$308,000 of the general fund-federal appropriation are provided solely for the authority to implement, operate, and maintain a provider credentialing system and are subject to the conditions, limitations, and review provided in section 724 of this act. The authority, in collaboration with the department of health, department of corrections, department of social and health services, the public employees' benefits board, and the department of labor and industries, shall work to ensure that a single platform provider credentialing system is implemented. The authority, departments, and board shall ensure that appropriate cost offsets and cost avoidance are assumed for reduced staff time required for provider credentialing activity and reductions in improper billing activity when implementing provider credentialing systems. The authority must enter into agreements with the department of labor and industries and the public employees' benefits board to pay their share of the costs of implementing and operating a new provider

credentialing system. The authority shall submit a report to the office of financial management and appropriate committees of the legislature outlining projected cost savings and cost avoidance no later than December 1, 2018.

(ccc) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$400,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department and the health care authority to enter into an interagency agreement to contract with Washington autism alliance and advocacy (WAAA) to educate and assist persons seeking the authority's services to address a suspected or diagnosed autism spectrum disorder or developmental disability related to autism spectrum disorder. The department or the authority may refer such individuals to WAAA to support them in navigating the health care system. The authority, in collaboration with the department and the WAAA, shall submit a report to the governor and the appropriate committees of the legislature by December 15, 2018, and December 15, 2019, detailing how many persons were referred to, how many persons received services from, and what services were provided by the WAAA. The reports shall also include what health care services the WAAA was able to connect the referred persons to, the length of time these connections took, the type of health coverage the person referred had at the time of referral and whether alternate coverage was obtained.

(ddd) The authority and the office of the insurance commissioner shall consult with the University of Washington, medicaid managed care organizations, and health insurance carriers as defined in RCW 48.44.010 to develop an alternative funding model for the partnership access line (PAL).

(i) The funding model must identify potential sources to support:

(A) Current PAL services for primary care providers;

(B) An expansion of PAL services to include consultation services for primary care providers treating depression in pregnant women and new mothers; and

(C) An expansion of PAL services to include referrals to children's mental health services and other resources for parents and guardians with concerns related to their child's mental health.

(ii) In developing the alternative funding model, the authority and office of the insurance commissioner must:

(A) Consider a mechanism that determines the annual cost of operating the PAL and collects a proportional share of the program cost from each health insurance carrier;

(B) Differentiate between PAL activities eligible for medicaid funding from other nonmedicaid eligible activities; and

(C) Ensure that the expanded services identified in this subsection do not duplicate existing requirements for medicaid managed care organizations as required by RCW 74.09.492.

(eee) \$20,000 of the general fund-state appropriation for fiscal year 2019 and \$20,000 of the general fund-federal appropriation are provided solely for the authority, in partnership with the department of social and health services and the department of health, to assist a collaborative public-private entity with implementation of recommendations in the state plan to address alzheimer's disease and other dementias.

(fff) \$5,825,000 of the general fund-state appropriation for fiscal year 2019 and \$8,019,000 of the general fund-federal appropriation are provided solely for an increase in pediatric primary care provider rates to privately owned and operated pediatric care providers. These amounts are the maximum that the authority may spend for this purpose. The authority must pursue a state plan amendment to increase pediatric primary care provider and pediatric vaccine rates to this class of providers through state directed payments through a permissible payment model. The codes considered for these increases should follow those that were used under the temporary increase provided in calendar years 2013 and 2014 as outlined in section 1202 of the affordable care act. Both physician and nonphysician practitioners are eligible for these increases and are not required to attest. Increases are based upon eligible codes. The authority must provide a report to the governor and appropriate committees of the legislature by November 1, 2019, detailing how the amounts provided in this subsection were used, what percentage increase was provided for pediatric primary care provider

evaluation and management rates, what percentage increase was provided for pediatric vaccine rates, how utilization has changed within each category, and how these rate increases have impacted access to care.

(ggg) \$50,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the authority to conduct a study to identify strategies for enhancing access to primary care for medical assistance clients. The authority may collaborate with other stakeholders as appropriate. The authority shall provide a report with recommendations to the appropriate committees of the legislature by December 1, 2018. The study shall, to the extent possible:

(i) Review the effect of the temporary rate increase provided as part of the patient protection and affordable care act on:

(A) The number of providers serving medical assistance clients;

(B) The number of medical assistance clients receiving services; and

(C) Utilization of primary care services.

(ii) Identify client barriers to accessing primary care services;

(iii) Identify provider barriers to accepting medical assistance clients;

(iv) Identify strategies for incentivizing providers to accept more medical assistance clients;

(v) Prioritize areas for investment that are likely to have the most impact on increasing access to care; and

(vi) Strategically review the current medicaid rates and identify specific areas and amounts that may promote access to care.

(hhh) \$1,400,000 of the general fund-state appropriation for fiscal year 2019 and \$3,900,000 of the general fund-federal appropriation are provided solely to increase the rates paid to rural hospitals that were certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013, with less than one hundred fifty acute care licensed beds in fiscal year 2011. Payments for state and federal medical assistance programs for

services provided by such a hospital, regardless of the beneficiary's managed care enrollment status, must be increased to one hundred and fifty percent of the hospital's fee-for-service rates.

(iii) \$40,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to create a work group at the Robert Bree collaborative to identify best practices for mental health services regarding patient mental health treatment and patient management. The work group shall identify best practices on patient confidentiality, discharging patients, treating patients with homicide ideation and suicide ideation, recordkeeping to decrease variation in practice patterns in these areas, and other areas as defined by the work group. The work group shall be composed of clinical and administrative experts including psychologists, psychiatrists, advanced practice psychiatric nurses, social workers, marriage and family therapists, certified counselors, and mental health counselors.

(jjj) \$536,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 1291 (Pacific Islander health care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(kkk) \$50,000 of the general fund-state appropriation for fiscal year 2019 and \$50,000 of the general fund-federal appropriation are provided solely for implementation of Engrossed Second Substitute House Bill No. 2779 (children's mental health services). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(lll) \$31,000 of the general fund-state appropriation for fiscal year 2018 and \$44,000 of the general fund-federal appropriation are provided solely for implementation of chapter 303, Laws of 2017 (public records administration).

(mmm) \$200,000 of the general fund-state appropriation for fiscal year 2019 and \$150,000 of the general fund-federal appropriation are provided solely for the authority to develop and issue a request for proposal (RFP) to implement a population-based, cost-effective approach to eradicate the hepatitis C disease in Washington state. In coordination with the department of health and the department of corrections,

the authority shall contract with a consultant to support the development of a RFP that requires: (a) A partnership with a hepatitis C drug manufacturer to make available cost-effective hepatitis C medications for medicaid and nonmedicaid populations through potentially new and innovative pricing strategies; (b) identification of the universe of medicaid and nonmedicaid populations infected with hepatitis C and the development of successful strategies to treat and eradicate the disease with associated costs; (c) an evaluation of state agency efforts to treat medicaid and nonmedicaid populations infected with hepatitis C; (d) research of population-based hepatitis C models that take into consideration alternative payment models and service delivery strategies; (e) the development of care-model options for case finding and delivery of hepatitis C treatment that leverage existing efforts in the state, including project ECHO and hub and spoke opiate use disorder treatment, and estimated costs of implementing such models; and (f) the development of a timeline to implement care models and a service delivery system that will eradicate the disease. The authority shall report initial findings and implementation timeframes to the office of financial management and the appropriate committees of the legislature by November 1, 2018, and shall issue a request for proposal no later than January 1, 2019.

(nnn) Sufficient amounts are provided in this subsection for the authority to provide an adult hearing aid benefit.

(ooo) Sufficient amounts are provided in this subsection for the authority to provide medical assistance to individuals who newly enroll in the individual and family services waiver at the department of social and health services developmental disabilities administration pursuant to section 205(1) (bb) of this act.

(2) PUBLIC EMPLOYEES' BENEFITS BOARD AND EMPLOYEE BENEFITS PROGRAMS

State Health Care Authority
Administration Account—

State Appropriation... (~~(\$42,061,000)~~)
\$63,221,000

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

(a) The authority and the public employees' benefits board shall consult with the Washington state institute for public policy on the cost-effectiveness of the wellness plan and any changes to the plan that can be made to increase the health care efficiency of the wellness plan. The authority shall report its findings to the governor and the appropriate committees of the legislature by October 15, 2018.

(b) The authority and the public employees' benefits board shall ensure that procurement for employee health benefits during the 2019-2021 fiscal biennium is consistent with the funding limitations provided in part 9 of this act.

(c) \$236,000 of the state health care authority administration account—state appropriation for fiscal year 2018 and \$236,000 of the state health care authority administration account—state appropriation for fiscal year 2019 are provided solely to the affordable care act employer shared responsibility project and are subject to the conditions, limitations, and review provided in section 724 of this act.

(d) All savings resulting from reduced claim costs or other factors identified after December 31, 2016, must be reserved for funding employee health benefits in the 2019-2021 fiscal biennium. Any changes to benefits, including covered prescription drugs, must be approved by the public employees' benefits board. Upon procuring benefits for calendar years 2018 and 2019, the public employees' benefits board shall: (1) Not consider any changes to benefits, including prescription drugs, without considering comprehensive analysis of the cost of those changes; and (2) not adopt a package of benefits and premiums that results in a projected unrestricted reserve funding level lower than was projected under the assumptions made prior to procurement. For this purpose, assumptions means projections about the levels of future claims, costs, enrollment and other factors, prior to any changes in benefits. The certificates of coverage agreed to by the health care authority for calendar years 2018 and 2019 must ensure that no increases in coverage of prescription drugs, services, or other benefits may occur prior to approval by the public employees' benefits board at the time of procurement of benefits for the ensuing

calendar year. The public employees' benefits board may, within the funds provided, adopt a virtual diabetes prevention program and adjust the waiting period for dental crown replacement in the Uniform dental program to align with the dental managed care plans.

(e) Within the amounts appropriated within this section, the authority, in consultation with one Washington within the office of financial management, the office of the chief information officer, and other state agencies with statewide payroll or benefit systems, shall prepare a report describing options for the replacement of the Pay 1 information technology system. The report shall evaluate the potential costs, benefits, and feasibility of integrating the functions currently performed by Pay 1 into an existing or new statewide system, as well for a stand-alone system. The report shall also update the business and system requirements documents previously developed for a Pay 1 replacement system. This report shall be provided to the governor and appropriate committees of the legislature by September 30, 2018.

(f) (~~(\$8,000,000)~~) \$28,730,000 of the health care authority administrative account-state appropriation is provided solely for implementation of the school employees' benefits board until the new board commences provision of benefits on January 1, 2020. This expenditure shall be reimbursed to the health care authority administrative account from the newly created school employees' insurance administrative account after January 1, 2020.

(g) The public employees' benefits board, in collaboration with the authority, shall work to ensure that a single platform provider credentialing system is implemented. The authority and the board shall ensure that appropriate cost offsets and cost avoidance are assumed for reduced staff time required for provider credentialing activity and reductions in improper billing activity when implementing provider credentialing systems. The board must enter into an agreement with the authority to pay its share of the costs of implementing and operating a new provider credentialing system.

(3) SCHOOL EMPLOYEES' BENEFITS BOARD

School Employees' Insurance Administrative

Account-State
Appropriation.....\$28,730,000

The appropriation in this subsection is subject to the following conditions and limitations: \$28,730,000 of the school employees' insurance administrative account-state appropriation is provided solely for implementation of the school employees' benefits board until the new board commences provision of benefits on January 1, 2020. It is the intent of the legislature that the state health care authority administration account be reimbursed for the appropriation to this account made in this section, with interest.

(4) HEALTH BENEFIT EXCHANGE

General Fund-State Appropriation (FY 2018).....\$5,184,000

General Fund-State Appropriation (FY 2019).....(~~(\$5,184,000)~~)

\$5,701,000

General Fund-Federal Appropriation.....(~~(\$52,837,000)~~)

\$53,892,000

Health Benefit Exchange Account-State Appropriation.....(~~(\$56,736,000)~~)

\$59,385,000

TOTAL APPROPRIATION.....\$119,941,000

\$124,162,000

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

(a) The receipt and use of medicaid funds provided to the health benefit exchange from the health care authority are subject to compliance with state and federal regulations and policies governing the Washington apple health programs, including timely and proper application, eligibility, and enrollment procedures.

(b) (i) By July 15th and January 15th of each year, the authority shall make a payment of one-half the general fund-state appropriation and one-half the health benefit exchange account-state appropriation to the exchange.

(ii) For the 2017-2019 biennium, for the purpose of annually calculating issuer assessments, exchange operational costs may include up to three months of additional operating costs.

(iii) The exchange shall monitor actual to projected revenues and make necessary adjustments in expenditures or carrier assessments to ensure expenditures do not exceed actual revenues.

(iv) Payments made from general fund-state appropriation and health benefit exchange account-state appropriation shall be available for expenditure for no longer than the period of the appropriation from which it was made. When the actual cost of materials and services have been fully determined, and in no event later than the lapsing of the appropriation, any unexpended balance of the payment shall be returned to the authority for credit to the fund or account from which it was made, and under no condition shall expenditures exceed actual revenue.

(c) \$321,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Second Substitute House Bill No. 2595 (automatic voter registration). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(d) \$196,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 1291 (Pacific Islander health care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(5) COMMUNITY BEHAVIORAL HEALTH PROGRAM

General Fund-State Appropriation (FY 2019)	\$576,489,000
General Fund-Federal Appropriation	\$917,440,000
General Fund-Private/Local Appropriation	\$18,261,000
Criminal Justice Treatment Account-State Appropriation	\$6,490,000
Problem Gambling Account-State Appropriation	\$728,000
Dedicated Marijuana Account-State Appropriation (FY 2019)...	\$28,486,000
Pension Funding Stabilization Account-State Appropriation.....	\$857,000
TOTAL APPROPRIATION....	\$1,548,751,000

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

(a) For the purposes of this subsection, amounts provided for behavioral health organizations shall also be available for the health care authority to contract with entities that assume the responsibilities of behavioral health organizations in regions in which the health care authority is purchasing medical and behavioral health services through fully integrated contracts pursuant to RCW 71.24.380.

(b) \$6,590,000 of the general fund-state appropriation for fiscal year 2019 and \$3,810,000 of the general fund-federal appropriation are provided solely for the authority and behavioral health organizations to continue to contract for implementation of high-intensity programs for assertive community treatment (PACT) teams. In determining the proportion of medicaid and nonmedicaid funding provided to behavioral health organizations with PACT teams, the authority shall consider the differences between behavioral health organizations in the percentages of services and other costs associated with the teams that are not reimbursable under medicaid. The authority may allow behavioral health organizations which have nonmedicaid reimbursable costs that are higher than the nonmedicaid allocation they receive under this section to supplement these funds with local dollars or funds received under (f) of this subsection. The authority and behavioral health organizations shall maintain consistency with all essential elements of the PACT evidence-based practice model in programs funded under this section.

(c) From the general fund-state appropriations in this subsection, the authority shall assure that behavioral health organizations reimburse the department of social and health services aging and long term support administration for the general fund-state cost of medicaid personal care services that enrolled behavioral health organization consumers use because of their psychiatric disability.

(d) \$1,760,000 of the general fund-federal appropriation is provided solely for the authority to maintain a pilot project to put peer bridging staff into each behavioral health organization as

part of the state psychiatric liaison teams to promote continuity of service as individuals return to their communities.

(e) \$6,858,000 of the general fund-state appropriation for fiscal year 2019 and \$4,023,000 of the general fund-federal appropriation are provided solely for new crisis triage or stabilization centers. The authority must seek proposals from behavioral health organizations for the use of these funds based on regional priorities. Services in these facilities may include crisis stabilization and intervention, individual counseling, peer support, medication management, education, and referral assistance. The authority shall monitor each center's effectiveness at lowering the rate of state psychiatric hospital admissions.

(f) \$81,930,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for persons and services not covered by the medicaid program. To the extent possible, levels of behavioral health organization spending must be maintained in the following priority order: Crisis and commitment services; community inpatient services; and residential care services, including personal care and emergency housing assistance. These amounts must be distributed to behavioral health organizations proportionate to the fiscal year 2017 allocation of flexible nonmedicaid funds. The authority must include the following language in medicaid contracts with behavioral health organizations unless they are provided formal notification from the center for medicaid and medicare services that the language will result in the loss of federal medicaid participation: "The contractor may voluntarily provide services that are in addition to those covered under the state plan, although the cost of these services cannot be included when determining payment rates unless including these costs are specifically allowed under federal law or an approved waiver."

(g) The authority is authorized to continue to contract directly, rather than through contracts with behavioral health organizations for children's long-term inpatient facility services.

(h) \$1,125,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the Spokane county behavioral health organization to implement services to reduce utilization

and the census at eastern state hospital. Such services shall include:

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

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

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

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

At least annually, the Spokane county behavioral health organization shall assess the effectiveness of these services in reducing utilization at eastern state hospital, identify services that are not optimally effective, and modify those services to improve their effectiveness.

(i) \$1,204,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to reimburse Pierce and Spokane counties for the cost of conducting one hundred eighty-day commitment hearings at the state psychiatric hospitals.

(j) Behavioral health organizations may use local funds to earn additional federal medicaid match, provided the locally matched rate does not exceed the upper-bound of their federally allowable rate range, and provided that the enhanced funding is used only to provide medicaid state plan or waiver services to medicaid clients. Additionally, behavioral health organizations may use a portion of the state funds allocated in accordance with (f) of this subsection to earn additional medicaid match, but only to the extent that the application of such funds to medicaid services does not diminish the level of crisis and commitment, community inpatient, residential care, and outpatient services presently available to persons not eligible for medicaid.

(k) \$2,291,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for mental health services for mentally ill offenders while confined in a county or city jail and for

facilitating access to programs that offer mental health services upon release from confinement. The authority must collect information from the behavioral health organizations on their plan for using these funds, the numbers of individuals served, and the types of services provided and submit a report to the office of financial management and the appropriate fiscal committees of the legislature by December 1st of each year of the biennium.

(l) Within the amounts appropriated in this section, funding is provided for the authority to develop and phase in intensive mental health services for high needs youth consistent with the settlement agreement in *T.R. v. Dreyfus and Porter*.

(m) The authority must establish minimum and maximum funding levels for all reserves allowed under behavioral health organization contracts and insert contract language that clearly states the requirements and limitations. The authority must monitor and ensure that behavioral health organization reserves do not exceed maximum levels. The authority must monitor behavioral health organization revenue and expenditure reports and must require a behavioral health organization to submit a corrective action plan on how it will spend its excess reserves within a reasonable period of time, when its reported reserves exceed maximum levels established under the contract. The authority must review and approve such plans and monitor to ensure compliance. If the authority determines that a behavioral health organization has failed to provide an adequate excess reserve corrective action plan or is not complying with an approved plan, the authority must reduce payments to the behavioral health organization in accordance with remedial actions provisions included in the contract. These reductions in payments must continue until the authority determines that the behavioral health organization has come into substantial compliance with an approved excess reserve corrective action plan.

(n) \$3,079,000 of the general fund-state appropriation for fiscal year 2019 and \$2,892,000 of the general fund-federal appropriation are provided solely for the authority to increase rates for community hospitals that provide a minimum of two hundred medicaid

psychiatric inpatient days. The authority must increase both medicaid and nonmedicaid psychiatric per-diem reimbursement rates for these providers within these amounts. The amounts in this subsection include funding for additional hold harmless payments resulting from the rate increase. The authority shall prioritize increases for hospitals not currently paid based on provider specific costs using a similar methodology used to set rates for existing inpatient facilities and the latest available cost report information. Rate increases for providers must be set so as not to exceed the amounts provided within this subsection. The rate increase related to nonmedicaid clients must be done to maintain the provider at the same percentage as currently required under WAC 182-550-4800.

(o) \$100,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the authority to collaborate with tribal governments and develop a plan for establishing an evaluation and treatment facility that will specialize in providing care specifically to the American Indian and Alaska Native population. The plan must include options for maximizing federal participation and ensure that utilization will be based on medical necessity and identify a specific geographic location where a tribal evaluation and treatment facility will be built.

(p) \$7,103,000 of the general fund-state appropriation for fiscal year 2019 and \$8,052,000 of the general fund-federal appropriation are provided solely for the authority to contract with community hospitals or freestanding evaluation and treatment centers to provide up to forty-eight long-term inpatient care beds as defined in RCW 71.24.025. The authority must seek proposals and contract directly for these services rather than contracting through behavioral health organizations. The authority must not use any of the amounts provided under this subsection for contracts with facilities that are subject to federal funding restrictions that apply to institutions of mental diseases, unless they have received a waiver that allows for full federal participation in these facilities.

(q) \$1,133,000 of the general fund-state appropriation for fiscal year 2019

and \$1,297,000 of the general fund-federal appropriation are provided solely to increase the number of psychiatric residential treatment beds for individuals transitioning from psychiatric inpatient settings. The authority must seek proposals from behavioral health organizations for the use of these amounts and coordinate with the department of social and health services in awarding these funds. The authority must not allow for any of the amounts provided under this subsection to be used for services in facilities that are subject to federal funding restrictions that apply to institutions of mental diseases, unless they have received a waiver that allows for full federal participation in these facilities.

(r) \$6,744,000 of the general fund-state appropriation for fiscal year 2019 and \$14,516,000 of the general fund-federal appropriation are provided solely for the authority to increase medicaid capitation payments for behavioral health organizations. The authority must work with the actuaries responsible for certifying behavioral health capitation rates to adjust average salary assumptions in order to implement this increase. In developing further updates for medicaid managed care rates for behavioral health services, the authority must require the contracted actuaries to: (i) Review and consider comparison of salaries paid by government agencies and hospitals that compete with community providers for behavioral health workers in developing salary assumptions; and (ii) review data to see whether a specific travel assumption for high congestion areas is warranted. The authority must include and make available all applicable documents and analysis to legislative staff from the fiscal committees throughout the process. The authority must require the actuaries to develop and submit rate ranges for each behavioral health organization prior to certification of specific rates.

(s) The number of beds allocated for use by behavioral health organizations at eastern state hospital shall be one hundred ninety two per day. The number of nonforensic beds allocated for use by behavioral health organizations at western state hospital shall be five hundred fifty-seven per day. In fiscal year 2019, the authority must reduce the number of beds allocated for use by behavioral health organizations at

western state hospital by thirty beds to allow for the repurposing of a civil ward at western state hospital to provide forensic services. The contracted beds provided under (p) of this subsection shall be allocated to the behavioral health organizations in lieu of beds at the state hospitals and be incorporated in their allocation of state hospital patient days of care for the purposes of calculating reimbursements pursuant to RCW 71.24.310. It is the intent of the legislature to continue the policy of expanding community based alternatives for long term civil commitment services that allow for state hospital beds to be prioritized for forensic patients.

(t) \$11,405,000 of the general fund-state appropriation for fiscal year 2019 and \$8,840,000 of the general fund-federal appropriation are provided solely to maintain enhancements of community mental health services. The authority must contract these funds for the operation of community programs in which the authority determines there is a need for capacity that allows individuals to be diverted or transitioned from the state hospitals including but not limited to: (i) Community hospital or free standing evaluation and treatment services providing short-term detention and commitment services under the involuntary treatment act to be located in the geographic areas of the King behavioral health organization, the Spokane behavioral health organization outside of Spokane county, and the Thurston Mason behavioral health organization; (ii) one new full program of an assertive community treatment team in the King behavioral health organization and two new half programs of assertive community treatment teams in the Spokane behavioral health organization and the Pierce behavioral health organization; and (iii) three new recovery support services programs in the Great Rivers behavioral health organization, the greater Columbia behavioral health organization, and the north sound behavioral health organization. In contracting for community evaluation and treatment services, the authority may not use these resources in facilities that meet the criteria to be classified under federal law as institutions for mental diseases. If the authority is unable to come to a contract agreement with a designated behavioral health organization for any of

the services identified above, it may consider contracting for that service in another region that has the need for such service.

(u) \$1,296,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for clubhouse programs. The authority shall ensure that \$400,000 is used for the biennium for support of the Spokane clubhouse program and the remaining funds must be used for support of new clubhouse programs. The authority must develop options and cost estimates for implementation of clubhouse programs statewide through a medicaid state plan amendment or a medicaid waiver and submit a report to the office of financial management and the appropriate committees of the legislature by December 1, 2018.

(v) \$213,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to fund one pilot project in Pierce county and one in Yakima county to promote increased utilization of assisted outpatient treatment programs. The authority shall require two behavioral health organizations to contract with local government to establish the necessary infrastructure for the programs. The authority shall provide a report by October 15, 2018, to the office of financial management and the appropriate fiscal and policy committees of the legislature to include the number of individuals served, outcomes to include reduced use of inpatient treatment and state hospital stays, and recommendations for further implementation based on lessons learned and best practices identified by the pilot projects.

(w) \$3,278,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for a memorandum of understanding with the department of social and health services juvenile rehabilitation administration to provide substance abuse treatment programs for juvenile offenders. Of the amounts provided in this subsection (5) (w):

(i) \$1,130,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these funds as described in section 203(4) of this act.

(ii) \$282,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for the expansion of evidence-based treatments and therapies as described in section 203(2) of this act.

(x) During fiscal year 2019, any amounts provided in this section that are used for case management services for pregnant and parenting women must be contracted directly between the authority and providers rather than through contracts with behavioral health organizations.

(y) Within the amounts appropriated in this section, the authority may contract with the University of Washington and community-based providers for the provision of the parent-child assistance program or other specialized chemical dependency case management providers for pregnant, post-partum, and parenting women. For all contractors: (i) Service and other outcome data must be provided to the department by request; and (ii) indirect charges for administering the program must not exceed ten percent of the total contract amount.

(z) \$1,750,000 of the general fund-federal appropriation (from the substance abuse prevention and treatment federal block grant) is provided solely for the continued funding of existing county drug and alcohol use prevention programs.

(aa) \$200,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for a contract with the Washington state institute for public policy to conduct cost-benefit evaluations of the implementation of chapter 3, Laws of 2013 (Initiative Measure No. 502).

(bb) \$500,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely to design and administer the Washington state healthy youth survey and the Washington state young adult behavioral health survey.

(cc) \$396,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for maintaining increased services to pregnant and parenting women provided through the parent child assistance program.

(dd) \$250,000 of the dedicated marijuana account-state appropriation

for fiscal year 2019 is provided solely for a grant to the office of superintendent of public instruction to provide life skills training to children and youth in schools that are in high needs communities.

(ee) \$386,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely to maintain increased prevention and treatment services provided by tribes to children and youth.

(ff) \$2,684,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 and \$950,000 of the general fund-federal appropriation are provided solely to maintain increased residential treatment services for children and youth.

(gg) \$250,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for training and technical assistance for the implementation of evidence based, research based, and promising programs which prevent or reduce substance use disorders.

(hh) \$2,434,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for expenditure into the home visiting services account.

(ii) \$2,500,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for grants to community-based programs that provide prevention services or activities to youth, including programs for school-based resource officers. These funds must be utilized in accordance with RCW 69.50.540.

(jj) Within the amounts provided in this section, behavioral health organizations must provide outpatient chemical dependency treatment for offenders enrolled in the medicaid program who are supervised by the department of corrections pursuant to a term of community supervision. Contracts with behavioral health organizations must require that behavioral health organizations include in their provider network specialized expertise in the provision of manualized, evidence-based chemical dependency treatment services for offenders. The department of corrections and the authority must develop a memorandum of understanding for department of corrections offenders on active supervision who are medicaid

eligible and meet medical necessity for outpatient substance use disorder treatment. The agreement will ensure that treatment services provided are coordinated, do not result in duplication of services, and maintain access and quality of care for the individuals being served. The authority must provide all necessary data, access, and reports to the department of corrections for all department of corrections offenders that receive medicaid paid services.

(kk) \$562,000 of the general fund-federal appropriation is provided solely for the authority to develop a memorandum of understanding with the department of health for implementation of chapter 297, Laws of 2017 (ESHB 1427) (opioid treatment programs). The authority must use these amounts to reimburse the department of health for costs incurred through the implementation of the bill.

(ll) \$2,580,000 of the general fund-state appropriation for fiscal year 2019 and \$2,320,000 of the general fund-federal appropriation are provided solely for the development and operation of two secure detoxification facilities. The authority must not use any of these amounts for services in facilities that are subject to federal funding restrictions that apply to institutions for mental diseases, unless they have received a waiver that allows for full federal participation in these facilities.

(mm) \$100,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for parenting education services focused on pregnant and parenting women.

(nn) Within existing appropriations, the authority shall prioritize the prevention and treatment of intravenous opiate-based drug use.

(oo) The criminal justice treatment account-state appropriation is provided solely for treatment and treatment support services for offenders with a substance use disorder pursuant to RCW 71.24.580. The authority must offer counties the option to administer their share of the distributions provided for under RCW 71.24.580(5)(a). If a county is not interested in administering the funds, the authority shall contract with a behavioral health organization or administrative services organization to administer these funds consistent with the plans approved by local panels

pursuant to RCW 71.24.580(5)(b). The authority must provide a report to the office of financial management and the appropriate committees of the legislature which identifies the distribution of criminal justice treatment account funds by September 30, 2018.

(pp) \$26,000,000 of the general fund-state appropriation for fiscal year 2019 and \$44,200,000 of the general fund-federal appropriation are provided solely for the enhancement of community-based behavioral health services. This funding must be allocated to behavioral health organizations proportionate to their regional population. In order to receive these funds, each behavioral health organization must submit a plan to address the following issues: (i) Reduction in their use of long-term commitment beds through community alternatives; (ii) compliance with RCW 71.05.365 requirements for transition of state hospital patients into community settings within fourteen days of the determination that they no longer require active psychiatric treatment at an inpatient level of care; (iii) improvement of staff recruitment and retention in community behavioral health facilities; (iv) diversion of individuals with behavioral health issues from the criminal justice system; and (v) efforts to improve recovery oriented services, including, but not limited to, expansion of clubhouse models. The plans are not limited to the amounts in this subsection and may factor in all resources the behavioral health organization receives from the state. Each plan must identify metrics for tracking progress in each of the areas identified. The authority must collect information on the metrics and outcomes and submit a report summarizing the findings to the office of financial management and the appropriate committees of the legislature by June 30, 2019. Up to twenty percent of the general fund-state appropriation amounts for each behavioral health organization may be used to increase their nonmedicaid funding and the remainder must be used to increase medicaid rates up to but not exceeding the top of each behavioral health organizations medicaid rate range. Each behavioral health organization must specify in their plan how they would like the funds distributed between medicaid rates and nonmedicaid

funding in accordance with this subsection.

(qq) \$11,023,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to assist behavioral health organizations with the costs of providing services to medicaid clients receiving services in psychiatric facilities classified as institutions of mental diseases. The authority must distribute these amounts proportionate to the number of bed days for medicaid clients in institutions for mental diseases that were excluded from behavioral health organization fiscal year 2019 capitation rates because they exceeded the amounts allowed under federal regulations. The department must also use these amounts to directly pay for costs that are ineligible for medicaid reimbursement in institutions of mental disease facilities for American Indian and Alaska Natives who opt to receive behavioral health services on a fee-for-service basis. The amounts used for these individuals must be reduced from the allocation of the behavioral health organization where the individual resides. If a behavioral health organization receives more funding through this subsection than is needed to pay for the cost of their medicaid clients in institutions for mental diseases, they must use the remainder of the amounts to provide other services not covered under the medicaid program. The authority must explore options for continuing to expand waivers which allow for federal matching funds to be used in these facilities. The authority must submit a report on the status of the waiver to the office of financial management and the appropriate committees of the legislature by December 1, 2018.

(rr) \$15,000,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to ensure a smooth transition to integrated managed care for behavioral health regions and to maintain the existing level of regional behavioral health crisis and diversion programs, and other required behavioral health administrative service organization services. These amounts must be used to support the regions transitioning to become mid-adopters for full integration of physical and behavioral health care. These amounts must be distributed proportionate to the population of each regional area covered. The maximum amount allowed per region is \$3,175 per 1,000

residents. These amounts must be used to provide a reserve for nonmedicaid services in the region and to stabilize the new crisis services system. The authority must require all behavioral health organizations transitioning to full integration to either spend down or return all reserves in accordance with contract requirements and federal and state law. Behavioral health organization reserves may not be used to pay for services to be provided beyond the end of a behavioral health organization's contract or for start-up costs in full integration regions. The authority must ensure that any increases in expenditures in behavioral health reserve spend-down plans are required for the operation of services during the contract period and do not result in overpayment to providers.

(ss) \$806,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the authority to develop a peer support program for individuals with substance use disorders. These amounts must be used for development of training and certification of peers specialists. The authority must submit a state plan amendment which provides for these services to be included in behavioral health capitation rates beginning in fiscal year 2020 and allows for federal matching funds to be leveraged for these services.

(tt) \$200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the authority, in collaboration with the department of social and health services, to further develop efforts to shift funding and risk for most civil long-term inpatient commitments into fully integrated care contracts beginning in January 2020. The funding and risk for patients at the state hospitals who have been committed pursuant to dismissal of felony charges after being determined incompetent to stand trial shall not be incorporated into integrated care contracts.

(i) By December 1, 2018, the authority, in coordination with the department of social and health services, must submit a report to the office of financial management and the appropriate committees of the legislature on the following: (A) Actuarial estimates on the impact to per member per month payments and estimated annual state and federal costs for medicaid managed care

organizations with fully integrated contracts; (B) actuarial estimates on the estimated annual costs for administrative services organizations; (C) estimates of the per-diem cost at the state hospitals that will be charged to entities with responsibility for paying for long-term civil inpatient commitments once these are incorporated into fully integrated care contracts; and (D) estimates of the amount of funding that can be reduced from direct appropriations for the state hospitals to reflect the shift in financial responsibility.

(ii) The authority must also explore and report on options for fully leveraging the state's share of federal medicaid disproportionate share funding allowed for institutions of mental diseases, including but not limited to: (A) Prioritizing the use of this funding for forensic patients and those civilly committed pursuant to dismissal of a felony charge; (B) obtaining an institution for mental diseases-disproportionate share hospital waiver to allow for regular medicaid federal financial participation to be used at the state hospitals; and (C) shifting some of the state's current disproportionate share funding used at the state hospitals to community-based institutions for mental diseases to reduce the state cost of patients for whom regular federal medicaid match is not allowed.

(uu) \$2,732,000 of the general fund-state appropriation for fiscal year 2019 and \$9,026,000 of the general fund-federal appropriation are provided solely for the authority to implement strategies to improve access to prevention and treatment of opioid use disorders. The authority may use these funds for the following activities: (i) Expansion of hub and spoke treatment networks; (ii) expansion of pregnant and parenting case management programs; (iii) grants to tribes to prevent opioid use and expand treatment for opioid use disorders; (iv) development and implementation of a tool to track medication assisted treatment provider capacity; (v) support of drug take-back programs which allow individuals to return unused opioids and other drugs for safe disposal; (vi) purchase and distribution of opioid reversal medication; and (vii) maintaining support for youth prevention services. The authority must coordinate these activities with the department of health

to avoid duplication of effort and must work to identify additional federal resources that can be used to maintain and expand these efforts. The authority must submit a report to the office of financial management and the appropriate committees of the legislature on the status of these efforts by December 1, 2018. The report must include identification of any increase in behavioral health federal block grants or other federal funding awards received by the authority and the plan for the use of these funds.

(vv) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the authority to contract with actuaries to develop estimates for the cost of implementing new behavioral health service types in the medicaid state plan. The authority must coordinate with behavioral health organizations to identify: (i) Eligible behavioral health service types that are currently provided to medicaid enrollees without federal funding and are dependent on state, local, or other funds; and (ii) eligible behavioral health service types that are not currently available to medicaid enrollees due to the lack of federal funding. The authority must contract with the actuaries responsible for certifying state behavioral health capitation rates to develop estimates for the cost of implementing each of these services. The estimates must identify the cost of implementing each service statewide, the estimated state and federal medicaid cost, and any estimated offset in state non-medicaid spending. The authority must submit a report to the office of financial management and the appropriate committees of the legislature identifying the services and costs estimates by November 1, 2018.

(ww) (i) \$446,000 of the general fund-state appropriation for fiscal year 2019 and \$89,000 of the general fund-federal appropriation are provided solely for the University of Washington's evidence-based practice institute which supports the identification, evaluation, and implementation of evidence-based or promising practices. The institute must work with the department to develop a plan to seek private, federal, or other grant funding in order to reduce the need for state general funds. The department must collect information from the institute on the use of these funds and submit a report to the office of financial management and the appropriate

fiscal committees of the legislature by December 1st of each year of the biennium.

(ii) No more than \$13,098,000 of the general fund-federal appropriation may be expended for supported housing and employment services described in initiative 3a and 3b of the medicaid transformation demonstration waiver under healthier Washington. Under this initiative, the department and the health care authority shall ensure that allowable and necessary services are provided to eligible clients as identified by the department or its providers or third party administrator. The department and the authority in consultation with the medicaid forecast work group, shall ensure that reasonable reimbursements are established for services deemed necessary within an identified limit per individual. The department shall not increase general fund-state expenditures under this initiative. The secretary in collaboration with the director of the authority shall report to the joint select committee on health care oversight no less than quarterly on financial and health outcomes. The secretary in cooperation with the director shall also report to the fiscal committees of the legislature all of the expenditures of this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

Sec. 214. 2017 3rd sp.s. c 1 s 214 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund-State Appropriation (FY 2018)	.....	(\$2,317,000)	
			\$2,298,000
General Fund-State Appropriation (FY 2019)	.....	(\$2,359,000)	
			\$2,330,000
General Fund-Federal Appropriation	.....	\$2,427,000	
<u>Pension Funding Stabilization Account-State</u>			
Appropriation	.....	\$190,000	
TOTAL APPROPRIATION	.....	\$7,103,000	
			\$7,245,000

The appropriations in this section are subject to the following conditions and limitations: \$10,000 of the general fund-state appropriation for fiscal year 2018 and \$40,000 of the general fund-state appropriation for fiscal year 2019 is provided to convene a work group consisting of representatives from the agribusiness industry, the department of labor and industries, farmworkers, public sector attorneys, immigrant rights leaders, and social workers. The work group shall study the issue of sexual harassment in the farmworker industry. The work group shall hold meetings in each of the following locations across the state: Yakima, Wenatchee, Pasco, Bellingham, and Vancouver. The work group is staffed by the human rights commission. The work group must make recommendations to the appropriate committees of the legislature by November 21, 2018. Recommendations may include, but are not limited to, statutory changes, funding for education and outreach, training programs, or increasing penalties for violating chapter 49.60 RCW.

Sec. 215. 2017 3rd sp.s. c 1 s 215 (uncodified) is amended to read as follows:

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Worker and Community Right-to-Know Account-State	
Appropriation	\$10,000
Accident Account-State Appropriation	(\$22,437,000)
	\$22,434,000
Medical Aid Account-State Appropriation	(\$22,438,000)
	\$22,435,000
TOTAL APPROPRIATION.....	\$44,885,000
	\$44,879,000

Sec. 216. 2017 3rd sp.s. c 1 s 216 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

General Fund-State Appropriation (FY 2018)	(\$21,703,000)
	\$21,662,000
General Fund-State Appropriation (FY 2019)	(\$20,705,000)

	\$23,170,000
General Fund-Private/Local Appropriation	(\$5,905,000)
	\$6,785,000
Death Investigations Account-State Appropriation	\$148,000
Municipal Criminal Justice Assistance Account-State	
Appropriation	\$460,000
Pension Funding Stabilization Account-State	
Appropriation.....	\$460,000
Washington Auto Theft Prevention Authority Account-State	
Appropriation	\$8,167,000
24/7 Sobriety Account-State Appropriation	(\$30,000)
	\$20,000
TOTAL APPROPRIATION.....	\$57,118,000
	\$60,872,000

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

(1) \$5,000,000 of the general fund-state appropriation for fiscal year 2018 and \$5,000,000 of the general fund-state appropriation for fiscal year 2019, are provided to the Washington association of sheriffs and police chiefs solely to verify the address and residency of registered sex offenders and kidnapping offenders under RCW 9A.44.130. The association may use no more than \$50,000 per fiscal year of the amounts provided on program management activities.

(2) \$1,284,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$1,283,000)~~ \$1,712,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for seventy-five percent of the costs of providing six additional statewide basic law enforcement trainings in ~~(each)~~ fiscal year 2018, and eight additional statewide basic law enforcement trainings in fiscal year 2019. The criminal justice training commission must schedule its funded classes to minimize wait times throughout each fiscal year and meet statutory wait time requirements.

(3) ~~(\$745,000)~~ \$791,520 of the general fund-local appropriation is

provided solely to purchase ammunition for the basic law enforcement academy. Jurisdictions shall reimburse to the criminal justice training commission the costs of ammunition, based on the average cost of ammunition per cadet, for cadets that they enroll in the basic law enforcement academy.

(4) The criminal justice training commission may not run a basic law enforcement academy class of fewer than 30 students.

(5) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a school safety program. The commission, in collaboration with the school safety center advisory committee, shall provide the school safety training for all school administrators and school safety personnel hired after the effective date of this section.

(6) \$96,000 of the general fund-state appropriation for fiscal year 2018 and \$96,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the school safety center within the commission. The safety center shall act as an information dissemination and resource center when an incident occurs in a school district in Washington or in another state, coordinate activities relating to school safety, and review and approve manuals and curricula used for school safety models and training. Through an interagency agreement, the commission shall provide funding for the office of the superintendent of public instruction to continue to develop and maintain a school safety information web site. The school safety center advisory committee shall develop and revise the training program, using the best practices in school safety, for all school safety personnel. The commission shall provide research-related programs in school safety and security issues beneficial to both law enforcement and schools.

(7) \$146,000 of the general fund-state appropriation for fiscal year 2018 and \$146,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the costs of providing statewide advanced driving training with the use of a driving simulator.

(8) \$679,000 of the general fund-state appropriation for fiscal year 2018 and \$587,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

(9) \$57,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 295, Laws of 2017 (SHB 1258) (first responders/disability).

(10) \$198,000 of the general fund-state appropriation for fiscal year 2018 and \$414,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

(11) \$117,000 of the general fund-state appropriation for fiscal year 2018, \$117,000 of the general fund-state appropriation for fiscal year 2019, and \$1,000,000 of the Washington auto theft prevention account-state appropriation are provided solely for the first responder building mapping information system.

(12) \$595,000 of the general fund-state appropriation for fiscal year 2018 and \$595,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to continue crisis intervention training required in chapter 87, Laws of 2015.

(13) \$250,000 of the general fund-state appropriation for fiscal year 2018 and \$250,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the criminal justice training commission to deliver research-based programs to instruct, guide, and support local law enforcement agencies in fostering the "guardian philosophy" of policing, which emphasizes de-escalating conflicts and reducing the use of force.

(14) \$429,000 of the general fund-state appropriation for fiscal year 2018 and \$429,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for expenditure into the nonappropriated Washington internet crimes against children account for the implementation of chapter 84, Laws of 2015.

(15) \$842,000 of the general fund-state appropriation for fiscal year 2018 and \$353,000 of the general fund-state appropriation for fiscal year 2019 are

provided solely for the purpose of creating and funding on an ongoing basis the: (a) Updating and providing of basic and in-service training for peace officers and corrections officers that emphasizes de-escalation and use of less lethal force; and (b) creation and provision of an evidence-based leadership development program, in partnership with Microsoft, that trains, equips, and supports law enforcement leaders using research-based strategies to reduce crime and improve public trust.

(16) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to the Washington association of sheriffs and police chiefs to fund pilot projects in Benton county to support local law enforcement education for law enforcement, medical professionals, first responders, courts, educators, and others to raise awareness and identifying warning signs of human trafficking. Any educational opportunities created through the pilot projects in Benton county may provide access for adjacent counties if resources and availability permits.

(17) \$500,000 of the general fund-state appropriation for fiscal year 2018 is provided solely to the Washington association of sheriffs and police chiefs to administer statewide training in the use of the Washington state gang database, established in compliance with RCW 43.43.762, and provide grant funding to ensure agencies enter appropriate and reliable data into the database. The training shall develop professionals with regional responsibilities for database administration throughout the state.

(18) \$800,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for providing grants for a criminal justice diversion center pilot program in Snohomish county. Snohomish county must collect and report data from the pilot program to the Washington association of sheriffs and police chiefs. The Washington association of sheriffs and police chiefs must submit a report to the appropriate committees of the legislature by October 1, 2019. The report must contain, at a minimum: (i) An analysis of arrests and bookings for individuals served in the pilot program; (ii) an analysis of connections to behavioral health

services made for individuals who were served by the pilot program; (iii) an analysis of impacts on housing stability for individuals served by the pilot program; (iv) the number of individuals served by the pilot program who were connected to a detoxification program, completed a detoxification program, completed a chemical dependency assessment, completed chemical dependency treatment, or were connected to housing.

(19) \$1,000,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for providing grants for the mental health field response team grant program established in House Bill No. 2892 (mental health field response). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 217. 2017 3rd sp.s. c 1 s 217 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund-State Appropriation (FY 2018)	.....	(\$7,671,000)	
			\$6,511,000
General Fund-State Appropriation (FY 2019)	.....	(\$8,897,000)	
			\$7,838,000
General Fund-Federal Appropriation	.....	\$11,876,000	
Asbestos Account-State Appropriation	.....	\$527,000	
Electrical License Account-State Appropriation	.....	(\$52,100,000)	
			\$53,851,000
Farm Labor Contractor Account-State Appropriation	.....	\$28,000	
Worker and Community Right-to-Know Account-State			
Appropriation	.....	\$993,000	
Public Works Administration Account-State			
Appropriation	.....	(\$6,303,000)	
			\$8,529,000
Manufactured Home Installation Training			
Account-State Appropriation			.\$378,000

Accident Account-State Appropriation	.....	((320,314,000))	
			<u>\$321,179,000</u>
Accident Appropriation	.....	\$16,765,000	
Medical Aid Account-State Appropriation	.....	((333,053,000))	
			<u>\$333,862,000</u>
Medical Aid Account-Federal Appropriation	.....	\$3,739,000	
Plumbing Certificate Account-State Appropriation	.....	\$1,882,000	
Pressure Systems Safety Account-State Appropriation	.....	\$4,442,000	
Construction Registration Inspection Account-State Appropriation	.....	((19,128,000))	
			<u>\$20,706,000</u>
Pension Funding Stabilization Account-State Appropriation	.....	\$1,435,000	
TOTAL APPROPRIATION	.....	<u>\$788,096,000</u>	
			<u>\$794,541,000</u>

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

~~((3))~~ (1) \$123,000 of the accident account-state appropriation and \$22,000 of the medical aid-state appropriation are provided solely for implementation of chapter 150, Laws of 2017 (House Bill No. 1906) (farm internship).

~~((4))~~ (2) The department, in collaboration with the health care authority, shall work to ensure that a single platform provider credentialing system is implemented. The authority and department shall ensure that appropriate cost offsets and cost avoidance are assumed for reduced staff time required for provider credentialing activity and reductions in improper billing activity when implementing provider credentialing systems. The department must enter into an agreement with the health care authority to pay its share of the costs of implementing and operating a new provider credentialing system.

~~((5) \$6,124,000)~~ (3) \$5,802,000 of the accident account-state appropriation and ~~((5,989,000))~~ \$5,676,000 of the medical aid account-state appropriation

are provided solely for business transformation projects and are subject to the conditions, limitations, and review provided in section 724 of this act.

~~((6))~~ (4) \$19,128,000 of the construction registration inspection account-state appropriation is provided solely to implement House Bill No. 1716 (construction inspection account). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

~~((7))~~ (5) \$2,000,000 of the accident account-state appropriation and \$2,000,000 of the medical account-state appropriation are provided solely for a contract with a workforce institute to provide supplemental instruction for information technology apprentices. Funds spent for this purpose must be matched by an equal amount of funding from the information technology industry members, except small and mid-sized employers. Up to \$2,000,000 may be spent to provide supplemental instruction for apprentices at small and mid-sized businesses. "Small and mid-sized employers" means those that have fewer than one hundred employees or have less than five percent net profitability.

(6) \$107,000 of the accident account-state appropriation and \$18,000 of the medical aid account-state are provided solely for work associated with the work-integrated learning strategic plan in section 501(59) of this act.

(7) \$250,000 of the medical aid account-state appropriation and \$250,000 of the accident fund-state appropriation are provided solely for the department of labor and industries safety and health assessment and research for prevention program to conduct research to address the high injury rates of the janitorial workforce. The research must quantify the physical demands of common janitorial work tasks and assess the safety and health needs of janitorial workers. The research must also identify potential risk factors associated with increased risk of injury in the janitorial workforce and measure workload based on the strain janitorial work tasks place on janitors' bodies. The department must conduct interviews with janitors and their employers to collect information on risk factors, identify the tools, technologies, and methodologies used to complete work, and understand the safety culture and climate of the industry. The

department must issue an initial report to the legislature, by June 30, 2020, assessing the physical capacity of workers in the context of the industry's economic environment and ascertain usable support tools for employers and workers to decrease risk of injury. After the initial report, the department must produce annual progress reports, beginning in 2021 through the year 2022 or until the tools are fully developed and deployed. The annual progress reports must be submitted to the legislature by December 1st of each year such reports are due.

Sec. 218. 2017 3rd sp.s. c 1 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund–State Appropriation (FY 2018) (~~(\$2,004,000)~~)
 \$1,911,000

General Fund–State Appropriation (FY 2019) (~~(\$1,997,000)~~)
 \$1,905,000

Charitable, Educational, Penal, and Reformatory

Institutions Account–State Appropriation \$10,000

Pension Funding Stabilization Account–State

Appropriation..... \$185,000

TOTAL APPROPRIATION..... \$4,011,000

The appropriations in this subsection are subject to the following conditions and limitations: \$85,000 of the general fund–state appropriation for fiscal year 2018 and \$84,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 173, Laws of 2017 (ESSB 1802) (veterans' shared leave pool).

(2) FIELD SERVICES

General Fund–State Appropriation (FY 2018) (~~(\$6,220,000)~~)
 \$6,074,000

General Fund–State Appropriation (FY 2019) (~~(\$6,278,000)~~)
 \$6,329,000

General Fund–Federal Appropriation\$3,751,000

General Fund–Private/Local Appropriation\$4,799,000

Veteran Estate Management Account–Private/Local

Appropriation\$666,000

Pension Funding Stabilization Account–State

Appropriation.....\$443,000

TOTAL APPROPRIATION.....\$21,714,000

\$22,062,000

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

(a) \$300,000 of the general fund–state appropriation for fiscal year 2018 and \$300,000 of the general fund–state appropriation for fiscal year 2019 are provided solely to provide crisis and emergency relief and education, training, and employment assistance to veterans and their families in their communities through the veterans innovation program.

(b) \$200,000 of the general fund–state appropriation for fiscal year 2018 and \$200,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 192, Laws of 2017 (SB 5849) (veterans' services).

(c) \$110,000 of the general fund–state appropriation for fiscal year 2018 and \$110,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the expansion of the veterans conservation corps by fifteen paid internships.

(3) INSTITUTIONAL SERVICES

General Fund–State Appropriation (FY 2018) (~~(\$2,105,000)~~)
 \$10,925,000

General Fund–State Appropriation (FY 2019) (~~(\$2,307,000)~~)
 \$6,500,000

General Fund–Federal Appropriation (~~(\$93,767,000)~~)

\$84,905,000

General Fund–Private/Local Appropriation (~~(\$35,687,000)~~)

\$28,269,000

Pension Funding Stabilization Account—State

Appropriation..... \$1,462,000

TOTAL APPROPRIATION..... \$133,866,000

\$132,061,000

Sec. 219. 2017 3rd sp.s. c 1 s 219 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund—State Appropriation (FY 2018) (~~(\$71,759,000)~~)

\$70,937,000

General Fund—State Appropriation (FY 2019) (~~(\$72,148,000)~~)

\$80,780,000

General Fund—Federal Appropriation (~~(\$550,186,000)~~)

\$550,304,000

General Fund—Private/Local Appropriation (~~(\$185,189,000)~~)

\$186,886,000

Hospital Data Collection Account—State Appropriation \$348,000

Health Professions Account—State Appropriation (~~(\$129,629,000)~~)

\$132,368,000

Aquatic Lands Enhancement Account—State Appropriation \$623,000

Emergency Medical Services and Trauma Care Systems

Trust Account—State Appropriation \$9,247,000

Safe Drinking Water Account—State Appropriation (~~(\$5,678,000)~~)

\$5,676,000

Drinking Water Assistance Account—Federal

Appropriation (~~(\$16,016,000)~~)

\$16,006,000

Waterworks Operator Certification—State Appropriation (~~(\$1,671,000)~~)

\$1,839,000

Drinking Water Assistance Administrative Account—State

Appropriation \$372,000

Site Closure Account—State Appropriation \$169,000

Biotoxin Account—State Appropriation (~~(\$1,972,000)~~)

\$1,971,000

State Toxics Control Account—State Appropriation (~~(\$4,259,000)~~)

\$4,258,000

Medicaid Fraud Penalty Account—State Appropriation \$938,000

Medical Test Site Licensure Account—State

Appropriation \$2,594,000

Youth Tobacco and Vapor Products Prevention Account—State

Appropriation (~~(\$4,963,000)~~)

\$3,363,000

Dedicated Marijuana Account—State Appropriation

(FY 2018) \$9,761,000

Dedicated Marijuana Account—State Appropriation

(FY 2019) \$9,766,000

Public Health Supplemental Account—Private/Local

Appropriation \$3,248,000

Pension Funding Stabilization Account—State

Appropriation \$3,821,000

Accident Account—State Appropriation \$344,000

Medical Aid Account—State Appropriation \$53,000

Suicide-Safer Homes Project Account—State Appropriation \$50,000

TOTAL APPROPRIATION \$1,080,983,000

\$1,095,722,000

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

(1) The department of health shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department of health and the state board of health shall not implement any new or amended rules pertaining to primary and secondary

school facilities until the rules and a final cost estimate have been presented to the legislature, and the legislature has formally funded implementation of the rules through the omnibus appropriations act or by statute. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(2) During the 2017-2019 fiscal biennium, each person subject to RCW 43.70.110(3)(c) is required to pay only one surcharge of up to twenty-five dollars annually for the purposes of RCW 43.70.112, regardless of how many professional licenses the person holds.

(3) In accordance with RCW 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to adopt license and certification fees in fiscal years 2018 and 2019 to support the costs of the regulatory program. The department's fee schedule shall have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower costs of licensing for these programs than for other organizations which are not accredited.

(4) (a) \$5,000,000 of the general fund-state appropriation for fiscal year 2018 and \$5,000,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to support the local health jurisdictions to improve their ability to address (i) communicable disease monitoring and prevention and (ii) chronic disease and injury prevention. The department and representatives of local health jurisdictions must work together to arrive at a mutually acceptable allocation and distribution of funds and to determine the best accountability measures to ensure efficient and effective use of funds, emphasizing the use of shared services.

(b) By December 31, 2017, the department shall provide a preliminary report, and by November 30, 2018, a final report, to the appropriate committees of the legislature regarding:

(i) The allocation of funding, as provided in this subsection, to the local health jurisdictions;

(ii) Steps taken by the local health jurisdictions that received funding to improve communicable disease monitoring and prevention and chronic disease and injury prevention;

(iii) An assessment of the effectiveness of the steps taken by local health jurisdictions and the criteria measured; and

(iv) Any recommendations for future models for service delivery to address communicable and chronic diseases.

(5) (a) \$1,000,000 of the general fund-state appropriation for fiscal year 2018 and \$1,000,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department, as part of foundational public health services, to implement strategies to control the spread of communicable diseases and other health threats. These strategies may include updating or replacing equipment in the state public health laboratory; addressing health inequities among state residents; reporting on the root cause analyses of adverse events at medical facilities; performing critical activities to prevent adverse health consequences of hepatitis C; or assessing information technology system consolidation and modernization opportunities for statewide public health data systems.

(b) By November 30, 2018, the department shall develop a statewide governmental public health improvement plan and provide it to the appropriate committees of the legislature.

(6) \$26,000 of the general fund–state appropriation for fiscal year 2018 and \$10,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 295, Laws of 2017 (SHB 1258) (first responders/disability).

(7) Within amounts appropriated in this section, funding is provided to implement chapter 312, Laws of 2017 (SSB 5046) (language of public notices).

(8) \$39,000 of the general fund–local appropriation is provided solely for the implementation of chapter 249, Laws of 2017 (ESHB 1714) (nurse staffing plans).

(9) \$27,000 of the health professions account–state appropriation and \$50,000 of the Suicide-Safer Homes Project account are provided solely for the implementation of chapter 262, Laws of 2017 (E2SHB 1612) (reducing access to lethal means).

(10) \$269,000 of the health professions account–state appropriation is provided solely for the implementation of chapter 297, Laws of 2017 (ESHB 1427) (opioid treatment program).

(11) \$350,000 of the general fund–state appropriation for fiscal year 2018 and \$350,000 of the general fund–state appropriation for fiscal year 2019 are provided to the department solely to cover costs of providing increased capacity under existing contracts with suicide prevention lines to respond to calls to the national suicide prevention lifeline.

(12) \$40,000 of the general fund–state appropriation for fiscal year 2018 and ~~(\$40,000)~~ \$90,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the midwifery licensure and regulatory program to supplement revenue from fees. The department shall charge no more than five hundred twenty-five dollars annually for new or renewed licenses for the midwifery program.

(13) (a) Within amounts appropriated in this section, the department, in consultation with advocacy groups and experts that focus on hunger and poverty issues, shall produce a report regarding

ongoing nutrition assistance programs funded by the United States department of agriculture and administered in Washington state. The report must be a compilation, by program, of data already collected by the department of social and health services, the department of health, the office of the superintendent of public instruction, and the Washington state department of agriculture, and it must include, where available, but is not limited to:

(i) The number of people in Washington who are eligible for the program;

(ii) The number of people in Washington who participated in the program;

(iii) The average annual participation rate in the program;

(iv) Participation rates by geographic distribution; and

(v) The annual federal funding of the program in Washington.

(b) The department shall report to the appropriate committees of the legislature and to the governor. An initial report is due by April 30, 2018, and a second report is due by April 30, 2019.

(14) Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems eligibility, case management, and authorization systems within the department of health are subject to technical oversight by the office of the state chief information officer.

(15) \$2,604,000 of the health professions account–state appropriation is provided solely for the medical quality assurance commission to address increased workload.

(16) \$896,000 of the health professions account–state appropriation is provided solely for the pharmacy commission to improve research and communication to pharmacies regarding the development and implementation of new and changing rules.

(17) \$9,000,000 of the general fund–federal appropriation is provided solely for the department to implement projects and activities during the 2017–2019 fiscal biennium that are designed to improve the health and well-being of

individuals living with human immunodeficiency virus, including:

(a) A health disparity project to increase access to dental, mental health, and housing services for populations that have historically experienced limited access to needed services, including Latino individuals in central Washington;

(b) A project to establish a peer-to-peer network for individuals living with human immunodeficiency virus. Trained navigators will work to link individuals living with human immunodeficiency virus to medical care, housing support, training, and other needed services;

(c) A project to expand the MAX clinic within Harborview hospital to serve an increased number of high-need clients and establishing a MAX clinic to serve high-need clients in Pierce county. This project shall also provide statewide training for staff of the department, of local health jurisdictions, and of providers of services for persons with human immunodeficiency virus;

(d) The development of a single eligibility portal to allow statewide usage and streamlined case management for individuals who are living with human immunodeficiency virus and receiving public health services; and

(e) An assessment and evaluation of the effectiveness of each of the projects outlined in subsections (a) through (d) of this subsection.

(18) \$6,096,000 of the general fund-local appropriation is provided solely for the department to target its efforts in the HIV early intervention program toward populations with health disparities.

(19) \$1,118,000 of the general fund-local appropriation is provided solely for equipment, testing supplies, and materials necessary to add x-linked adrenoleukodystrophy to the mandatory newborn screening panel. The department is authorized to increase the newborn screening fee by \$8.10.

(20) \$1,500,000 of the general fund-state appropriation for fiscal year 2018 and \$1,500,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for:

(a) Increased screening, case management, and an electronic data reporting system to identify children who

are at the highest risk of having elevated levels of lead in their blood, prioritizing children who live in areas where the risk is highest; and

(b) Sampling and testing of drinking water and water fixtures in public schools. The department, in collaboration with the educational service districts, must prioritize testing within elementary schools where drinking water and water fixtures have not been tested for contaminants at any time, and elementary schools where drinking water and water fixtures have not been tested within the past three years. Consistent with the United States environmental protection agency's manual, "3Ts for Reducing Lead in Drinking Water in Schools-Revised Technical Guidance," the department must develop guidance and testing protocols for the lead action level for drinking water and for testing drinking water and drinking water fixtures in public and private schools. The guidance must include:

(i) Actions to take if test results exceed the federal action level or public drinking water standard;

(ii) Recommendations to schools on prioritizing fixture replacement, and options for further reducing lead, including replacement of fixtures or use of certified filters when results are below the federal action level for schools, but exceed the maximum level recommended by the American Academy of Pediatrics; and

(iii) Recommendations for communicating test results and risk to parents and the community, including that there is no safe level of lead in water and that action may be warranted even if levels are below the action level.

(21) \$277,000 of the general fund-local appropriation is provided solely to implement chapter 207, Laws of 2017 (E2SHB 1819) (children's mental health).

(22) \$130,000 of the general fund-state appropriation for fiscal year 2018 and \$130,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to increase the funding for the breast, cervical, and colon health program administered by the department.

(23) Within the amounts appropriated in this section, and in accordance with RCW 43.20B.110 and 70.41.100, the

department shall set fees to include the full costs of the performance of inspections pursuant to RCW 70.41.080.

(24) Within the amounts appropriated in this section, and in accordance with RCW 43.70.110 and 71.12.470, the department shall set fees to include the full costs of the performance of inspections pursuant to RCW 71.12.485.

(25) (~~(\$250,000)~~) \$100,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$250,000)~~) \$400,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to contract with a nongovernmental entity that has experience in adapting global health strategies to underserved communities for a pilot program to develop strategies to address health disparities in rural communities. The program should engage marginalized communities in order to identify barriers and social determinants that most impact health, including access to housing and food and economic stability. The department must report to the legislature by (~~(December 1, 2018)~~) June 30, 2019, regarding identified barriers and any recommendations for interventions.

(26) \$27,000 of the general fund-state appropriation for fiscal year 2018 and \$16,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 273, Laws of 2017 (E2SHB 1358) (community assistance referral programs).

(27) \$224,000 of the health professions account-state appropriation is provided solely for the implementation of chapter 320, Laws of 2017 (SSB 5322) (dentists and third parties).

(28) \$93,000 of the health professions account-state appropriation is provided solely for the implementation of chapter 101, Laws of 2017 (ESHB 1431) (osteopathic medicine and surgery).

(29) \$82,000 of the general fund-local appropriation is provided solely for the implementation of chapter 263, Laws of 2017 (SSB 5152) (pediatric transitional care).

(30) \$25,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the department to prepare and submit a report about the certificate of need program to the governor and the appropriate fiscal and

policy committees of the legislature by October 1, 2017. By health care setting, for each of the preceding ten fiscal years, the report must show the total number of applications, the total number of accepted applications, the total number of beds requested, the total number of beds approved, and a summary of the most common reasons for declining an application. The report must include suggestions for modifying the program to increase the number of successful applications. At least one suggestion must address the goal of adding psychiatric beds within hospitals.

(31) The department, in collaboration with the health care authority, shall work to ensure that a single platform provider credentialing system is implemented. The authority and department shall ensure that appropriate cost offsets and cost avoidance are assumed for reduced staff time required for provider credentialing activity and reductions in improper billing activity when implementing provider credentialing systems.

(32) \$28,000 of the general fund-state appropriation for fiscal year 2018 and \$28,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for staffing capacity at the department to support a performance audit of the fee-setting process for each health profession licensed by the department.

(33) The appropriations in this section include sufficient funding for the implementation of chapter 294, Laws of 2017 (SSB 5835) (health outcomes/pregnancy).

(34) (a) \$500,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to fund a pilot project in Pierce county to reduce the rate of hospitalizations for acute illnesses or chronic conditions, or both, that can be managed successfully in outpatient settings. Under the pilot program, the department shall coordinate with the local health jurisdiction to:

(i) Increase immunizations for bacterial pneumonia and influenza; and

(ii) Implement screening, brief intervention, and referrals to treatment for alcohol, tobacco, drugs, and depression.

(b) Providers in the pilot program shall enter data into the statewide

immunization registry for easy tracking and access.

(c) No later than December 1, 2018, the department, in collaboration with the local health jurisdiction, shall provide to the legislature and the appropriate committees a preliminary report regarding the outcomes of the pilot program, addressing the following measures:

(i) Improvement in the rate of influenza and pneumonia immunizations, as determined by the number of unnecessary hospitalizations, the number of patient deaths, and calculated prevented costs; and

(ii) Effectiveness of screenings, brief interventions, and referrals to treatment, as determined by emergency room use, hospitalizations, and calculated prevented costs.

(d) A final report addressing the same measures as the preliminary report shall be provided to the legislature and the appropriate committees no later than June 30, 2019.

(35) \$556,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to replace the comprehensive hospital abstract reporting system and is subject to the conditions, limitations, and review provided in section 724, chapter 1, Laws of 2017 3rd sp. sess.

(36) \$40,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department, in partnership with the department of social and health services and the health care authority, to assist a collaborative public-private entity with implementation of recommendations in the state plan to address alzheimer's disease and other dementias.

(37) \$140,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to convene and chair a pesticide incident reporting and tracking review panel.

(a) The panel must meet at least monthly and consist of the following members:

(i) The directors, secretaries, or designees of the departments of health, labor and industries, agriculture, natural resources, fish and wildlife, and ecology;

(ii) The chair of the department of environmental health at the University of Washington, or his or her designee;

(iii) The pesticide coordinator and specialist of the cooperative extension at Washington State University or his or her designee;

(iv) A representative of the Washington poison control center network;

(v) A practicing toxicologist; and

(vi) A member of the general public.

(b) The responsibilities of the panel shall include, but not be limited to:

(i) Establishing guidelines for the receipt of information relating to actual or alleged health and environmental incidents involving pesticides;

(ii) Reviewing and making recommendations for procedures for the investigation of pesticide incidents;

(iii) Monitoring the time periods required for response to reports of pesticide incidents by the departments of agriculture, department of health, and labor and industries;

(iv) Identifying inadequacies in state or federal law that result in insufficient protection of public health and safety.

(c) The panel must review and approve an annual report prepared by the department. The report shall be provided to the governor, agency heads, the legislature, and shall be made available to the public. The report shall include:

(i) A summary of the year's activities;

(ii) A synopsis of the cases reviewed;

(iii) A separate descriptive listing of each case in which adverse health or environmental effects from pesticides were found;

(iv) A tabulation of the data from each case, including the number of exposures;

(v) An assessment of the effects of pesticide exposure in the workplace;

(vi) Identification of trends, issues, and needs; and

(vii) Any recommendations for improved pesticide use practices.

(d) The first annual report is due June 30, 2019.

(38) In accordance with RCW 70.96A.090, 71.24.035, 43.20B.110, and 43.135.055, the department is authorized to adopt fees for the review and approval of mental health and substance use disorder treatment programs in fiscal years 2018 and 2019 as necessary to support the costs of the regulatory program. The department's fee schedule must have differential rates for providers with proof of accreditation from organizations that the department has determined to have substantially equivalent standards to those of the department, including but not limited to the joint commission on accreditation of health care organizations, the commission on accreditation of rehabilitation facilities, and the council on accreditation. To reflect the reduced costs associated with regulation of accredited programs, the department's fees for organizations with such proof of accreditation must reflect the lower cost of licensing for these programs than for other organizations which are not accredited.

(39) \$30,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the nursing care quality assurance commission to convene and facilitate a work group to assess the need for nurses in long-term care settings and to make recommendations regarding worker recruitment, training, and retention challenges for long-term care providers in the sectors of skilled nursing facilities, assisted-living facilities, and adult family homes.

(a) The work group must:

(i) Determine the current and projected worker vacancy rates in the long-term care sectors compared to the workload projections for these sectors;

(ii) Develop recommendations for a standardized training curriculum for certified nursing assistants that ensures that workers are qualified to provide care in each sector, including integration into the curriculum of specific training for the care of clients with dementia, developmental disabilities, and mental health issues;

(iii) Review academic and other prerequisites for training for licensed practical nurses to identify any barriers to career advancement for certified nursing assistants;

(iv) Identify barriers to career advancement for long-term care workers; and

(v) Evaluate the oversight roles of the department of health and the department of social and health services for nurse training programs and make recommendations for streamlining those roles.

(b) The members of the work group must include the following:

(i) The chair of the house health care and wellness committee or his or her designee;

(ii) The chair of the senate health and long-term care committee or his or her designee;

(iii) The assistant secretary of the aging and disability support administration of the department of social and health services, or his or her designee;

(iv) A member of the Washington apprenticeship and training council, chosen by the director of the department of labor and industries;

(v) A representative from the health services quality assurance division of the department of health, chosen by the secretary;

(vi) The executive director of the Washington state board for community and technical colleges or his or her designee;

(vii) A representative of the largest statewide association representing nurses;

(viii) A representative of the largest statewide union representing home care workers;

(ix) A representative of the largest statewide association representing assisted living and skilled nursing facilities;

(x) A representative of the adult family home council of Washington; and

(xi) The Washington state long-term care ombuds or his or her designee.

(d) The work group must meet at least three times, and the first meeting must occur no later than July 15, 2018. The commission must report no later than December 15, 2018, to the governor and the legislature regarding the work group's assessments and recommendations.

(40) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to implement training and education recommendations described in the 2016 report of the community health worker task force. The department shall report to the legislature on the progress of implementation no later than June 30, 2019. These moneys shall only be used to cover the cost of the department's staff time, meeting expenses, and community outreach.

(41) \$3,000,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to Seattle and King county public health for core public health services that prevent and stop the spread of communicable disease, including but not limited to zoonotic and emerging diseases and chronic hepatitis B and hepatitis C.

(42) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$360,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to coordinate with local health jurisdictions to establish and maintain comprehensive Group B programs to ensure safe and reliable drinking water. These amounts shall be used to support the costs of the development and adoption of rules, policies and procedures, and for technical assistance, training, and other program-related costs.

(43) \$485,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Second Substitute House Bill No. 2671 (behavioral health/agricultural industry). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

Sec. 220. 2017 3rd sp.s. c 1 s 220 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

The appropriations to the department of corrections in this act shall be expended for the programs and in the amounts specified in this act. However, after May 1, 2018, after approval by the director of financial management and unless specifically prohibited by this act, the department may transfer general fund-state appropriations for fiscal year 2018 between programs. The department may not transfer funds, and the director of financial management may

not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing seven days prior to approving any deviations from appropriation levels. The written notification must include a narrative explanation and justification of the changes, along with expenditures and allotments by budget unit and appropriation, both before and after any allotment modifications or transfers.

(1) ADMINISTRATION AND SUPPORT SERVICES	
General Fund-State Appropriation (FY 2018)	.....(((\$64,492,000))
	\$61,281,000
General Fund-State Appropriation (FY 2019)	.....(((\$64,219,000))
	\$61,541,000
General Fund-Federal Appropriation	.....\$400,000
Pension Funding Stabilization Account-State	
Appropriation	.....\$7,602,000
TOTAL APPROPRIATION	.....\$128,711,000
	\$130,824,000

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

(a) \$35,000 of the general fund-state appropriation for fiscal year 2018 and \$35,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at-risk of offending, including their mental health, physiological, housing, employment, and job training needs.

(b) (i) During the 2017-2019 fiscal biennium, the department must revise its agreements and contracts with vendors to include a provision to require that each vendor agrees to equality among its workers by ensuring similarly employed individuals are compensated as equals as follows:

(A) Employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;

(B) Vendors may allow differentials in compensation for its workers based in good faith on any of the following:

(I) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.

(II) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience, that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.

(III) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

(ii) The provision must allow for the termination of the contract if the department or department of enterprise services determines that the vendor is not in compliance with this agreement or contract term.

(iii) The department must implement this provision with any new contract and at the time of renewal of any existing contract.

(c) \$865,000 of the general fund-state appropriation for fiscal year 2018 and \$587,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for information technology business solutions and are subject to the conditions, limitations, and review provided in section 724 of this act.

(d) The department, in collaboration with the health care authority, shall work to ensure that a single platform provider credentialing system is implemented. The authority and department shall ensure that appropriate cost offsets and cost avoidance are assumed for reduced staff time required for provider credentialing activity and reductions in improper billing activity when implementing provider credentialing systems.

(2) CORRECTIONAL OPERATIONS

General Fund-State Appropriation (FY 2018)	.....((\$541,061,000))	
		<u>\$499,134,000</u>
General Fund-State Appropriation (FY 2019)	.....((\$562,878,000))	
		<u>\$518,049,000</u>
General Fund-Federal Appropriation	.....	\$818,000
Washington Auto Theft Prevention Authority Account-State		
Appropriation	.....((\$4,608,000))	
		<u>\$4,597,000</u>
Pension Funding Stabilization Account-State		
Appropriation	.....	\$62,831,000
TOTAL APPROPRIATION	....	<u>\$1,109,365,000</u>
		<u>\$1,085,429,000</u>

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

(a) The department may contract for beds statewide to the extent that it is at no net cost to the department. The department shall calculate and report the average cost per offender per day, inclusive of all services, on an annual basis for a facility that is representative of average medium or lower offender costs. The duration of the contracts may be for up to four years. The department shall not pay a rate greater than \$85 per day per offender for all costs associated with the offender while in the local correctional facility to include programming and health care costs, or the equivalent of \$85 per day per bed including programming and health care costs for full units. The capacity provided at local correctional facilities must be for offenders whom the department of corrections defines as

medium or lower security offenders. Programming provided for inmates held in local jurisdictions is included in the rate, and details regarding the type and amount of programming, and any conditions regarding transferring offenders must be negotiated with the department as part of any contract. Local jurisdictions must provide health care to offenders that meet standards set by the department. The local jail must provide all medical care including unexpected emergent care. The department must utilize a screening process to ensure that offenders with existing extraordinary medical/mental health needs are not transferred to local jail facilities. If extraordinary medical conditions develop for an inmate while at a jail facility, the jail may transfer the offender back to the department, subject to terms of the negotiated agreement. Health care costs incurred prior to transfer are the responsibility of the jail.

(b) \$501,000 of the general fund-state appropriation for fiscal year 2018 and \$501,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to maintain the facility, property, and assets at the institution formerly known as the maple lane school in Rochester.

(c) \$1,379,000 of the general fund-state appropriation for fiscal year 2018, and \$1,379,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to contract for the use of inmate bed capacity in lieu of prison beds operated by the state to meet prison capacity needs.

(d) (~~(\$250,000 of the general fund-state appropriation for fiscal year 2018 and~~) \$250,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to enter into an agreement to purchase electricity for the Monroe correctional complex from a ~~((sawmill waste cogeneration system that is connected to a lumber mill that employs at least 150 people. The agreement cannot increase the total cost for the purchase of electricity for the entire complex))~~ source located in Snohomish county that is fueled using commercial or industrial waste from an on-site lumber mill that employs at least 150 people.

(e) Within the amounts appropriated in this section, funding is provided to

implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th offense/felony).

(f) The appropriations in this section include sufficient funding for the implementation of chapter 226, Laws of 2017 (HB 1153) (vulnerable persons/crimes).

~~(g) ((The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5934 (concerning convicted persons)).~~

~~(i))~~ Within the amounts appropriated in this section, the department of corrections must review the use of full body scanners at state correctional facilities for women to reduce the frequency of strip and body cavity searches and report with recommendations to the governor and the appropriate legislative committees by November 15, 2017. The report must address the cost of technology, installation, and maintenance; the benefits to personnel and inmates; information regarding accumulated exposure to radiation; and general guidelines for implementation at a pilot facility.

(h) \$400,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to contract with an independent third party to: (i) Provide a comprehensive review of the prison staffing model; and (ii) develop an updated prison staffing model for use by the department.

(3) COMMUNITY SUPERVISION

General Fund-State Appropriation (FY 2018)	.....	(\$181,670,000)
		\$179,455,000
General Fund-State Appropriation (FY 2019)	.....	(\$187,807,000)
		\$192,507,000
General Fund-Federal Appropriation	.....	(\$2,368,000)
		\$2,902,000
Pension Funding Stabilization Account-State		
Appropriation	.....	\$12,791,000
TOTAL APPROPRIATION	.....	\$371,845,000
		\$387,655,000

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

(a) The department of corrections shall contract with local and tribal governments for the provision of jail capacity to house offenders who violate the terms of their community supervision. A contract shall not have a cost of incarceration in excess of \$85 per day per offender. A contract shall not have a year-to-year increase in excess of three percent per year. The contracts may include rates for the medical care of offenders which exceed the daily cost of incarceration and the limitation on year-to-year increases, provided that medical payments conform to the department's offender health plan and pharmacy formulary, and all off-site medical expenses are preapproved by department utilization management staff.

(b) The department shall engage in ongoing mitigation strategies to reduce the costs associated with community supervision violators, including improvements in data collection and reporting and alternatives to short-term confinement for low-level violators.

(c) By January 1, 2018, the department of corrections shall provide a report to the office of financial management and the appropriate fiscal and policy committees of the legislature to include a review of the department's policies and procedures related to swift and certain sanctioning, and identification of legal decisions that impact caseload and operations. The report shall include recommendations for improving public and staff safety while decreasing recidivism through improved alignment of the department's policies and procedures with current best practices concerning swift and certain sanctioning. The report shall include a review of department practices, legal decisions that impact caseload and operations, an analysis of current best practices in other jurisdictions that have adopted swift and certain sanctioning, and recommendations to improve the department's practices and procedures.

(d) Within the amounts appropriated in this section, funding is provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th offense/felony).

~~((c) The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5934 (concerning convicted persons).-))~~

(4) CORRECTIONAL INDUSTRIES

General Fund-State Appropriation (FY 2018)((~~\$5,985,000~~))
\$6,278,000

General Fund-State Appropriation (FY 2019)((~~\$6,085,000~~))
\$5,979,000

Pension Funding Stabilization Account-State

Appropriation\$510,000

TOTAL APPROPRIATION\$12,070,000
\$12,767,000

(5) INTERAGENCY PAYMENTS

General Fund-State Appropriation (FY 2018)((~~\$44,091,000~~))
\$44,810,000

General Fund-State Appropriation (FY 2019)((~~\$41,176,000~~))
\$42,200,000

TOTAL APPROPRIATION\$85,267,000
\$87,010,000

(6) OFFENDER CHANGE

General Fund-State Appropriation (FY 2018)((~~\$55,170,000~~))
\$54,590,000

General Fund-State Appropriation (FY 2019)((~~\$56,426,000~~))
\$57,465,000

Pension Funding Stabilization Account-State

Appropriation\$4,434,000

TOTAL APPROPRIATION\$111,596,000
\$116,489,000

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

(a) The department of corrections shall use funds appropriated in this subsection (6) for offender programming. The department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.

(b) The department shall submit a report by December 1, 2018, to the appropriate committees of the legislature regarding the department's compliance with this subsection. The report must: (i) Include a summary of the comprehensive plan; (ii) analyze state funds allocated to cognitive behavioral change programs and reentry specific programs, including percentages and amounts of funds used in evidence-based practices and the number of people being served; (iii) identify discontinued and newly implemented cognitive behavioral change programs and reentry specific programs, including information used by the department in evaluating the effectiveness of discontinued and implemented programs; and (iv) provide recommendations to improve program outcomes, including recommended strategies, deadlines, and funding.

(c) Within the amounts appropriated in this section, funding is provided to implement chapter 335, Laws of 2017 (SB 5037) (DUI 4th offense/felony).

(7) HEALTH CARE SERVICES

General Fund-State Appropriation (FY 2018) (~~(\$128,680,000)~~)
 \$144,271,000
 General Fund-State Appropriation (FY 2019) (~~(\$127,782,000)~~)
 \$147,270,000
 TOTAL APPROPRIATION..... ~~\$256,462,000~~
 \$291,541,000

The appropriations in this subsection are subject to the following conditions and limitations: The state prison medical facilities may use funds appropriated in this subsection to purchase goods (~~and~~), supplies, and services through hospital or other group purchasing organizations when it is cost effective to do so.

Sec. 221. 2017 3rd sp.s. c 1 s 221 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund-State Appropriation (FY 2018) (~~(\$2,478,000)~~)
 \$2,451,000
 General Fund-State Appropriation (FY 2019) (~~(\$2,525,000)~~)

\$2,567,000
 General Fund-Federal Appropriation (~~(\$25,276,00)~~)
 \$25,282,000
 General Fund-Private/Local Appropriation \$60,000
Pension Funding Stabilization Account-State
 Appropriation \$173,000
 TOTAL APPROPRIATION ~~\$30,339,000~~
 \$30,533,000

Sec. 222. 2017 3rd sp.s. c 1 s 222 (uncodified) is amended to read as follows:

FOR THE EMPLOYMENT SECURITY DEPARTMENT

General Fund-State Appropriation (FY 2019) \$35,000
 General Fund-Federal Appropriation (~~(\$216,993,000)~~)
 \$209,391,000
 General Fund-Private/Local Appropriation (~~(\$35,426,000)~~)
 \$35,416,000
 Unemployment Compensation Administration Account-Federal Appropriation (~~(\$270,643,000)~~)
 \$267,890,000
 Administrative Contingency Account-State Appropriation (~~(\$20,386,000)~~)
 \$20,136,000
 Employment Service Administrative Account-State Appropriation (~~(\$53,555,000)~~)
 \$53,543,000
 Family and Medical Leave Insurance Account-State Appropriation \$82,000,000
 TOTAL APPROPRIATION ~~\$679,003,000~~
 \$668,411,000

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

(1) The department is directed to maximize the use of federal funds. The department must update its budget

annually to align expenditures with anticipated changes in projected revenues.

(2) \$4,152,000 of the unemployment compensation administration account-federal appropriation is provided solely to the unemployment tax and benefits systems and is subject to the conditions, limitations, and review provided in section 724 of this act.

(3) \$82,000,000 of the family and medical leave insurance account-state appropriation is provided solely for implementation of Substitute House Bill No. 1116 (family and medical leave insurance), Senate Bill No. 5975 (paid family and medical leave), or Senate Bill No. 5032 (family and medical leave insurance). If none of the bills are enacted by July 31, 2017, the amount provided in this subsection shall lapse.

(4) \$125,000 of the general fund-federal appropriation is provided solely for work associated with the work-integrated learning strategic plan in section 501(59) of this act.

(5) \$35,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1600 (career and college readiness). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(6) \$530,000 of the unemployment compensation administration-federal appropriation is provided solely for the implementation of Substitute House Bill No. 2703 (education employee compensation claims). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 223. 2017 3rd sp.s. c 1 s 223 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

(1) CHILDREN AND FAMILIES SERVICES PROGRAM

General Fund-State Appropriation (FY 2019) (~~(\$366,467,000)~~)
\$364,464,000

General Fund-Federal Appropriation (~~(\$236,770,000)~~)
\$246,342,000

General	Fund-Private/Local
Appropriation.....	\$1,477,000
Domestic Violence Prevention Account-State	
Appropriation.....	\$1,002,000
<u>Pension Funding Stabilization Account-State</u>	
<u>Appropriation.....</u>	<u>\$13,976,000</u>
TOTAL APPROPRIATION.....	(\$605,716,000)
	<u>\$627,261,000</u>

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

(a) \$748,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to contract for the operation of one pediatric interim care center. The center shall provide residential care for up to thirteen children through two years of age. Seventy-five percent of the children served by the center must be in need of special care as a result of substance abuse by their mothers. The center shall also provide on-site training to biological, adoptive, or foster parents. The center shall provide at least three months of consultation and support to the parents accepting placement of children from the center. The center may recruit new and current foster and adoptive parents for infants served by the center. The department shall not require case management as a condition of the contract.

(b) \$253,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the costs of hub home foster families that provide a foster care delivery model that includes a licensed hub home. Use of the hub home model is intended to support foster parent retention, improve child outcomes, and encourage the least restrictive community placements for children in out-of-home care.

(c) \$579,000 of the general fund-state appropriation for fiscal year 2019 and \$55,000 of the general fund-federal appropriation are provided solely for a receiving care center east of the Cascade mountains.

(d) \$990,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for services provided through children's advocacy centers.

(e) \$1,351,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of performance-based contracts for family support and related services pursuant to RCW 74.13B.020.

(f) \$7,173,000 of the general fund-state appropriation for fiscal year 2019 and \$6,022,000 of the general fund-federal appropriation are provided solely for family assessment response. Amounts appropriated in this subsection are sufficient to implement Substitute House Bill No. 2449 or Substitute Senate Bill No. 6309 (family assessment response).

(g) \$94,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a contract with a child advocacy center in Spokane to provide continuum of care services for children who have experienced abuse or neglect and their families.

(h) \$2,933,000 of the general fund-state appropriation for fiscal year 2019 and \$876,000 of the general fund-federal appropriation are provided solely for the department to reduce the caseload ratios of social workers serving children in foster care to promote decreased lengths of stay and to make progress towards achievement of the Braam settlement caseload outcome.

(i) (A) \$540,000 of the general fund-state appropriation for fiscal year 2019, \$328,000 of the general fund private/local appropriation, and \$126,000 of the general fund-federal appropriation are provided solely for a contract with an educational advocacy provider with expertise in foster care educational outreach. The amounts in this subsection are provided solely for contracted education coordinators to assist foster children in succeeding in K-12 and higher education systems and to assure a focus on education during the department's transition to performance-based contracts. Funding must be prioritized to regions with high numbers of foster care youth, or regions where backlogs of youth that have formerly requested educational outreach services exist. The department is encouraged to use private matching funds to maintain educational advocacy services.

(B) The department shall contract with the office of the superintendent of public instruction, which in turn shall contract with a nongovernmental entity or

entities to provide educational advocacy services pursuant to RCW 28A.300.590.

(j) The department shall continue to implement policies to reduce the percentage of parents requiring supervised visitation, including clarification of the threshold for transition from supervised to unsupervised visitation prior to reunification.

(k) \$111,000 of the general fund-state appropriation for fiscal year 2019 and \$26,000 of the general fund-federal appropriation are provided solely for a base rate increase for licensed family child care providers. In addition, \$45,000 of the general fund-state appropriation for fiscal year 2019 and \$11,000 of the general fund-federal appropriation are provided solely for increasing paid professional days from three days to five days for licensed family child care providers. Amounts in this subsection are provided solely for the 2017-2019 collective bargaining agreement covering family child care providers as set forth in section 940 of this act. Amounts provided in this subsection are contingent on the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection (k) shall lapse.

(l) \$321,000 of the general fund-state appropriation for fiscal year 2019 and \$133,000 of the general fund-federal appropriation are provided solely to implement chapter 265, Laws of 2017 (SHB 1867) (ext. foster care transitions).

(m) \$400,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a contract with a national nonprofit organization to, in partnership with private matching funds, subcontract with a community organization for specialized, enhanced adoption placement services for legally free children in state custody. The contract must supplement, but not supplant, the work of the department to secure permanent adoptive homes for children.

(n) \$375,000 of the general fund-state appropriation for fiscal year 2019 and \$56,000 of the general fund-federal appropriation are provided solely for the department to develop, implement, and expand strategies to improve the

capacity, reliability, and effectiveness of contracted visitation services for children in temporary out-of-home care and their parents and siblings. Strategies may include, but are not limited to, increasing mileage reimbursement for providers, offering transportation-only contract options, and mechanisms to reduce the level of parent-child supervision when doing so is in the best interest of the child. The department must submit an analysis of the strategies and associated outcomes no later than October 1, 2018.

(o) ~~(\$3,600,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for state supplemental payments for the state maintenance of effort requirement to qualify for medicaid federal financial participation.)~~ For purposes of meeting the state's maintenance of effort for the state supplemental payment program, the department of children, youth, and families shall track and report to the department of social and health services the monthly state supplemental payment amounts attributable to foster care children who meet eligibility requirements specified in the state supplemental payment state plan. Such expenditures must equal at least \$3,100,000 annually and may not be claimed toward any other federal maintenance of effort requirement. Annual state supplemental payment expenditure targets must continue to be established by the department of social and health services. Attributable amounts must be communicated by the department of children, youth, and families to the department of social and health services on a monthly basis.

(p) \$1,018,000 of the general fund-state appropriation for fiscal year 2019 and \$195,000 of the general fund-federal appropriation are provided solely for a six percent base rate increase for child care center providers, effective September 1, 2017.

(q) \$1,230,000 of the general fund-state appropriation for fiscal year 2019 and \$78,000 of the general fund-federal appropriation are provided solely to increase the travel reimbursement for in-home service providers.

(r) The department is encouraged to control exceptional reimbursement decisions so that the child's needs are met without excessive costs.

(s) \$1,342,000 of the general fund-state appropriation for fiscal year 2019 and \$959,000 of the general fund-federal appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 5890 (foster care and adoption). Within the amounts provided in this section, \$366,000 of the general fund-state appropriation for fiscal year 2019 and \$174,000 of the general fund-federal appropriation are provided solely for short-term care for licensed foster families. If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(t) \$197,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to conduct biennial inspections and certifications of facilities, both overnight and day shelters, that serve those who are under 18 years old and are homeless.

(u) Beginning in the November 2018 forecast process, and in the 2019 supplemental budget and thereafter, funding for the per-capita cost of children in the care and custody of the state who are placed in emergent placement contract beds shall be treated as a foster care maintenance payment and adjusted on the basis of actual and forecasted utilization.

(v) \$1,200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to contract with a national nonprofit organization to offer a comprehensive, community- and research-based model of services to youth and young adults age seventeen through twenty-two who are transitioning from foster care, childhood homelessness, or the juvenile justice system to adulthood. The model shall be operated by community organizations, in three different sites, that are willing and able to ensure fidelity to the model as assessed by the national nonprofit organization. The contract shall supplement, but not supplant, the work of the department to provide extended foster care, and shall be implemented in partnership with private matching funds of at least twenty-five percent of total operating costs.

(w) \$250,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to contract with a county-wide nonprofit organization with early childhood

expertise in Pierce county for a pilot project that convenes stakeholders to develop and plan an intervention using the help me grow model to prevent child abuse and neglect.

(x) \$300,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to work in collaboration with the University of Washington to continue developing and testing a supportive visitation program. The visitation program was jointly developed by the children and families services program and the University of Washington to be delivered by lay visitation supervisors.

(y) \$300,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a demonstration project to test innovative intervention and reconciliation services to support families and youth in crisis who are seeking services to address family conflict.

(z) \$533,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to begin expansion of performance-based contracts for family support and related services through network administrators, pursuant to Proposed Substitute Senate Bill No. 6407 (H-4858.4). Of the amount provided in this subsection:

(i) \$100,000 is provided solely for the contract development and procurement process at the department of children, youth, and families;

(ii) \$433,000 is provided solely for a second network administrator of performance-based contracts, and assumes an implementation date of March 1, 2019.

(2) EARLY LEARNING PROGRAM

General Fund-State Appropriation (FY 2019) ((~~\$126,721,000~~))
\$127,579,000

General Fund-Federal Appropriation \$148,179,000

Education Legacy Trust Account-State Appropriation \$14,192,000

Home Visiting Services Account-State Appropriation ((~~\$3,191,000~~))
\$5,490,000

Home Visiting Services Account-Federal Appropriation \$11,708,000

WA Opportunity Pathways Account-State Appropriation\$40,000,000

Pension Funding Stabilization Account-State

Appropriation\$468,000

TOTAL APPROPRIATION\$343,991,000

\$347,616,000

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

(a) \$67,938,000 of the general fund-state appropriation for fiscal year 2019, \$12,125,000 of the education legacy trust account-state appropriation, and \$40,000,000 of the opportunity pathways account appropriation are provided solely for the early childhood education and assistance program. These amounts shall support at least 13,491 slots in fiscal year 2019.

(b) \$200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(c)(i) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to fund the child care subsidies paid by the department of social and health services on behalf of the department.

(ii)(A) If the department receives additional federal child care and development funding while the legislature is not in session, the department shall request a federal allotment adjustment through the unanticipated receipts process defined in RCW 43.79.270 and shall prioritize its request based on the following priorities:

(I) Increasing child care rates comparable to market rates based on the most recent market survey;

(II) Increasing access to infant and toddler child care;

(III) Increasing access to child care in geographic areas where supply for

subsidized child care does not meet the demand; and

(IV) Providing nurse consultation services to licensed providers.

(B) The secretary of the department shall consult with the chairs and ranking members of the appropriate policy committees of the legislature prior to submitting the unanticipated receipt.

(d) (i) (~~(\$76,650,000)~~) \$77,253,000 of the general fund-federal appropriation is provided solely for the working connections child care program under RCW 43.215.135. In order to not exceed the appropriated amount, the department shall manage the program so that the average monthly caseload does not exceed 33,000 households. The department shall give prioritized access into the program according to the following order:

(A) Families applying for or receiving temporary assistance for needy families (TANF);

(B) TANF families curing sanction;

(C) Foster children;

(D) Families that include a child with special needs;

(E) Families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center;

(F) Families with a child residing with a biological parent or guardian who have received child protective services, child welfare services, or a family assessment response from the department in the past six months, and has received a referral for child care as part of the family's case management;

(G) Families that received subsidies within the last thirty days and:

(I) Have reapplied for subsidies; and

(II) Have household income of two hundred percent federal poverty level or below; and

(H) All other eligible families.

(ii) The department, in collaboration with the department of social and health services, must submit a final report by December 1, 2018, to the governor and the appropriate fiscal and policy committees of the legislature on quality control measures for the working connections

child care program. The report must include:

(A) A detailed narrative of the procurement and implementation of an improved time and attendance system, including a detailed accounting of the costs of procurement and implementation;

(B) A comprehensive description of all processes, including computer algorithms and additional rule development, that the department and the department of social and health services plan to establish prior to and after full implementation of the time and attendance system. At a minimum, processes must be designed to:

(I) Ensure the department's auditing efforts are informed by regular and continuous alerts of the potential for overpayments;

(II) Avoid overpayments to the maximum extent possible and expediently recover overpayments that have occurred;

(III) Withhold payment from providers when necessary to incentivize receipt of the necessary documentation to complete an audit;

(IV) Establish methods for reducing future payments or establishing repayment plans in order to recover any overpayments;

(V) Sanction providers, including termination of eligibility, who commit intentional program violations or fail to comply with program requirements, including compliance with any established repayment plans; and

(VI) Consider pursuit of prosecution in cases with fraudulent activity; and

(C) A description of the process by which fraud is identified and how fraud investigations are prioritized and expedited.

(iii) Beginning July 1, 2018, and annually thereafter, the department, in collaboration with the department of social and health services, must report to the governor and the appropriate fiscal and policy committees of the legislature on the status of overpayments in the working connections child care program. The report must include the following information for the previous fiscal year:

(A) A summary of the number of overpayments that occurred;

(B) The reason for each overpayment;

(C) The total cost of overpayments;

(D) A comparison to overpayments that occurred in the past two preceding fiscal years; and

(E) Any planned modifications to internal processes that will take place in the coming fiscal year to further reduce the occurrence of overpayments.

(iv) By January 1, 2019, the department shall revise rules to allow working connections child care consumers who are full-time community or technical college students who have children attending part-day head start or early childhood education and assistance program classrooms to attend college full-time and not have to meet work requirements.

(e) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report enrollments and active caseload for the working connections child care program to the legislative fiscal committees and the legislative-executive WorkFirst oversight task force on an agreed upon schedule. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care. The department must also report on the number of children served through contracted slots.

(f) \$1,560,000 of the general fund-state appropriation for fiscal year 2019 and \$6,712,000 of the general fund-federal appropriation are provided solely for the seasonal child care program. If federal sequestration cuts are realized, cuts to the seasonal child care program must be proportional to other federal reductions made within the department.

(g) (~~(\$2,522,000)~~) \$4,674,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the early childhood intervention prevention services (ECLIPSE) program. The department shall contract for ECLIPSE services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department.

(h) (~~(\$45,359,000)~~) \$42,706,000 of the general fund-state appropriation for

fiscal year 2019 and \$13,954,000 of the general fund-federal appropriation are provided solely to maintain the requirements set forth in chapter 7, Laws of 2015, 3rd sp. sess. The department shall place a ten percent administrative overhead cap on any contract entered into with the University of Washington. In its annual report to the governor and the legislature, the department shall report the total amount of funds spent on the quality rating and improvements system and the total amount of funds spent on degree incentives, scholarships, and tuition reimbursements. Of the amounts provided in this subsection (h), \$577,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a six percent base rate increase for child care center providers.

(i) \$1,728,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for reducing barriers for low-income providers to participate in the early achievers program.

(j) \$300,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.

(k) \$2,000,000 of the education legacy trust account-state appropriation is provided solely for early intervention assessment and services.

(l) \$3,445,000 of the general fund-federal appropriation for fiscal year 2019 is provided solely for the department to procure a time and attendance system and are subject to the conditions, limitations, and review provided in section 724 of this act.

(m) Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management and authorization systems within the department are subject to technical oversight by the office of the chief information officer. The department must collaborate with the office of the chief information officer to develop a strategic business and technology architecture plan for a child care attendance and billing system that supports a statewide architecture.

(n) (i) (A) The department is required to provide to the education research and

data center, housed at the office of financial management, data on all state-funded early childhood programs. These programs include the early support for infants and toddlers, early childhood education and assistance program (ECEAP), and the working connections and seasonal subsidized childcare programs including license exempt facilities or family, friend, and neighbor care. The data provided by the department to the education research data center must include information on children who participate in these programs, including their name and date of birth, and dates the child received services at a particular facility.

(B) ECEAP early learning professionals must enter any new qualifications into the department's professional development registry starting in the 2015-16 school year, and every school year thereafter. By October 2017, and every October thereafter, the department must provide updated ECEAP early learning professional data to the education research data center.

(C) The department must request federally funded head start programs to voluntarily provide data to the department and the education research data center that is equivalent to what is being provided for state-funded programs.

(D) The education research and data center must provide an updated report on early childhood program participation and K-12 outcomes to the house of representatives appropriations committee and the senate ways and means committee using available data by March 2018 for the school year ending in 2017.

(ii) The department, in consultation with the department of social and health services, must withhold payment for services to early childhood programs that do not report on the name, date of birth, and the dates a child received services at a particular facility.

(o) The department shall work with state and local law enforcement, federally recognized tribal governments, and tribal law enforcement to develop a process for expediting fingerprinting and data collection necessary to conduct background checks for tribal early learning and child care providers.

(p) \$2,651,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the 2017-2019

collective bargaining agreement covering family child care providers as set forth in section 940 of this act. Amounts provided in this subsection (p) are contingent upon the enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse. Of the amounts provided in this subsection:

(i) \$273,000 is for a base rate increase;

(ii) \$55,000 is for increasing paid professional development days from three days to five days;

(iii) \$1,708,000 is for the family child care providers 501(c)(3) organization for the substitute pool, training and quality improvement support services, and administration;

(iv) \$114,000 is for increasing licensing incentive payments; and

(v) \$500,000 is for needs based grants.

(q) \$175,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to contract with a nonprofit entity that provides quality improvement services to participants in the early achievers program to implement a community-based training module that supports licensed child care providers who have been rated in early achievers and who are specifically interested in serving children in the early childhood education and assistance program. The module must be functionally translated into Spanish and Somali. The module must prepare trainees to administer all aspects of the early childhood education and assistance program for eligible children in their licensed program and must be offered to 105 child care providers to serve children eligible for the early childhood education and assistance program by June 30, 2019.

(r) \$219,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of chapter 236, Laws of 2017 (SHB 1445) (dual language in early learning & K-12).

(s) \$100,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of chapter 202, Laws of 2017 (E2SHB 1713) (children's mental health).

(t) \$317,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 162, Laws of 2017 (SSB 5357) (outdoor early learning programs).

(u) \$50,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department, in collaboration with the department of health, to submit a report on child care nurse consultation to the governor and appropriate fiscal and policy committees of the legislature by December 1, 2018. The report must address the following:

(i) Provide background on what nurse consultation services are currently available to licensed child care providers; and

(ii) Provide options and recommendations, including fiscal estimates, for a plan to provide nurse consultation services to licensed child care providers who request assistance in addressing the health and behavioral needs of children in their care.

(v) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided for the department, in collaboration with the health care authority, to:

(i) Develop a common set of definitions to clarify differences between evidence-based, research-based, and promising practices home visiting programs and discrete services provided in the home;

(ii) Develop a strategy to expand home visiting programs statewide;

(iii) Identify opportunities to leverage medicaid and other federal resources for the operation of current home visiting programs and the statewide strategy for future implementation developed under this section; and

(iv) Provide a set of recommendations to the legislature by December 1, 2018.

(w) \$163,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to develop a community-based training module in managing and sustaining a child care business for child care providers and entrepreneurs. To develop the training, the department must consult with the statewide child care resource and referral network, the community and technical college system, and one or more community-based organizations with

experience in preparing child care providers for entry into the workforce. By November 1, 2018, the department must offer the training as a pilot in rural Jefferson county and urban Pierce county. The department must report on the results of the pilot to the governor and the legislature by December 1, 2019.

(x) \$614,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2396 (child care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(y) \$74,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed House Bill No. 2861 (trauma-informed child care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(z) \$750,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of the expanded learning opportunity quality initiative pursuant to RCW 43.215.100(3)(d).

(3) PROGRAM SUPPORT

General Fund-State Appropriation (FY 2019)	(\$50,448,000)	
		\$50,598,000
General		Fund-Federal
Appropriation.....	\$15,928,000	
TOTAL APPROPRIATION	\$66,376,000	
		\$66,526,000

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

(a) The appropriations provided in this subsection are provided solely for implementation of Engrossed Second Substitute House Bill No. 1661 (child, youth, families department). If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse.

(b)(i) During the 2017-2019 fiscal biennium, the department must revise its agreements and contracts with vendors to include a provision to require that each vendor agrees to equality among its workers by ensuring similarly employed individuals are compensated as equals as follows:

(A) Employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;

(B) Vendors may allow differentials in compensation for its workers based in good faith on any of the following:

(I) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.

(II) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience, that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.

(III) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

(ii) The provision must allow for the termination of the contract if the department or department of enterprise services determines that the vendor is not in compliance with this agreement or contract term.

(iii) The department must implement this provision with any new contract and at the time of renewal of any existing contract.

(c) (i) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to conduct a study, jointly with the office of homeless youth prevention and protection programs within the department of commerce, on the public system response to families and youth in crisis who are seeking services to address family conflict in the absence of child abuse and neglect.

(ii) In conducting the study required under this section, the department and the office shall involve stakeholders involved in advocating and providing services to truants and at-risk youth, and shall consult with local

jurisdictions, the Washington administrative office of the courts, and other entities as appropriate. The study shall review the utilization of existing resources such as secure crisis residential centers, crisis residential centers, and HOPE beds and make recommendations to assure effective use or redeployment of these resources.

(iii) The department and office shall develop recommendations to improve the delivery of services to youth and families in conflict which shall include a plan to provide community-based early intervention services as well as intensive interventions for families and youth facing crisis so severe that a youth cannot continue to reside in the home or is at risk of experiencing homelessness. Recommendations may include changes to family reconciliation services, and revisions to the at-risk youth and child in need of services petition processes, including consideration of a combined family in need of services petition process or a civil citation process.

(iv) The department and the office shall jointly submit recommendations required by this section to the governor and the appropriate legislative committees no later than December 15, 2018.

PART III

NATURAL RESOURCES

Sec. 301. 2017 3rd sp.s. c 1 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund-State Appropriation (FY 2018)(~~(\$485,000)~~)
\$462,000

General Fund-State Appropriation (FY 2019)(~~(\$507,000)~~)
\$483,000

General Fund-Federal Appropriation\$32,000

General Fund-Private/Local Appropriation(~~(\$960,000)~~)
\$959,000

Pension Funding Stabilization Account-State
Appropriation\$46,000

TOTAL APPROPRIATION..... ~~\$1,984,000~~
\$1,982,000

Sec. 302. 2017 3rd sp.s. c 1 s 302
 (uncodified) is amended to read as
 follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund—State Appropriation (FY
 2018) (~~\$20,877,000~~)
\$19,672,000

General Fund—State Appropriation (FY
 2019) (~~\$21,411,000~~)
\$24,465,000

General Fund—Federal Appropriation
 \$106,575,000

General Fund—Private/Local
 Appropriation \$23,028,000

Reclamation Account—State
 Appropriation \$4,106,000

Flood Control Assistance Account—State
 Appropriation \$2,175,000

State Emergency Water Projects
 Revolving Account—State
 Appropriation \$40,000

Waste Reduction/Recycling/Litter
 Control—State
 Appropriation (~~\$13,736,000~~)
\$14,035,000

State Drought Preparedness Account—
 State Appropriation \$204,000

State and Local Improvements Revolving
 Account (Water

Supply Facilities)—State
 Appropriation \$164,000

Aquatic Algae Control Account—State
 Appropriation \$522,000

Water Rights Tracking System Account—
 State Appropriation \$47,000

Site Closure Account—State
 Appropriation \$582,000

Wood Stove Education and Enforcement
 Account—State
 Appropriation \$560,000

Worker and Community Right-to-Know
 Account—State
 Appropriation \$1,872,000

Water Rights Processing Account—State
 Appropriation \$39,000

State Toxics Control Account—State
 Appropriation (~~\$147,806,000~~)
\$149,117,000

State Toxics Control Account—
 Private/Local
 Appropriation \$499,000

Local Toxics Control Account—State
 Appropriation (~~\$4,845,000~~)
\$4,869,000

Water Quality Permit Account—State
 Appropriation (~~\$44,119,000~~)
\$44,421,000

Underground Storage Tank Account—State
 Appropriation (~~\$3,635,000~~)
\$3,666,000

Biosolids Permit Account—State
 Appropriation \$2,207,000

Environmental Legacy Stewardship
 Account—State
 Appropriation (~~\$41,259,000~~)
\$41,440,000

Hazardous Waste Assistance Account—
 State
 Appropriation (~~\$6,466,000~~)
\$6,599,000

Radioactive Mixed Waste Account—State
 Appropriation (~~\$18,170,000~~)
\$18,436,000

Air Pollution Control Account—State
 Appropriation (~~\$3,437,000~~)
\$3,650,000

Oil Spill Prevention Account—State
 Appropriation (~~\$8,469,000~~)
\$8,606,000

Air Operating Permit Account—State
 Appropriation (~~\$3,787,000~~)
\$3,819,000

Freshwater Aquatic Weeds Account—State
 Appropriation \$1,460,000

Oil Spill Response Account—State
 Appropriation \$7,076,000

Dedicated Marijuana Account—State
 Appropriation
 (FY 2019) \$180,000

Pension Funding Stabilization Account—
 State

<u>Appropriation.....</u>		<u>\$2,924,000</u>
Water Pollution Control Revolving Administration		
Account-State	Appropriation	
.....	.....	\$3,601,000
<u>TOTAL APPROPRIATION.....</u>		<u>\$492,774,000</u>
		<u>\$500,656,000</u>

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

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

~~((3))~~ (2) \$15,000,000 of the general fund-state appropriation for fiscal year 2018 and \$15,000,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for activities within the water resources program.

~~((4))~~ (3) \$228,000 of the general fund-state appropriation for fiscal year 2018 and \$227,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to grant to the northwest straits commission to distribute equally among the seven Puget Sound marine resource committees.

~~((5))~~ (4) Within existing resources, the department of ecology must engage stakeholders in a revision of WSR 13-22-073, rule amendments to chapter 173-350 WAC, to revise the proposed rule and submit a report to the senate local government and energy, environment, and telecommunications committees and the house of representatives local government and environment committees by September 1, 2017. The report must include a summary of areas of consensus and dispute, proposed resolution of disputes, a list of engaged stakeholders, a proposed timeline for potential rule adoption, and the most recent draft of proposed amendment language, if any.

(5) \$180,000 of the general fund-state appropriation for fiscal year 2019, \$44,000 of the waste reduction, recycling and litter control account-state appropriation, \$720,000 of the state toxics control account-state appropriation, \$17,000 of the local toxics control account-state

appropriation, \$220,000 of the water quality permit account-state appropriation, \$23,000 of the underground storage tank account-state appropriation, \$132,000 of the environmental legacy stewardship account-state appropriation, \$39,000 of the hazardous waste assistance account-state appropriation, \$86,000 of the radioactive mixed waste account-state appropriation, \$18,000 of the air pollution control account-state appropriation, \$41,000 of the oil spill prevention account-state appropriation, and \$23,000 of the air operating permit account-state appropriation are provided solely for modernizing and migrating the department of ecology's business applications from an agency-based data center to the state data center or a cloud environment and are subject to the conditions, limitations, and review provided in section 724, chapter 1, Laws of 2017 3rd sp. sess.

(6) \$180,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for the implementation of Second Substitute House Bill No. 2227 (marijuana product testing). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(7) \$80,000 of the hazardous waste assistance account-state appropriation is provided solely for the implementation of Substitute House Bill No. 2634 (antifouling paints). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(8) \$240,000 of the waste reduction, recycling, and litter control account-state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2914 (postconsumer materials). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(9) \$97,000 of the state toxics control account-state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 2658 (perfluorinated chemicals). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(10) \$190,000 of the general fund-state appropriation for fiscal year 2018 and \$3,707,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of

Engrossed Substitute Senate Bill No. 6091 (water availability). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(11) (a) \$625,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to address unpermitted water use in priority watersheds. The legislature recognizes that unpermitted water use in priority watersheds can impair existing instream flows and senior water rights and supports actions taken by the department to reduce unpermitted water use. The department shall engage in compliance and enforcement work to ensure compliance with requirements under chapters 90.03 and 90.44 RCW. Funding is authorized to be used for technical assistance, informal enforcement, and formal enforcement actions.

(b) The department shall use funds appropriated under this section to work in water resource inventory areas where: (a) Rules have been adopted under chapters 90.22 or 90.54 RCW; (b) those rules do not specify mitigation requirements for groundwater withdrawals exempt from permitting under RCW 90.44.050; and (c) the department believes unpermitted water use is negatively impacting streamflows.

(c) The department shall submit a report to the legislature by December 1, 2019, that summarizes the compliance and enforcement work completed in each basin, including the estimated benefit to streamflows occurring from actions taken.

(d) Appropriations under this section should not replace or otherwise impact funds appropriated to the department to carry out duties under RCW 90.03.605 and chapter 90.08 RCW.

(12) \$187,000 of the air pollution control account-state appropriation is provided solely to the department to begin a multiyear study to distinguish the sources of emissions of the toxic air pollutant that poses the greatest cancer risk at the air monitoring station that is located closest to a port in the state with the highest volume of container traffic in domestic and foreign waterborne trade, as measured by the United States bureau of transportation statistics for the most recent year such statistics were available, as of January 1, 2017. The local air pollution control authority may financially contribute to the completion of this study, and the

department is encouraged to consult with the local air pollution control authority in designing and implementing this study.

Sec. 303. 2017 3rd sp.s. c 1 s 303 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

General Fund-State Appropriation (FY 2018)	.....	(\$9,645,000)	
			\$8,993,000
General Fund-State Appropriation (FY 2019)	.....	(\$9,945,000)	
			\$9,288,000
General Fund-Federal Appropriation	.....	\$6,981,000	
Winter Recreation Program Account-State Appropriation	.....	\$3,293,000	
ORV and Nonhighway Vehicle Account-State Appropriation	.....	(\$232,000)	
			\$392,000
Snowmobile Account-State Appropriation	.....	\$5,633,000	
Aquatic Lands Enhancement Account-State Appropriation	.....	\$367,000	
((Outdoor Education and Recreation Account-State			
Appropriation	.....	\$1,500,000)	
Recreation Access Pass Account-State Appropriation	.....	\$50,000	
Parks Renewal and Stewardship Account-State			
Appropriation	.....	(\$124,759,000)	
			\$125,374,000
Parks Renewal and Stewardship Account-Private/Local			
Appropriation	.....	(\$318,000)	
			\$420,000
Pension Funding Stabilization Account-State			
Appropriation	.....	\$1,498,000	
TOTAL APPROPRIATION	.....	\$162,723,000	
			\$162,289,000

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

(1) \$129,000 of the general fund-state appropriation for fiscal year 2018 and \$129,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a grant for the operation of the Northwest weather and avalanche center.

(2) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the commission to pay assessments charged by local improvement districts.

(3) \$700,000 of the parks renewal and stewardship account-state appropriation is provided solely for the commission to replace 32 existing automated pay stations and to install 38 additional automated pay stations within state parks.

(4) ~~(\$500,000 of the outdoor education and recreation account state appropriation is provided solely for the commission to partner with organizations that have at least one veteran on staff in implementation of the no child left inside program.)~~ Of the amounts that the commission spends on the no child left inside program, \$500,000 must be used to partner with organizations that have at least one veteran on staff.

(5) \$50,000 of the recreation access pass account-state appropriation is provided solely for the commission, using its authority under RCW 79A.05.055(3) and in partnership with the department of fish and wildlife and the department of natural resources, to coordinate a process to develop options and recommendations to improve consistency, equity, and simplicity in recreational access fee systems while accounting for the fiscal health and stability of public land management. The process must be collaborative and include other relevant agencies and appropriate stakeholders. The commission must contract with the William D. Ruckelshaus Center or another neutral third party to facilitate meetings and discussions with parties involved in the process and provide a report to the appropriate committees of the legislature by December 1, 2017. The process must analyze and make recommendations on:

(a) Opportunities for federal and state recreational permit fee coordination, including the potential for developing a system that allows a

single pass to provide access to federal and state lands;

(b) Opportunities to enhance consistency in the way state and federal recreational access fees apply to various types of recreational users, including those that travel to public lands by motor vehicle, boat, bicycle, foot, or another method; and

(c) Opportunities to develop a comprehensive and consistent statewide approach to recreational fee discounts and exemptions to social and other groups including, but not limited to, disabled persons, seniors, disabled veterans, foster families, low-income residents, and volunteers. This analysis must examine the cost of such a program, and should consider how recreational fee discounts fit into the broader set of benefits provided by the state to these social groups. This includes a review of the efficacy, purpose, and cost of existing recreational fee discounts and exemptions, as well as opportunities for new or modified social group discounts and exemptions. The department of veterans affairs and the department of social and health services must be included in this portion of the process.

Sec. 304. 2017 3rd sp.s. c 1 s 304 (uncodified) is amended to read as follows:

FOR THE RECREATION AND CONSERVATION FUNDING BOARD

General Fund-State Appropriation (FY 2018)	.....	(\$1,441,000)
		<u>\$1,401,000</u>
General Fund-State Appropriation (FY 2019)	.....	(\$1,398,000)
		<u>\$1,483,000</u>
General Fund-Federal Appropriation	.....	\$3,646,000
General Fund-Private/Local Appropriation	.....	\$24,000
Aquatic Lands Enhancement Account-State Appropriation	.....	\$495,000
Firearms Range Account-State Appropriation	.....	\$37,000
Recreation Resources Account-State Appropriation	.....	(\$3,615,000)
		<u>\$3,614,000</u>
NOVA Program Account-State Appropriation	.....	\$1,054,000

Pension Funding Stabilization Account—
State

<u>Appropriation</u>	\$80,000
TOTAL APPROPRIATION.....	\$11,710,000
	\$11,834,000

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

(1) \$156,000 of the general fund—state appropriation for fiscal year 2018 and \$156,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the board to grant to the Nisqually River Foundation for implementation of the Nisqually watershed stewardship plan.

(2) \$375,000 of the general fund—state appropriation for fiscal year 2018 and \$375,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the salmon recovery funding board to grant to the Hood Canal coordinating council for the sole purpose of conducting an ecosystem impact assessment on the Hood Canal. The assessment is to study any causal relationship between the Hood Canal bridge and migrating steelhead and salmon. The board shall amend the grant to specify that all assessment activities conducted as a result of this subsection must be coordinated with the United States Navy.

(3) \$125,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the board to conduct or contract for a study of the economic and health benefits of trail-based activities, including hiking, walking, and bicycling. The information gathered will assist in decision-making regarding the allocation of dedicated resources and investment in Washington's trail networks. Additionally, the information will aid in increasing and leveraging economic benefits in the development of public-private partnerships aimed at stewardship and growth connected to Washington's trail networks. The study may include, but is not limited to, analysis of the number of people in the state who hike, bike, and walk annually, economic contribution, environmental and social benefits, and mental and physical health outcomes. The study may also include regional case studies. As appropriate, the analysis must incorporate data from the state comprehensive outdoor recreation plan

and federal initiatives to integrate outdoor recreation into GDP accounting. To allow for a collaborative process, the board must create an advisory committee of appropriate agencies and stakeholders, including hiking and bicycling groups. The board must report the results of the study to the appropriate fiscal and policy committees of the legislature by October 1, 2019.

Sec. 305. 2017 3rd sp.s. c 1 s 305 (uncodified) is amended to read as follows:

FOR THE ENVIRONMENTAL AND LAND USE HEARINGS OFFICE

General Fund—State Appropriation (FY 2018)	(\$2,318,000)	\$2,190,000
General Fund—State Appropriation (FY 2019)	(\$2,375,000)	\$2,247,000

Pension Funding Stabilization Account—
State

<u>Appropriation</u>	\$255,000
TOTAL APPROPRIATION.....	\$4,693,000
	\$4,692,000

Sec. 306. 2017 3rd sp.s. c 1 s 306 (uncodified) is amended to read as follows:

FOR THE CONSERVATION COMMISSION

General Fund—State Appropriation (FY 2018)	(\$7,301,000)	\$7,074,000
General Fund—State Appropriation (FY 2019)	(\$7,264,000)	\$7,321,000

General Fund—Federal Appropriation	\$2,301,000
Public Works Assistance Account—State Appropriation.....	\$7,620,000
State Toxics Control Account—State Appropriation	\$1,000,000

Pension Funding Stabilization Account—
State

<u>Appropriation</u>	\$254,000
TOTAL APPROPRIATION.....	\$25,486,000
	\$25,570,000

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

(1) \$7,602,000 of the public works assistance account-state appropriation is provided solely for implementation of the voluntary stewardship program. This amount may not be used to fund agency indirect and administrative expenses.

(2)(a) \$50,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the commission to convene and facilitate a food policy forum. The director of the commission is responsible for appointing participating members of the food policy forum in consultation with the director of the department of agriculture. In making appointments, the director of the commission must attempt to ensure a diversity of knowledge, experience, and perspectives by building on the representation established by the food system roundtable initiated by executive order No. 10-02.

(b) In addition to members appointed by the director of the state conservation commission, four legislators may serve on the food policy forum in an ex officio capacity. Legislative participants must be appointed as follows:

(i) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives; and

(ii) The president of the senate shall appoint one member from each of the two largest caucuses of the senate.

(c) The commission shall coordinate with the office of farmland preservation and the department of agriculture to avoid duplication of effort. The commission must report to the appropriate committees of the legislature, consistent with RCW 43.01.036, with the forum's recommendations by October 31, 2018.

(3) ~~(\$375,000)~~ \$275,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$375,000)~~ \$475,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for grants and technical assistance. Of the amounts provided in this subsection, ~~(\$125,000 in each fiscal year is)~~ \$25,000 in fiscal year 2018 and \$225,000 in fiscal year 2019 are provided solely for activities related to

water quality improvements and fecal coliform DNA speciation statewide.

(4) \$85,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Third Substitute House Bill No. 1562 (WA food policy forum). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 307. 2017 3rd sp.s. c 1 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF FISH AND WILDLIFE

General Fund-State Appropriation (FY 2018) ~~(\$46,860,000)~~
\$45,527,000

General Fund-State Appropriation (FY 2019) ~~(\$46,483,000)~~
\$47,745,000

General Fund-Federal Appropriation ~~(\$118,809,000)~~
\$131,167,000

General Fund-Private/Local Appropriation ~~(\$63,920,000)~~
\$63,988,000

ORV and Nonhighway Vehicle Account-State Appropriation ~~(\$437,000)~~
\$699,000

Aquatic Lands Enhancement Account-State Appropriation \$10,460,000

Recreational Fisheries Enhancement-State Appropriation ~~(\$3,084,000)~~
\$3,122,000

Warm Water Game Fish Account-State Appropriation ~~(\$2,773,000)~~
\$2,668,000

Eastern Washington Pheasant Enhancement Account-State Appropriation \$675,000

State Wildlife Account-State Appropriation ~~(\$118,033,000)~~
\$117,951,000

Special Wildlife Account-State Appropriation ~~(\$71,000)~~
\$3,234,000

Special Wildlife Account—Federal Appropriation	\$505,000
Special Wildlife Account— Private/Local Appropriation	\$3,576,000
Wildlife Rehabilitation Account—State Appropriation	\$361,000
Ballast Water Management Account—State Appropriation	\$10,000
Hydraulic Project Approval Account— State Appropriation	(\$690,000)
	<u>\$31,000</u>
Environmental Legacy Stewardship Account—State	
Appropriation	\$2,765,000
Regional Fisheries Enhancement Salmonid Recovery Account—	
Federal Appropriation	\$5,001,000
Oil Spill Prevention Account—State Appropriation	\$1,122,000
<u>Pension Funding Stabilization Account— State</u>	
<u>Appropriation.....</u>	<u>\$5,178,000</u>
Oyster Reserve Land Account—State Appropriation	\$527,000
Performance Audits of Government Account—State	
Appropriation.....	\$325,000
Aquatic Invasive Species Management Account—State	
Appropriation.....	\$1,658,000
TOTAL APPROPRIATION.....	<u>\$428,145,000</u>
	<u>\$448,295,000</u>

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

(1) ~~(\$467,000)~~ \$67,000 of the general fund—state appropriation for fiscal year 2018 and \$467,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to pay for emergency fire suppression costs. These amounts may not be used to fund agency indirect and administrative expenses.

(2) \$1,098,000 of the general fund—state appropriation for fiscal year 2018 and ~~(\$1,098,000)~~ \$1,616,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for payments in lieu of real property taxes

to counties that elect to receive the payments for department-owned game lands within the county.

(3) \$415,000 of the general fund—state appropriation for fiscal year 2018, \$415,000 of the general fund—state appropriation for fiscal year 2019, and \$440,000 of the general fund—federal appropriation are provided solely for county assessments.

(4) Prior to submitting its 2019–2021 biennial operating and capital budget requests related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review the proposed requests. This review shall: (a) Determine if the proposed requests are consistent with HSRG recommendations; (b) prioritize the components of the requests based on their contributions to protecting wild salmonid stocks and meeting the recommendations of the HSRG; and (c) evaluate whether the proposed requests are being made in the most cost-effective manner. The department shall provide a copy of the HSRG review to the office of financial management with its agency budget proposal.

(5) \$400,000 of the general fund—state appropriation for fiscal year 2018 and \$400,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the United States army corps of engineers. Prior to implementation of any Puget Sound nearshore ecosystem restoration projects in Whatcom county, the department must consult with and seek, to the maximum extent practicable, consensus on those projects among appropriate landowners, federally recognized Indian tribes, agencies, and community and interest groups.

(6) Within the amounts appropriated in this section, the department shall identify additional opportunities for partnerships in order to keep fish hatcheries operational. Such partnerships shall aim to maintain fish production and salmon recovery with less reliance on state operating funds.

(7) \$525,000 of the general fund—state appropriation for fiscal year 2018 and ~~(\$425,000)~~ \$525,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for training for

a work unit to engage and empower diverse stakeholders in decisions about fish and wildlife, ~~(and)~~ the continued conflict transformation with the wolf advisory group, and for cost share partnerships with livestock owners and the use of range riders to reduce the potential for depredation of livestock from wolves. The department shall cooperate with the department of agriculture to shift the responsibility of implementing cost-sharing contracts with livestock producers to use nonlethal actions to minimize livestock loss from wolves and other carnivores to the department of agriculture.

(8) \$1,259,000 of the state wildlife account-state appropriation is provided solely for the fish program, including implementation of Substitute House Bill No. 1597 (commercial fishing). If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse.

(9) \$1,630,000 of the aquatic invasive species management account, \$600,000 of the general fund-federal appropriation, \$62,000 of the state wildlife account-state appropriation, and \$10,000 of the ballast water management account-state appropriation are provided solely for activities related to aquatic invasive species, including implementation of Substitute House Bill No. 1429 or Substitute Senate Bill No. 5303 (aquatic invasive species). If neither bill is enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(10) Within amounts provided in this section, the department must consult with affected tribes and landowners in Skagit county to develop and implement a plan designed to address elk-related agricultural damage and vehicular collisions by using all available and appropriate methods including, but not limited to, cooperative fencing projects and harvest in order to minimize elk numbers on private lands and maximize the number of elk located on state and federal lands. The plan must be implemented by September 1, 2018.

(11) Within the appropriations of this section, the department shall initiate outreach with recreational fishing stakeholders so that recreational fishing guide and non-guided angler data can be collected and analyzed to evaluate changes in the structure of guide licensing, with the objectives of: (a) Improving the fishing experience and

ensuring equitable opportunity for both guided and non-guided river anglers, (b) managing fishing pressure to protect wild steelhead and other species; and (c) ensuring that recreational fish guiding remains a sustainable economic contributor to rural economies. The department shall convene public meetings in the North Olympic Peninsula and Klickitat River areas, and may include other areas of the state, and shall provide the appropriate standing committees of the legislature a summary of its findings, by December 31, 2017.

~~(12) ((\$450,000 of the general fund-state appropriation for fiscal year 2018 and \$450,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to grant to the regional fisheries enhancement groups.~~

~~(13))~~ (a) \$5,500,000 of the general fund-state appropriation for fiscal year 2018, \$5,500,000 of the general fund-state appropriation for fiscal year 2019, and \$325,000 of the performance audits of government account-state appropriation are provided solely as one-time funding to support the department in response to its budget shortfall. Of the amounts provided in this subsection, \$450,000 of the general fund-state appropriation for fiscal year 2018 and \$450,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to grant to the regional fisheries enhancement groups. In order to address this shortfall on a long-term basis, the department must develop a plan for balancing projected revenue and expenditures and improving the efficiency and effectiveness of agency operations, including:

(i) Expenditure reduction options that maximize administrative and organizational efficiencies and savings, while avoiding hatchery closures and minimizing impacts to fisheries and hunting opportunities; and

(ii) Additional revenue options and an associated outreach plan designed to ensure that the public, stakeholders, the commission, and legislators have the opportunity to understand and impact the design of the revenue options.

(iii) The range of options created under (a)(i) and (ii) of this subsection must be prioritized by impact on achieving financial stability, impact on the public and fisheries and hunting

opportunities, and on timeliness and ability to achieve intended outcomes.

(b) In consultation with the office of financial management, the department must consult with an outside management consultant to evaluate and implement efficiencies to the agency's operations and management practices. Specific areas of evaluation must include:

(i) Potential inconsistencies and increased costs associated with the decentralized nature of organizational authority and operations;

(ii) The department's budgeting and accounting processes, including work done at the central, program, and region levels, with specific focus on efficiencies to be gained by centralized budget control;

(iii) Executive management, program management, and regional management structures, specifically addressing accountability.

(c) In carrying out these planning requirements, the department must provide quarterly updates to the commission, office of financial management, and appropriate legislative committees. The department must provide a final summary of its process and plan by ~~(May)~~ September 1, 2018.

(d) The department, in cooperation with the office of financial management shall conduct a zero-based budget review of its operating budget and activities to be submitted with the department's 2019-2021 biennial budget submittal. Information and analysis submitted by the department for the zero-based review under this subsection shall include:

(i) A statement of the statutory basis or other basis for the creation of each program and the history of each program that is being reviewed;

(ii) A description of how each program fits within the strategic plan and goals of the agency and an analysis of the quantified objectives of each program within the agency;

(iii) Any available performance measures indicating the effectiveness and efficiency of each program;

(iv) A description with supporting cost and staffing data of each program and the populations served by each program, and the level of funding and staff required to accomplish the goals of

the program if different than the actual maintenance level;

(v) An analysis of the major costs and benefits of operating each program and the rationale for specific expenditure and staffing levels;

(vi) An analysis estimating each program's administrative and other overhead costs;

(vii) An analysis of the levels of services provided; and

(viii) An analysis estimating the amount of funds or benefits that actually reach the intended recipients.

(13) \$528,000 of the general fund-state appropriation for fiscal year 2018, \$511,000 of the general fund-state appropriation for fiscal year 2019, and \$103,000 of the state wildlife account-state appropriation are provided solely for the department to modernize its network infrastructure in the 2017-2019 biennium in preparation to migrate the department's business applications from an agency-based data center to the state data center or a cloud-based environment in the 2019-2021 biennium and are subject to the conditions, limitations, and review provided in section 724, chapter 1, Laws of 2017 3rd sp. sess.

(14) \$580,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Substitute Senate Bill No. 6091 (water availability). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(15) \$183,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Substitute House Bill No. 2771 (wolves/translocation). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(16) The department may not spend funds, staff time, or other resources on the south unit Shillapoo and Buckmire slough project until one of the following has occurred:

(a) The department makes payments to all public and private entities that contributed to the purchase of the unit's 540 acres of waterfowl habitat, in amounts that are equal to the amounts the entity contributed towards the purchase; or

(b) The department acquires a like 540 acres of habitat with the same carrying capacity for waterfowl and other fauna identified by the department, in particular the endangered Columbian white-tailed deer.

(17) \$76,000 of the general fund-state appropriation for fiscal year 2018 and \$472,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the department to increase enforcement of vessel traffic near orca whales, especially commercial and recreational whale watchers and shipping, and to reduce underwater noise levels that interfere with feeding and communication. While the patrol focus is to be on orca whale protection when the animals are present, nothing prohibits responses to emergent public safety or in-progress poaching incidents. In the event that orca whales are not present in marine waters of Puget Sound, emphasis will be placed on patrols that protect living marine resources in northern Puget Sound.

(18) \$245,000 of the general fund--state appropriation for fiscal year 2019 is provided solely for the inventory and maintenance of fish screens in the Puget Sound, Methow, and Wenatchee drainages to protect juvenile salmonids.

Sec. 308. 2017 3rd sp.s. c 1 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund-State Appropriation (FY 2018) ((~~\$48,463,000~~))
\$82,001,000

General Fund-State Appropriation (FY 2019) ((~~\$48,264,000~~))
\$52,159,000

General Fund-Federal Appropriation ((~~\$27,329,000~~))
\$36,503,000

General Fund-Private/Local Appropriation ((~~\$2,372,000~~))
\$3,230,000

Forest Development Account-State Appropriation ((~~\$56,643,000~~))
\$50,329,000

ORV and Nonhighway Vehicle Account-State

Appropriation ((~~\$8,449,000~~))
\$7,854,000

Surveys and Maps Account-State Appropriation ((~~\$3,462,000~~))
\$2,480,000

Aquatic Lands Enhancement Account-State Appropriation ((~~\$13,262,000~~))
\$16,162,000

Resources Management Cost Account-State Appropriation ((~~\$121,559,000~~))
\$121,775,000

Surface Mining Reclamation Account-State Appropriation ((~~\$4,130,000~~))
\$4,123,000

Disaster Response Account-State Appropriation..... ((~~\$23,076,000~~))
\$15,051,000

Forest and Fish Support Account-State Appropriation.....\$12,790,000

Aquatic Land Dredged Material Disposal Site Account-State Appropriation.....\$400,000

Natural Resources Conservation Areas Stewardship Account-State Appropriation ((~~\$34,000~~))
\$232,000

State Toxics Control Account-State Appropriation..... ((~~\$10,705,000~~))
\$10,704,000

Forest Practices Application Account-State Appropriation ((~~\$2,158,000~~))
\$1,900,000

Air Pollution Control Account-State Appropriation\$872,000

NOVA Program Account-State Appropriation\$734,000

Pension Funding Stabilization Account-State Appropriation\$3,239,000

Derelict Vessel Removal Account-State Appropriation.....\$1,946,000

Community Forest Trust Account—State Appropriation	\$52,000
Agricultural College Trust Management Account—State	
Appropriation	(\$3,056,000)
	<u>\$3,059,000</u>
TOTAL APPROPRIATION.....	\$389,756,000
	<u>\$427,595,000</u>

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

(1) \$1,420,000 of the general fund—state appropriation for fiscal year 2018 and \$1,352,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for deposit into the agricultural college trust management account and are provided solely to manage approximately 70,700 acres of Washington State University's agricultural college trust lands.

(2) ~~(\$16,546,000)~~ \$51,736,000 of the general fund—state appropriation for fiscal year 2018, \$16,546,000 of the general fund—state appropriation for fiscal year 2019, and ~~(\$16,050,000)~~ \$8,025,000 of the disaster response account—state appropriation are provided solely for emergency fire suppression. The general fund—state appropriations provided in this subsection may not be used to fund the department's indirect and administrative expenses. The department's indirect and administrative costs shall be allocated among its remaining accounts and appropriations.

(3) \$5,000,000 of the forest and fish support account—state appropriation is provided solely for outcome-based performance contracts with tribes to participate in the implementation of the forest practices program. Contracts awarded may only contain indirect costs set at or below the rate in the contracting tribe's indirect cost agreement with the federal government. If federal funding for this purpose is reinstated, the amount provided in this subsection shall lapse.

(4) \$1,640,000 of the general fund—state appropriation for fiscal year 2018 and \$1,640,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to carry out the forest practices adaptive management program pursuant to RCW 76.09.370 and the May 24, 2012,

settlement agreement entered into by the department and the department of ecology. Scientific research must be carried out according to the master project schedule and work plan of cooperative monitoring, evaluation, and research priorities adopted by the forest practices board. The forest practices board shall submit a report to the legislature following review, approval, and solicitation of public comment on the cooperative monitoring, evaluation, and research master project schedule, to include: Cooperative monitoring, evaluation, and research science and related adaptive management expenditure details, accomplishments, the use of cooperative monitoring, evaluation, and research science in decision-making, and funding needs for the coming biennium. For new or amended forest practices rules adopted or new or amended board manual provisions approved under chapter 76.09 RCW, the forest practices board shall also report on its evaluation of the scientific basis for the rule or board manual provisions including a technical assessment of the value-added benefits for aquatic resources and the corresponding economic impact to the regulated community from the rule or board manual. The report shall be provided to the appropriate committees of the legislature by November 1, 2018.

(5) \$147,000 of the general fund—state appropriation for fiscal year 2018 and \$147,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for chapter 280, Laws of 2017 (ESHB 2010) (homelessness/wildfire areas), including local capacity for wildfire suppression in any county located east of the crest of the Cascade mountain range that shares a common border with Canada and has a population of one hundred thousand or fewer. The funding provided in this subsection must be provided to these counties for radio communication equipment, or to fire protection service providers within these counties for residential wildfire risk reduction activities, including education and outreach, technical assistance, fuel mitigation, and other residential risk reduction measures. For the purposes of this subsection, fire protection service providers include fire departments, fire districts, emergency management services, and regional fire protection service authorities. The department must prioritize funding to counties

authorized in this subsection, and fire protection service providers within those counties that serve a disproportionately higher percentage of low-income residents as defined in RCW 84.36.042, that are located in areas of higher wildfire risk, and whose fire protection service providers have a shortage of reliable equipment and resources. Of the amount provided in this subsection, \$7,000 per fiscal year is provided for department administration costs.

(6) Sufficient funding is provided in this section and the capital appropriations act to implement chapter 248, Laws of 2017 (E2SHB 1711) (forest health treatments).

(7) \$211,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 319, Laws of 2017 (ESSB 5198) (fire retardant use). The department shall study and report on the types and efficacy of fire retardants used in fire suppression activities, their potential impact on human health and natural resources, and make recommendations to the legislature by December 31, 2017.

(8) \$505,000 of the general fund-state appropriation for fiscal year 2018 and \$486,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 95, Laws of 2017 (2SSB 5546) (forest health treatment assessment). The department shall establish a forest health assessment and treatment framework that consists of biennial forest health assessments, treatments, and progress review and reporting.

(9) \$150,000 of the aquatic lands enhancement account-state appropriation is provided solely for continued facilitation and support services for the marine resources advisory council.

(10) \$250,000 of the aquatic lands enhancement account-state appropriation is provided solely for implementation of the state marine management plan and ongoing costs of the Washington coastal marine advisory council to serve as a forum and provide recommendations on coastal management issues.

(11) \$406,000 of the general fund-state appropriation for fiscal year 2018 and \$350,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for Teanaway community forest operations management costs, such

as management plan oversight and forest health.

(12) \$150,000 of the state toxics control account-state appropriation is provided solely for the department to meet its obligations as a potentially liable party under the Washington model toxics control act at Whitmarsh landfill and the east waterway site.

(13) \$25,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for conducting an aerial survey of the Washington coast forests to monitor the occurrence and spread of Swiss needle cast disease.

(14) \$25,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the department to grant to the University of Washington, Olympic natural resources center to develop a plan to mitigate the effects of Swiss needle cast disease on douglas fir tree species.

(15) Within existing resources, the department, in collaboration with the emergency management division of the military department, must develop agreements with other state agencies to recruit state employees to voluntarily participate in the wildfire suppression program. Other agency staff are eligible to receive training, fire gear, and any other necessary items to be ready for deployment to fight wildfires when called. The department shall cover agency staff costs directly or through reimbursement and must submit a request for an appropriation in the next legislative session to fulfill this requirement. The department must provide a report detailing the opportunities, challenges, and recommendations for increasing state employee voluntary participation in the wildfire suppression program to the appropriate committees of the legislature by December 1, 2017.

(16) \$27,000 of the general fund-state appropriation for fiscal year 2019, \$23,000 of the forest development account-state appropriation, and \$50,000 of the resources management cost account-state appropriation are provided solely for the department to contract with a consultant to develop a plan, in consultation with the office of financial management, and cost estimate to modernize and migrate the department's business applications from an agency-

based data center to the state data center or a cloud-based environment.

(17) \$42,000 of the forest development account-state appropriation, \$56,000 of the resources management cost account-state appropriation, and \$2,000 of the agricultural college trust management account-state appropriation are provided solely for the implementation of Engrossed Substitute House Bill No. 2285 (marbled murrelet reports). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(18) \$6,000 of the forest development account-state appropriation, \$36,000 of the resources management cost account-state appropriation, and \$1,000 of the agricultural college trust management account-state appropriation are provided solely for the implementation of Third Substitute House Bill No. 2382 (surplus public property). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(19) \$57,000 of the general fund-state appropriation for fiscal year 2018 and \$136,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of Substitute House Bill No. 2561 (wildland fire advisory committee). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(20) \$403,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of House Bill No. 2733 (prescribed burn certificate program). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(21) \$873,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to the department to provide to the Kittitas county fire district seven as matching funds for a federal staffing for adequate fire and emergency response (SAFER) grant.

(22) \$380,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for one full-time natural resource scientist, one full-time information technology specialist, and related support costs dedicated to earthquake and tsunami hazards. Duties for these positions include, but are not limited to, developing inventories, maps, evacuation routes, educational materials, databases, and other

activities that increase preparedness for earthquakes and tsunamis.

(23) \$250,000 of the general fund-state appropriation for fiscal year 2019, \$125,000 of the resources management cost account-state appropriation, and \$125,000 of the forest development account-state appropriation are provided solely for the department to contract for a trust asset accounting and valuation of the lands, based on current use, managed in trust by the department for each state lands trust by geographic region and state forestlands trusts by county and tax code area. This asset accounting and valuation shall be conducted by an independent third-party firm familiar with recreational land, commercial forestland, agricultural land, commercial land, and conservation land management. The department shall submit a report, containing the current trust assets, estimate of current use market value, any restrictions limiting those values, potential secondary nonrevenue benefits, and recommendations for ongoing evaluation of trust assets and valuation, to the legislature by May 1, 2019.

Sec. 309. 2017 3rd sp.s. c 1 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund-State Appropriation (FY 2018)	.....((\$17,281,000))	\$17,027,000
General Fund-State Appropriation (FY 2019)	.....((\$17,525,000))	\$17,463,000
General Fund-Federal Appropriation	.....((\$31,424,000))	\$32,149,000
General Fund-Private/Local Appropriation	.....	\$193,000
Aquatic Lands Enhancement Account-State Appropriation	.....((\$2,565,000))	\$2,566,000
State Toxics Control Account-State Appropriation	.....((\$5,534,000))	\$6,070,000
Water Quality Permit Account-State Appropriation	.....	\$73,000
Pension Funding Stabilization Account-State		

Sec. 310. 2017 3rd sp.s. c 1 s 310 (uncodified) is amended to read as follows:

FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM

Underground Storage Tank Revolving Account—State

Appropriation..... ((~~\$10,000~~))
\$90,000

Pollution Liability Insurance Program Trust Account—State

Appropriation ((~~\$1,338,000~~))
\$1,339,000

TOTAL APPROPRIATION..... ~~\$1,348,000~~
\$1,429,000

Sec. 311. 2017 3rd sp.s. c 1 s 311 (uncodified) is amended to read as follows:

FOR THE PUGET SOUND PARTNERSHIP

General Fund—State Appropriation (FY 2018) ((~~\$2,922,000~~))

\$2,782,000

General Fund—State Appropriation (FY 2019) ((~~\$2,668,000~~))

\$2,526,000

General Fund—Federal Appropriation ((~~\$8,102,000~~))

\$10,336,000

Aquatic Lands Enhancement Account—State

Appropriation..... ((~~\$1,420,000~~))
\$1,419,000

State Toxics Control Account—State Appropriation \$721,000

Pension Funding Stabilization Account—State

Appropriation..... \$277,000

TOTAL APPROPRIATION..... ~~\$15,833,000~~
\$18,061,000

The appropriations in this section are subject to the following conditions and limitations: By October 15, 2018, the Puget Sound partnership shall provide the governor a single, prioritized list of state agency 2019-2021 capital and operating budget requests related to Puget Sound restoration.

PART IV

TRANSPORTATION

Sec. 401. 2017 3rd sp.s. c 1 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund—State Appropriation (FY 2018) ((~~\$1,460,000~~))

\$1,687,000

General Fund—State Appropriation (FY 2019) ((~~\$1,530,000~~))

\$1,442,000

Architects' License Account—State Appropriation ((~~\$995,000~~))

\$1,205,000

Professional Engineers' Account—State Appropriation ((~~\$3,922,000~~))

\$3,932,000

Real Estate Commission Account—State Appropriation ((~~\$11,045,000~~))

\$11,575,000

Uniform Commercial Code Account—State Appropriation ((~~\$3,448,000~~))

\$3,472,000

Real Estate Education Program Account—State

Appropriation \$276,000

Real Estate Appraiser Commission Account—State

Appropriation..... ((~~\$1,870,000~~))
\$1,875,000

Business and Professions Account—State Appropriation ((~~\$19,302,000~~))

\$22,019,000

Real Estate Research Account—State Appropriation \$415,000

Landscape Architects' License Account—State..... \$4,000

Geologists' Account—State Appropriation \$53,000

Derelict Vessel Removal Account—State Appropriation..... \$33,000

CPL Renewal Notification Account—State Appropriation..... \$183,000

Firearms Range Account—State Appropriation..... \$75,000

Pension Funding Stabilization Account—State

Appropriation.....\$95,000
 TOTAL APPROPRIATION.....~~\$44,607,000~~
 \$48,341,000

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

(1) \$105,000 of the business and professions account appropriation is provided solely to implement chapter 46, Laws of 2017 (SHB 1420) (theatrical wrestling).

(2) \$183,000 of the concealed pistol license renewal notification account appropriation and \$75,000 of the firearms range account appropriation are provided solely to implement chapter 74, Laws of 2017 (SHB 1100) (concealed pistol license) and chapter 282, Laws of 2017 (SB 5268) (concealed pistol license notices).

(3) \$198,000 of the general fund—state appropriation for fiscal year 2018 and \$11,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for costs related to sending notices to persons to encourage the renewal of vessel registrations.

(4) \$32,000 of the general fund—state appropriation for fiscal year 2018 and \$32,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department of licensing to issue identicards to youths released from juvenile rehabilitation facilities.

(5) The appropriations in this section include sufficient funding for the implementation of Third Substitute House Bill No. 1169 (student loan assistance).

Sec. 402. 2017 3rd sp.s. c 1 s 402 (uncodified) is amended to read as follows:

FOR THE STATE PATROL

General Fund—State Appropriation (FY 2018)(~~\$44,994,000~~)
 \$44,008,000
 General Fund—State Appropriation (FY 2019)(~~\$45,986,000~~)
 \$49,297,000
 General Fund—Federal Appropriation\$16,260,000

General Fund—Private/Local
 Appropriation\$3,085,000

Death Investigations Account—State
 Appropriation(~~\$7,087,000~~)
 \$7,185,000

County Criminal Justice Assistance
 Account—State
 Appropriation\$3,755,000

Municipal Criminal Justice Assistance
 Account—State
 Appropriation\$1,521,000

Fire Service Trust Account—State
 Appropriation\$131,000

Vehicle License Fraud Account—State
 Appropriation\$110,000

Disaster Response Account—State
 Appropriation(~~\$8,000,000~~)
 \$12,400,000

Fire Service Training Account—State
 Appropriation\$11,126,000

Aquatic Invasive Species Management
 Account—State
 Appropriation\$54,000

Pension Funding Stabilization Account—State

Appropriation.....\$3,295,000

State Toxics Control Account—State
 Appropriation\$549,000

Fingerprint Identification Account—
 State
 Appropriation\$15,768,000

Dedicated Marijuana Account—State
 Appropriation

(FY 2019)\$2,803,000

TOTAL APPROPRIATION.....~~\$158,426,000~~
 \$171,347,000

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

(1) \$270,000 of the fire service training account—state appropriation is provided solely for two FTEs in the office of the state director of fire protection to exclusively review K-12 construction documents for fire and life safety in accordance with the state building code. It is the intent of this appropriation to provide these services only to those districts that are located

in counties without qualified review capabilities.

(2) (~~(\$8,000,000)~~) \$12,400,000 of the disaster response account-state appropriation is provided solely for Washington state fire service resource mobilization costs incurred in response to an emergency or disaster authorized under RCW 43.43.960 through 43.43.964. The state patrol shall submit a report quarterly to the office of financial management and the legislative fiscal committees detailing information on current and planned expenditures from this account. This work shall be done in coordination with the military department.

(3) \$700,000 of the fire service training account-state appropriation is provided solely for the firefighter apprenticeship training program.

(4) \$41,000 of the general fund-state appropriation for fiscal year 2018 and \$41,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 272, Laws of 2017 (E2SHB 1163) (domestic violence).

(5) \$125,000 of the general fund-state appropriation for fiscal year 2018 and \$116,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 261, Laws of 2017 (SHB 1501) (attempts to obtain firearms).

(6) \$104,000 of the general fund-state appropriation for fiscal year 2018 and \$90,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 308, Laws of 2017 (SHB 1863) (fire incident reporting system).

(7) \$3,421,000 of the fingerprint identification account-state appropriation is provided solely for the completion of the state patrol's plan to upgrade the criminal history system, and is subject to the conditions, limitations, and review provided in section 724 of this act.

(8) \$1,039,000 of the fingerprint identification account-state appropriation is provided solely for the implementation of a sexual assault kit tracking database project and is subject to the conditions, limitations, and review provided in section 724 of this act.

(9) \$350,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the costs related to the 1995 king air maintenance.

(10) \$2,803,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 is provided solely for the Washington state patrol to create a new drug enforcement task force for the purposes of controlling the potential diversion and illicit production or distribution of marijuana and marijuana-related products in Washington.

(11) \$190,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the Washington state patrol to coordinate with the governor's office of Indian affairs, federally recognized tribal governments, and the U.S. justice department to conduct a study to determine how to increase state criminal justice protective and investigative resources for reporting and identifying missing Native American women in the state.

(12) The amounts in this subsection are provided solely for implementing the recommendations of the joint legislative task force on sexual assault forensic examination, and for monitoring and testing untested sexual assault examination kits.

(a) \$238,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the state patrol to:

(i) Work in conjunction with state or nonstate entities to test sexual assault kits pursuant to RCW 43.43.545;

(ii) Conduct forensic analysis of sexual assault examination kits in the custody of the state patrol pursuant to chapter 247, Laws of 2015; and

(ii) Continue the task force.

(b) \$1,375,000 of the general fund-state appropriation for fiscal year 2018 and \$1,375,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 247, Laws of 2015 to address the state's backlog in sexual assault examination kits. The seven full-time employees funded under this subsection must work exclusively on processing sexual assault exam kits through the crime laboratory division.

(c) Within amounts provided in this section, the Washington state patrol

shall adopt rules necessary to implement RCW 43.43.545.

(13) \$2,500,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the tracking and forensic analysis of sexual assault examination kits collected prior to July 24, 2015.

PART V

EDUCATION

Sec. 501. 2017 3rd sp.s. c 1 s 501 (unmodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund-State Appropriation (FY 2018)	.....	(\$49,844,000)	
			\$46,711,000
General Fund-State Appropriation (FY 2019)	.....	(\$47,888,000)	
			\$58,034,000
General Fund-Federal Appropriation	.....	(\$68,460,000)	
			\$83,973,000
General Fund-Private/Local Appropriation	.....	(\$8,051,000)	
			\$8,101,000
Washington Opportunity Pathways Account-State Appropriation	.....		\$584,000
Dedicated Marijuana Account-State Appropriation (FY 2018)	.....		\$513,000
Dedicated Marijuana Account-State Appropriation (FY 2019)	.....		\$516,000
Performance Audits of Government Account-State Appropriation	.....		\$211,000
<u>Pension Funding Stabilization Account-State</u>			
<u>Appropriation</u>	.....		\$2,126,000
TOTAL APPROPRIATION	.....	\$176,067,000	\$200,769,000

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

(1) (~~\$10,437,000~~) \$9,633,000 of the general fund-state appropriation for fiscal year 2018 and (~~\$11,112,000~~) \$13,667,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the operation and expenses of the office of the superintendent of public instruction.

(a) The superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.

(b) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school, using a uniform definition of unexcused absence as established by the superintendent.

(c) By September of each year, the office of the superintendent of public instruction shall produce an annual status report on implementation of the budget provisos in sections 501 and 513 of this act. The status report of each proviso shall include, but not be limited to, the following information: Purpose and objective, number of state staff funded by the proviso, number of contractors, status of proviso implementation, number of beneficiaries by year, list of beneficiaries, a comparison of budgeted funding and actual expenditures, other sources and amounts of funding, and proviso outcomes and achievements.

(d) The superintendent of public instruction, in consultation with the secretary of state, shall update the program prepared and distributed under RCW 28A.230.150 for the observation of temperance and good citizenship day to include providing an opportunity for eligible students to register to vote at school.

(e) Districts shall annually report to the office of the superintendent of public instruction on: (i) The annual number of graduating high school seniors within the district earning the Washington state seal of biliteracy provided in RCW 28A.300.575; and (ii) the number of high school students earning competency-based high school credits for world languages by demonstrating proficiency in a language other than English. The office of the superintendent of public instruction shall provide a

summary report to the office of the governor and the appropriate committees of the legislature by December 1st of each year.

(2) (~~(\$3,857,000)~~) \$1,423,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$3,857,000)~~) \$6,291,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for activities associated with the implementation of House Bill No. 2242 (fully funding the program of basic education).

(3) (a) \$911,000 of the general fund-state appropriation for fiscal year 2018 and \$911,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(b) \$322,000 of the Washington opportunity pathways account-state appropriation is provided solely for the state board of education to provide assistance to public schools other than common schools authorized under chapter 28A.710 RCW.

(4) \$3,512,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$3,512,000)~~) \$3,161,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to the professional educator standards board for the following:

(a) \$1,115,000 in fiscal year 2018 and \$1,115,000 in fiscal year 2019 are for the operation and expenses of the Washington professional educator standards board;

(b) \$2,372,000 of the general fund-state appropriation for fiscal year 2018 (~~and \$2,372,000 of the general fund-state appropriation for fiscal year 2019 are~~) is for grants to improve preservice teacher training and for funding of alternate routes to certification programs administered by the professional educator standards board. Alternate routes programs include the pipeline for paraeducators program, the retooling to teach conditional loan programs, and the recruiting Washington teachers program. Priority shall be given to programs that support bilingual teachers and English language learners. Within this subsection (4)(b), up to \$500,000 per fiscal year is available for grants to public or private colleges of education in Washington state to develop

models and share best practices for increasing the classroom teaching experience of preservice training programs and \$250,000 is provided solely for the pipeline for paraeducators conditional scholarship program for scholarships for paraeducators to complete their associate of arts degrees in subject matter shortage areas;

(c) \$960,000 of the general fund-state appropriation for fiscal year 2019 is for grants to improve preservice teacher training and for funding of alternate routes programs, including the recruiting Washington teachers program.

(d) \$1,061,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to implement Engrossed Fourth Substitute House Bill No. 1827 (educator workforce supply). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(e) \$25,000 of the general fund-state appropriation for fiscal year 2018 and \$25,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the professional educator standards board to develop educator interpreter standards and identify interpreter assessments that are available to school districts. Interpreter assessments should meet the following criteria: (A) Include both written assessment and performance assessment; (B) be offered by a national organization of professional sign language interpreters and transliterators; and (C) be designed to assess performance in more than one sign system or sign language. The board shall establish a performance standard, defining what constitutes a minimum assessment result, for each educational interpreter assessment identified. The board shall publicize the standards and assessments for school district use;

(~~(d)~~) (f) Within the amounts appropriated in this section, sufficient funding is provided for implementation of chapter 172, Laws of 2017 (SHB 1741) (educator prep. data/PESB).

(5) \$266,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$266,000)~~) \$502,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights.

(6)(a) \$61,000 of the general fund-state appropriation for fiscal year 2018 and \$61,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the ongoing work of the education opportunity gap oversight and accountability committee.

(b) Within amounts appropriated in this subsection (6), the committee shall review the rules and procedures adopted by the superintendent of public instruction and the state board of education related to the minimum number of students to be used for public reporting and federal accountability purposes. By October 30, 2018, the committee shall report to the office of the superintendent of public instruction, the state board of education, and the appropriations committees of the legislature with its recommendations for the state to meet the following goals: Increase the visibility of the opportunity gap in schools with small subgroups of students; hold schools and school districts accountable to individual student-level support; and comply with federal student privacy laws.

(7) \$61,000 of the general fund-state appropriation for fiscal year 2018 and \$61,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).

(8) \$262,000 of the Washington opportunity pathways account-state appropriation is provided solely for activities related to public schools other than common schools authorized under chapter 28A.710 RCW.

(9) \$1,802,000 of the general fund-state appropriation for fiscal year 2018 and \$1,802,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementing a comprehensive data system to include financial, student, and educator data, including development and maintenance of the comprehensive education data and research system (CEDARS).

(10) \$50,000 of the general fund-state appropriation for fiscal year 2018 and \$50,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for project citizen, a program sponsored by the national conference of state legislatures and the center for civic education to promote

participation in government by middle school students.

(11) \$1,500,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for collaborative schools for innovation and success authorized under chapter 53, Laws of 2012. The office of the superintendent of public instruction shall award \$500,000 for each collaborative school for innovation and success selected for participation in the pilot program during 2012.

(12) \$123,000 of the general fund-state appropriation for fiscal year 2018 and \$123,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 163, Laws of 2012 (foster care outcomes). The office of the superintendent of public instruction shall annually report each December on the implementation of the state's plan of cross-system collaboration to promote educational stability and improve education outcomes of foster youth.

(13) \$250,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 178, Laws of 2012 (open K-12 education resources).

(14) \$50,000 of the general fund-state appropriation for fiscal year 2018 and \$50,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for school bullying and harassment prevention activities.

(15) \$14,000 of the general fund-state appropriation for fiscal year 2018 and \$14,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 242, Laws of 2013 (state-tribal education compacts).

(16) \$62,000 of the general fund-state appropriation for fiscal year 2018 and \$62,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for competitive grants to school districts to increase the capacity of high schools to offer AP computer science courses. In making grant allocations, the office of the superintendent of public instruction must give priority to schools and districts in rural areas, with substantial enrollment of low-income students, and that do not offer AP computer science. School districts may

apply to receive either or both of the following grants:

(a) A grant to establish partnerships to support computer science professionals from private industry serving on a voluntary basis as coinstructors along with a certificated teacher, including via synchronous video, for AP computer science courses; or

(b) A grant to purchase or upgrade technology and curriculum needed for AP computer science, as well as provide opportunities for professional development for classroom teachers to have the requisite knowledge and skills to teach AP computer science.

(17) \$10,000 of the general fund-state appropriation for fiscal year 2018 and \$10,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the superintendent of public instruction to convene a committee for the selection and recognition of Washington innovative schools. The committee shall select and recognize Washington innovative schools based on the selection criteria established by the office of the superintendent of public instruction, in accordance with chapter 202, Laws of 2011 (innovation schools-recognition) and chapter 260, Laws of 2011 (innovation schools and zones).

(18) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Mobius science center to expand mobile outreach of science, technology, engineering, and mathematics (STEM) education to students in rural, tribal, and low-income communities.

(19) \$131,000 of the general fund-state appropriation for fiscal year 2018, \$131,000 of the general fund-state appropriation for fiscal year 2019, and \$211,000 of the performance audits of government account-state appropriation are provided solely for the office of the superintendent of public instruction to perform on-going program reviews of alternative learning experience programs, dropout reengagement programs, and other high risk programs. Findings from the program reviews will be used to support and prioritize the office of the superintendent of public instruction outreach and education efforts that assist school districts in implementing

the programs in accordance with statute and legislative intent, as well as to support financial and performance audit work conducted by the office of the state auditor.

(20) \$150,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$150,000)~~) \$215,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for youth suicide prevention activities.

(21) \$31,000 of the general fund-state appropriation for fiscal year 2018 and \$55,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction for statewide implementation of career and technical education course equivalency frameworks authorized under RCW 28A.700.070 for math and science. This may include development of additional equivalency course frameworks, course performance assessments, and professional development for districts implementing the new frameworks.

(22) \$2,541,000 of the general fund-state appropriation for fiscal year 2018 and \$2,541,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a corps of nurses located at educational service districts, as determined by the superintendent of public instruction, to be dispatched to the most needy schools to provide direct care to students, health education, and training for school staff.

(23) \$300,000 of the general fund-state appropriation for fiscal year 2018 and \$300,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a nonviolence and ethical leadership training and professional development program provided by the institute for community leadership.

(24) \$1,221,000 of the general fund-state appropriation for fiscal year 2018 and \$1,221,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for K-20 telecommunications network technical support in the K-12 sector to prevent system failures and avoid interruptions in school utilization of the data processing and video-conferencing capabilities of the network. These funds may be used to purchase engineering and

advanced technical support for the network.

(25) \$3,940,000 of the general fund-state appropriation for fiscal year 2018 and \$3,940,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Washington state achievers scholarship and Washington higher education readiness program. The funds shall be used to: Support community involvement officers that recruit, train, and match community volunteer mentors with students selected as achievers scholars; and to identify and reduce barriers to college for low-income and underserved middle and high school students.

(26) \$1,354,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$1,354,000)~~ \$1,454,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for contracting with a college scholarship organization with expertise in conducting outreach to students concerning eligibility for the Washington college bound scholarship consistent with chapter 405, Laws of 2007.

(27) \$410,000 of the general fund-state appropriation for fiscal year 2018, \$280,000 of the general fund-state appropriation for fiscal year 2019, and \$1,029,000 of the dedicated marijuana account-state appropriation are provided solely for dropout prevention, intervention, and reengagement programs, including the jobs for America's graduates (JAG) program, dropout prevention programs that provide student mentoring, and the building bridges statewide program. Students in the foster care system or who are homeless shall be given priority by districts offering the jobs for America's graduates program. The office of the superintendent of public instruction shall convene staff representatives from high schools to meet and share best practices for dropout prevention. Of these amounts, \$513,000 of the dedicated marijuana account-state appropriation for fiscal year 2018, and \$516,000 of the dedicated marijuana account-state appropriation for fiscal year 2019 are provided solely for the building bridges statewide program.

(28) \$2,984,000 of the general fund-state appropriation for fiscal year 2018 and \$2,590,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Washington

kindergarten inventory of developing skills. State funding shall support statewide administration and district implementation of the inventory under RCW 28A.655.080.

(29) \$293,000 of the general fund-state appropriation for fiscal year 2018 and \$293,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction to support district implementation of comprehensive guidance and planning programs in support of high-quality high school and beyond plans consistent with RCW 28A.230.090.

(30) \$4,894,000 of the general fund-state appropriation for fiscal year 2018 and \$4,894,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for grants for implementation of dual credit programs and subsidized advance placement exam fees and international baccalaureate class fees and exam fees for low-income students. For expenditures related to subsidized exam fees, the superintendent shall report: The number of students served; the demographics of the students served; and how the students perform on the exams.

(31) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the superintendent of public instruction to convene a work group to build upon the work of the social emotional learning work group established under section 501(34), chapter 4, Laws of 2015 3rd sp. sess. The members of the work group must include representatives from the same organizations that were represented on the 2015 work group, as well as five representatives of diverse communities and a statewide expanded learning opportunities intermediary. The work group must identify and articulate developmental indicators for each grade level for each of the social emotional learning benchmarks, solicit feedback from stakeholders, and develop a model of best practices or guidance for schools on implementing the benchmarks and indicators. The work group shall submit recommendations to the education committees of the legislature and the office of the governor by June 30, 2019.

(32) \$117,000 of the general fund-state appropriation for fiscal year 2018

and \$117,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 3 (SHB No. 1813), Laws of 2015 1st sp. sess. (computer science).

(33) \$450,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$450,000)~~ \$1,450,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 236, Laws of 2017 (SHB 1445) (dual language/early learning & K-12). In selecting recipients of the K-12 dual language grant, the superintendent of public instruction must prioritize districts that received grants under section 501(36), chapter 4, Laws of 2015 3rd sp. sess. Of the amounts in this subsection, up to \$1,000,000 of the general fund-state appropriation for fiscal year 2019 is for implementation of the K-12 dual language grant program established in RCW 28A.630.095 and \$450,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of the bilingual educator initiative pilot project established under RCW 28A.180.120.

(34) \$125,000 of the general fund-state appropriation for fiscal year 2018 and \$125,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Kip Tokuda memorial Washington civil liberties public education program. The superintendent of public instruction shall award grants consistent with RCW 28A.300.410.

(35) \$1,000,000 of the general fund-state appropriation for fiscal year 2018 and \$1,000,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the computer science and education grant program to support the following three purposes: Train and credential teachers in computer sciences; provide and upgrade technology needed to learn computer science; and, for computer science frontiers grants to introduce students to and engage them in computer science. The office of the superintendent of public instruction must use the computer science learning standards adopted pursuant to chapter 3, Laws of 2015 (computer science) in implementing the grant, to the extent possible. Additionally, grants provided for the purpose of introducing students to computer science are intended to support innovative ways to introduce and

engage students from historically underrepresented groups, including girls, low-income students, and minority students, to computer science and to inspire them to enter computer science careers. Grant funds for the computer science and education grant program may be expended only to the extent that they are equally matched by private sources for the program, including gifts, grants, or endowments.

(36) \$2,145,000 of the general fund-state appropriation for fiscal year 2018 and \$2,145,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a contract with a nongovernmental entity or entities for demonstration sites to improve the educational outcomes of students who are dependent pursuant to chapter 13.34 RCW pursuant to chapter 71, Laws of 2016 (Fourth Substitute House Bill No. 1999, foster youth edu. outcomes).

(a) Of the amount provided in this subsection, \$446,000 of the general fund-state appropriation for fiscal year 2018 and \$446,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the demonstration site established pursuant to the 2013-2015 omnibus appropriations act, section 202(10), chapter 4, Laws of 2013, 2nd sp. sess.

(b) Of the amount provided in this subsection, \$1,015,000 of the general fund-state appropriation for fiscal year 2018 and \$1,015,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the demonstration site established pursuant to the 2015-2017 omnibus appropriations act, section 501(43)(b), chapter 4, Laws of 2015, 3rd sp. sess., as amended.

(37) \$1,000,000 of the general fund-state appropriation for fiscal year 2018 and \$1,000,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 157, Laws of 2016 (Third Substitute House Bill No. 1682, homeless students).

(38) \$753,000 of the general fund-state appropriation for fiscal year 2018 and \$703,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 72, Laws of 2016 (Fourth Substitute House Bill No. 1541, educational opportunity gap).

(39) \$57,000 of the general fund-state appropriation for fiscal year 2018 and \$15,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 240, Laws of 2016 (Engrossed Senate Bill No. 6620, school safety).

(40) \$186,000 of the general fund-state appropriation for fiscal year 2018 and \$178,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 291, Laws of 2017 (2SHB 1170) (truancy reduction efforts).

(41) \$984,000 of the general fund-state appropriation for fiscal year 2018 and \$912,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 237, Laws of 2017 (ESHB 1115) (paraeducators).

(42) \$204,000 of the general fund-state appropriation for fiscal year 2018, \$204,000 of the general fund-state appropriation for fiscal year 2019, and \$408,000 of the general fund-federal appropriation are provided solely for implementation of chapter 202, Laws of 2017 (E2SHB 1713) (children's mental health).

(43) \$300,000 of the general fund-state appropriation for fiscal year 2018 and \$300,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for grants to middle and high schools to support international baccalaureate programs in high poverty schools. Of these amounts:

(a) \$200,000 of the appropriation for fiscal year 2018 and \$200,000 of the appropriation for fiscal year 2019 are provided solely for grants to high schools that have an existing international baccalaureate program and enrollments of seventy percent or more students eligible for free or reduced-price meals in the prior school year to implement and sustain an international baccalaureate program; and

(b) \$100,000 of the appropriation for fiscal year 2018 and \$100,000 of the appropriation for fiscal year 2019 are provided solely for grants to middle schools with students that will attend a qualifying high poverty high school that has received a grant under (a) of this subsection to support implementation of a middle school international baccalaureate program.

(44) \$240,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for a grant to the Pacific science center to continue providing science on wheels activities in schools and other community settings. Funding is provided to assist with upgrading three planetarium computers and software and to assist with purchasing and outfitting three vans with new traveling planetarium exhibits.

(45) (~~(\$100,000)~~) \$40,000 of the general fund-state appropriation for fiscal year 2018 (~~(is)~~) and \$60,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction to contract for consulting services for a study of the current state pupil transportation funding formula. The study must evaluate the extent to which the formula corresponds to the actual costs of providing pupil transportation to and from school for the state's statutory program of basic education, including local school district characteristics such as unique geographic constraints, and transportation for students who are identified as homeless under the McKinney-Vento act. Based on the results of this evaluation, the superintendent must make recommendations for any necessary revisions to the state's pupil transportation formula, taking into account the statutory program of basic education, promotion of the efficient use of state and local resources, and continued local district control over the management of pupil transportation systems. The superintendent must make recommendations to clarify the sources of funding that districts can use to transport homeless students to and from school.

(46) \$440,000 of the general fund-state appropriation for fiscal year 2018 and \$270,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction for the procurement and implementation of a reporting and data aggregation system that will connect state- and district-level information to secure and protect district, school and student information in order to close student performance gaps by assisting school districts in data-driven implementation of strategies and supports that are responsive of student needs.

(47) \$150,000 of the general fund-state appropriation for fiscal year 2018 and \$450,000 of the general fund-state appropriation for fiscal year 2019 are provided for the superintendent of public instruction to develop and implement a statewide accountability system to address absenteeism and to improve student graduation rates. The system must use data to engage schools and districts in identifying successful strategies and systems that are based on federal and state accountability measures. Funding may also support the effort to provide assistance about successful strategies and systems to districts and schools that are underperforming in the targeted student subgroups.

(48) \$178,000 of the general fund-state appropriation for fiscal year 2018 and \$179,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 180, Laws of 2017 (2SSB 5258) (Washington Aim program).

(49) \$25,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the office of the superintendent of public instruction to form a work group to build on an initial internal report on institutional education funding recommendations. The group shall vet the report with on-the-ground providers and offer recommendations to the legislature on how to establish a new funding structure, funding levels, and support services such as special education, mental health, and career and technical education that more adequately meet the needs of the institutional education programs and the students they serve. Recommendations must be reported by the office to the legislature no later than December 1, 2018.

(50) \$97,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 1539 (sexual abuse of students). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(51) \$60,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Substitute House Bill No. 2610 (school meal payment). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(52) \$288,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Second Substitute House Bill No. 1377 (student mental health). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(53) \$40,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2779 (children's mental health). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(54) \$50,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Fourth Substitute House Bill No. 1827 (educator workforce supply). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(55) \$121,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Second Substitute House Bill No. 2390 (opioid medications/schools). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(56) \$676,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 2748 (learning assistance program). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(57) \$230,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Second Substitute House Bill No. 1896 (civics education). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(58) Within amounts appropriated in this section, the office of the superintendent of public instruction and the state board of education shall adopt a rule that the minimum number of students to be used for public reporting and federal accountability purposes is ten.

(59) (a) \$125,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the superintendent of public instruction to assist the office of the governor in developing a strategic plan for work-integrated

learning focused on youth apprenticeship.

(b) In consultation with the governor's office, the superintendent shall collaborate with the state board for community and technical colleges, workforce training board, department of labor and industries, and employment security department to:

(i) Review existing work-integrated learning programs and youth apprenticeship programs;

(ii) Analyze barriers to statewide adoption of registered apprenticeship programs and pre-apprenticeship programs; and

(iii) Recommend policies to implement strategies that increase statewide youth engagement in registered apprenticeships.

(c) Individuals from the public and private sectors with expertise in career and technical education and career-integrated training, including representatives of labor unions, professional technical organizations, and business and industry must be consulted in the development of recommendations.

(d) Findings and recommendations must be consolidated into one report delivered to the governor and the education and economic development committees of the legislature by October 1, 2018.

(60) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the office of the superintendent of public instruction to ensure career and technical education courses are aligned with high-demand, high-wage jobs. The superintendent shall verify that the current list of career and technical education courses meets the criteria established in RCW 28A.700.020(2). The superintendent shall remove from the list any career and technical education course that no longer meets such criteria.

(61) \$150,000 of the general fund-state appropriation for fiscal year 2019 and \$50,000 of the general fund-private/local appropriation for fiscal year 2019 are provided solely for support of national history day. Activities funded must include outreach, implementation, and support for student participation.

(62) \$335,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1600 (career and college readiness). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(63) \$100,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to contract with a nonprofit organization that supports Washington teachers in implementing lessons of the Holocaust for the creation of a comprehensive online encyclopedia of local Holocaust education resources. The online encyclopedia must include teaching trunk materials, Anne Frank materials, genocide resources, and video testimonies. Amounts provided in this subsection may be used for: The hiring of program staff and contractors; program planning; oversight and evaluation; and the research, coding, marketing, and creation of online resources and program materials.

(64) \$200,000 of the general fund-state appropriation for fiscal year 2019 is provided for the office of the superintendent of public instruction to meet statutory obligations related to the provision of medically and scientifically accurate, age-appropriate, and inclusive sexual health education as authorized by chapter 206, Laws of 1988 (AIDS omnibus act) and chapter 265, Laws of 2007 (healthy youth act).

(65) \$165,000 of the general fund-state appropriation for fiscal year 2018 and \$915,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction to provide grants to the Washington state school directors association and individual school districts to assist school directors and school districts to comply with their budgeting and collective bargaining responsibilities under the provisions of chapter 13, Laws of 2017 3rd sp. sess. (EHB 2242).

(a) From amounts provided in this subsection, the Washington state school directors association must create school board training modules that inform school directors of their budgeting responsibilities, and their roles and responsibilities preceding and during collective bargaining under chapters 41.56 and 41.59 RCW.

(b) The Washington state school directors association may contract for labor relations consultants, legal advisors, and fiscal analysts, to assist specific school boards and school districts to comply with chapters 41.56 and 41.59 RCW by providing legal assistance, bargaining support, and real time proposal analysis. From amounts provided in this subsection, the office of the superintendent of public instruction must provide grants to individual school districts on a sliding scale based on the size of the school district in order for those districts to access labor relations consultants, legal advisors, and fiscal analysts under contract with the Washington state school directors association, or to procure such services under separate contract. The Washington state school directors association and the office of the superintendent of public instruction must administer the funding for such assistance in order to provide the services promptly, with minimum administrative burden, and at no cost for districts with student enrollments at or under two thousand.

(66) \$200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for grants to implement a program that provides hands-on education in financial literacy, work readiness, and entrepreneurship.

(67) \$95,000 of the general fund-state appropriation for fiscal year 2019 is provided for the office of the superintendent of public instruction to create and administer a grant program to decrease student participation gaps in extracurricular activities between free- and reduced-price lunch students and full-price lunch students. In making grant allocations, the office of the superintendent of public instruction must give priority to schools and districts with the largest participation gaps between low-income students and higher-income students, as identified by federal free- or reduced-price lunch program eligibility. The office must distribute grants for the 2018-19 school year to school districts by August 31, 2018.

(a) Of the amount appropriated in this subsection, \$60,000 of the general fund-state appropriation must be distributed to schools and districts to reduce associated student body fees for low-income students.

(b) The office of the superintendent of public instruction must collect the following school-level data from each high school and middle school:

(i) Athletic participation fees for full-price, free-, and reduced-price lunch program students;

(ii) Associated student body card fees for full-price, free-, and reduced-price lunch program students;

(iii) After school athletic participation rate for full-price, free-, and reduced-price lunch program students, excluding students participating in for-credit activities;

(iv) The number of associated student body card purchases for full-price, free-, and reduced-price lunch program students;

(v) School club participation for full-price, free-, and reduced-price lunch program students; and

(vi) Career and technical student organization participation for full-price, free-, and reduced-price lunch program students.

(c) No later than June 30, 2018, the office of the superintendent of public instruction must publish a list of schools and districts that are not complying with section 3, chapter 211, Laws of 2014. Schools and districts that the office identifies as noncompliant are ineligible to receive grant allocations under this subsection.

(68) The office of the superintendent of public instruction, in collaboration with the department of social and health services developmental disabilities administration and division of vocational rehabilitation, shall explore the development of an implementation plan to build statewide capacity among school districts to improve transition planning for students in special education who meet criteria for services from the developmental disabilities administration, and shall provide all school districts with an opportunity to participate. The plan shall be submitted in compliance with RCW 43.01.036 by November 1, 2018, and the final report must be submitted by November 1, 2020, to the governor and appropriate legislative committees.

(69) \$40,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the legislative youth

advisory council. The council of statewide members advises legislators on issues of importance to youth.

(70) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to contract with a nonprofit, civil rights and human relations organization with expertise in tracking and responding to hate incidents in schools, and with experience implementing programs designed to empower students to improve upon and sustain school climates that combat bias and bullying. The contract must expand the organization's current anti-bias programs to public schools across Washington, with at least half of the public schools located east of the crest of the Cascade mountains. Amounts provided in this subsection may be used to support preprogram planning, trainings, guidance, surveys, materials, and the hiring of a part-time contractor to support data tracking.

Sec. 502. 2017 3rd sp.s. c 1 s 502 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR GENERAL APPORTIONMENT

General Fund-State Appropriation (FY 2018)	.....	(\$7,183,886,000)
		\$7,239,334,000
General Fund-State Appropriation (FY 2019)	.....	(\$7,412,055,000)
		\$7,008,792,000
Education Legacy Trust Account-State Appropriation	.....	\$345,730,000
TOTAL APPROPRIATION...		\$14,941,671,000
		\$14,593,856,000

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

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

(b) For the 2017-18 and 2018-19 school years, the superintendent shall allocate general apportionment funding to school districts as provided in the funding formulas and salary allocations in sections 502 and 503 of this act, excluding (c) of this subsection, and in

House Bill No. 2242 (fully funding the program of basic education).

(c) From July 1, 2017, to August 31, 2017, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 503, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(d) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the fourth day of school in September and on the first school day of each month October through June, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. Any school district concluding its basic education program in May must report the enrollment of the last school day held in May in lieu of a June enrollment.

(e)(i) Funding provided in part V of this act is sufficient to provide each full-time equivalent student with the minimum hours of instruction required under RCW 28A.150.220.

(ii) The office of the superintendent of public instruction shall align the agency rules defining a full-time equivalent student with the increase in the minimum instructional hours under RCW 28A.150.220, as amended by the legislature in 2014.

(f) The superintendent shall adopt rules requiring school districts to report full-time equivalent student enrollment as provided in RCW 28A.655.210.

(g) For the 2017-18 and 2018-19 school years, school districts must report to the office of the superintendent of public instruction the monthly actual average district-wide class size across each grade level of kindergarten, first grade, second grade, and third grade classes. The superintendent of public instruction shall report this information to the education and fiscal committees of the house of representatives and the senate by September 30th of each year.

(h) Funding is provided in this section for a hold-harmless payment beginning with the 2018-19 school year. A school district qualifies for a hold-harmless payment if the sum of the school district's state basic education

allocations plus its enrichment levy and local effort assistance under chapter 13, Laws of 2017 3rd sp. sess. is less than the sum of what the district would have received for that year from the state basic education allocations, local maintenance and operation levy, and local effort assistance under the law as it existed on January 1, 2017. For the prior law calculation, it is assumed that the local levy is the lesser of the voter approved levy as of January 1, 2017, and the maximum allowed under the law as it existed on January 1, 2017.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2017-18 and 2018-19 school years are determined using formula-generated staff units calculated pursuant to this subsection.

(a) Certificated instructional staff units, as defined in RCW 28A.150.410, shall be allocated to reflect the minimum class size allocations, requirements, and school prototypes assumptions as provided in RCW 28A.150.260. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent student enrollment in each grade.

(b) Additional certificated instructional staff units provided in this subsection (2) that exceed the minimum requirements in RCW 28A.150.260 are enhancements outside the program of basic education, except as otherwise provided in this section.

(c)(i) The superintendent shall base allocations for each level of prototypical school on the following regular education average class size of full-time equivalent students per teacher, except as provided in (c)(ii) of this subsection:

General education class size:

Grade	RCW 28A.150.260	2017-18 School Year	2018-19 School Year
Grade K		17.00	17.00

1	Grade	17.00	17.00
2	Grade	17.00	17.00
3	Grade	17.00	17.00
4	Grade	27.00	27.00
5-6	Grades	27.00	27.00
7-8	Grades	28.53	28.53
9-12	Grades	28.74	28.74

The superintendent shall base allocations for: Laboratory science average class size as provided in RCW 28A.150.260; career and technical education (CTE) class size of 23.0; and skill center program class size of 20.0.

(ii) For each level of prototypical school at which more than fifty percent of the students were eligible for free and reduced-price meals in the prior school year, the superintendent shall allocate funding based on the following average class size of full-time equivalent students per teacher:

General education class size in high poverty schools:

Grade	RCW 28A.150.260	2017-18 School Year	2018-19 School Year
K		17.00	17.00
1		17.00	17.00
2		17.00	17.00
3		17.00	17.00
4		27.00	27.00
5-6		27.00	27.00
7-8		28.53	28.53
9-12		28.74	28.74

(iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher planning period, expressed as a percentage of a teacher work day, is 13.42 percent in grades K-6, and 16.67 percent in grades 7-12; and

(iv) Advanced placement and international baccalaureate courses are funded at the same class size assumptions as general education schools in the same grade; and

(d)(i) Funding for teacher librarians, school nurses, social workers, school psychologists, and guidance counselors is allocated based on the school prototypes as provided in RCW 28A.150.260 and (a) of this subsection and is considered certificated instructional staff, except as provided in (d)(ii) of this subsection.

(ii) Students in approved career and technical education and skill center programs generate certificated instructional staff units to provide for the services of teacher librarians, school nurses, social workers, school psychologists, and guidance counselors at the following combined rate per 1000 student full-time equivalent enrollment:

	2017-18 School Year	2018-19 School Year
Career and Technical Education	3.07	3.07
Skill Center	3.41	3.41

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2017-18 and 2018-19 school years for general education students are determined using the formula generated staff units calculated pursuant to this subsection. The superintendent shall make allocations to school districts based on the district's annual average full-time equivalent enrollment in each grade. The following prototypical school values shall determine the allocation for principals, assistance principals, and other certificated building level administrators:

Prototypical
School Building:

Elementary School	1.253
Middle School	1.353
High School	1.880

(b) Students in approved career and technical education and skill center programs generate certificated school building-level administrator staff units at per student rates that are a multiple of the general education rate in (a) of this subsection by the following factors: Career and Technical Education students.....1.025

Skill Center students.....1.198

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2017-18 and 2018-19 school years are determined using the formula-generated staff units provided in RCW 28A.150.260 and pursuant to this subsection, and adjusted based on each district's annual average full-time equivalent student enrollment in each grade.

(5) CENTRAL OFFICE ALLOCATIONS

In addition to classified and administrative staff units allocated in subsections (3) and (4) of this section, classified and administrative staff units are provided for the 2017-18 and 2018-19 school years for the central office administrative costs of operating a school district, at the following rates:

(a) The total central office staff units provided in this subsection (5) are calculated by first multiplying the total number of eligible certificated instructional, certificated administrative, and classified staff units providing school-based or district-wide support services, as identified in RCW 28A.150.260(6)(b) and the increased allocations provided pursuant to subsections (2) and (4) of this section, by 5.3 percent.

(b) Of the central office staff units calculated in (a) of this subsection, 74.53 percent are allocated as classified staff units, as generated in subsection (4) of this section, and 25.47 percent shall be allocated as administrative staff units, as generated in subsection (3) of this section.

(c) Staff units generated as enhancements outside the program of basic

education to the minimum requirements of RCW 28A.150.260, and staff units generated by skill center and career-technical students, are excluded from the total central office staff units calculation in (a) of this subsection.

(d) For students in approved career-technical and skill center programs, central office classified units are allocated at the same staff unit per student rate as those generated for general education students of the same grade in this subsection (5), and central office administrative staff units are allocated at staff unit per student rates that exceed the general education rate established for students in the same grade in this subsection (5) by 12.29 percent in the 2017-18 school year and 12.29 percent in the 2018-19 school year for career and technical education students, and 17.61 percent in the 2017-18 school year and 17.61 percent in the 2018-19 school year for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 23.49 percent in the 2017-18 school year and 23.49 percent in the 2018-19 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 24.60 percent in the 2017-18 school year and 24.60 percent in the 2018-19 school year for classified salary allocations provided under subsections (4) and (5) of this section.

(7) INSURANCE BENEFIT ALLOCATIONS

Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504 of this act, based on the number of benefit units determined as follows:

(a) The number of certificated staff units determined in subsections (2), (3), and (5) of this section; and

(b) The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purpose of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1,440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

Funding is allocated per annual average full-time equivalent student for the materials, supplies, and operating costs (MSOC) incurred by school districts, consistent with the requirements of RCW 28A.150.260.

(a)(i) MSOC funding for general education students are allocated at the following per student rates:

MSOC RATES/STUDENT FTE		
MSOC Component	2017-18 School Year	2018-19 School Year
Technology	\$130.76	(\$132.85) \$133.24
Utilities and Insurance	\$355.30	(\$360.98) \$362.05
Curriculum and Textbooks	\$140.39	(\$142.64) \$143.06
Other Supplies and Library Materials	\$298.05	(\$302.82) \$303.71
Instructional Professional Development for Certificated and Classified Staff	\$21.71	(\$22.06) \$22.12
Facilities Maintenance	\$176.01	(\$178.83) \$179.36
Security and Central Office	\$121.94	(\$123.89) \$124.26
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$1,244.16	(\$1,264.07) \$1,267.80

(ii) For the 2017-18 school year and 2018-19 school year, as part of the budget development, hearing, and review process required by chapter 28A.505 RCW,

each school district must disclose: (A) The amount of state funding to be received by the district under (a) and (d) of this subsection (8); (B) the amount the district proposes to spend for materials, supplies, and operating costs; (C) the difference between these two amounts; and (D) if (A) of this subsection (8) (a) (ii) exceeds (B) of this subsection (8) (a) (ii), any proposed use of this difference and how this use will improve student achievement.

(b) Students in approved skill center programs generate per student FTE MSOC allocations of \$1,472.01 for the 2017-18 school year and (~~(\$1,495.56)~~) \$1,499.98 for the 2018-19 school year.

(c) Students in approved exploratory and preparatory career and technical education programs generate per student FTE MSOC allocations of \$1,472.01 for the 2017-18 school year and (~~(\$1,495.56)~~) \$1,499.98 for the 2018-19 school year.

(d) Students in grades 9-12 generate per student FTE MSOC allocations in addition to the allocations provided in (a) through (c) of this subsection at the following rate:

MSOC Component	2017-18 School Year	2018-19 School Year
Technology	\$37.60	((\$38.20)) <u>\$38.31</u>
Curriculum and Textbooks	\$41.02	((\$41.67)) <u>\$41.80</u>
Other Supplies and Library Materials	\$85.46	((\$86.82)) <u>\$87.08</u>
Instructional Professional Development for Certified and Classified Staff	\$6.83	((\$6.95)) <u>\$6.97</u>
TOTAL GRADE 9-12 EDUCATION MSOC/STUDENT FTE	\$170.9	((\$173.64)) <u>\$174.16</u>

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2017-18 and 2018-19 school years, funding for substitute costs for classroom teachers is based on four (4) funded substitute days per classroom teacher unit generated under subsection (2) of this section, at a daily substitute rate of \$151.86.

(10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

(a) Amounts provided in this section from July 1, 2017, to August 31, 2017, are adjusted to reflect provisions of chapter 4, Laws of 2015 3rd sp. sess., as amended (allocation of funding for students enrolled in alternative learning experiences).

(b) The superintendent of public instruction shall require all districts receiving general apportionment funding for alternative learning experience (ALE) programs as defined in WAC 392-121-182 to provide separate financial accounting of expenditures for the ALE programs offered in district or with a provider, including but not limited to private companies and multidistrict cooperatives, as well as accurate, monthly headcount and FTE enrollment claimed for basic education, including separate counts of resident and nonresident students.

(11) DROPOUT REENGAGEMENT PROGRAM

The superintendent shall adopt rules to require students claimed for general apportionment funding based on enrollment in dropout reengagement programs authorized under RCW 28A.175.100 through 28A.175.115 to meet requirements for at least weekly minimum instructional contact, academic counseling, career counseling, or case management contact. Districts must also provide separate financial accounting of expenditures for the programs offered by the district or under contract with a provider, as well as accurate monthly headcount and full-time equivalent enrollment claimed for basic education, including separate enrollment counts of resident and nonresident students.

(12) ALL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund all day kindergarten programs in all schools in the 2017-18 school year and 2018-19 school year, pursuant to RCW 28A.150.220 and 28A.150.315.

(13) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND REMOTE AND NECESSARY PLANTS

For small school districts and remote and necessary school plants within any district which have been judged to be remote and necessary by the superintendent of public instruction, additional staff units are provided to ensure a minimum level of staffing support. Additional administrative and certificated instructional staff units provided to districts in this subsection shall be reduced by the general education staff units, excluding career and technical education and skills center enhancement units, otherwise provided in subsections (2) through (5) of this section on a per district basis.

(a) For districts enrolling not more than twenty-five average annual full-time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the superintendent of public instruction and enroll not more than twenty-five average annual full-time equivalent students in grades K-8:

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

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

(b) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the superintendent of public instruction:

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

certificated administrative staff units; and

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

(c) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools, except as noted in this subsection:

(i) For remote and necessary schools enrolling students in any grades 9-12 but no more than twenty-five average annual full-time equivalent students in grades K-12, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;

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

(iii) Districts receiving staff units under this subsection shall add students enrolled in a district alternative high school and any grades nine through twelve alternative learning experience programs with the small high school enrollment for calculations under this subsection;

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

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

(f) (i) For enrollments generating certificated staff unit allocations under (a) through (e) of this subsection, one classified staff unit for each 2.94 certificated staff units allocated under such subsections;

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

(g) School districts receiving additional staff units to support small student enrollments and remote and necessary plants under this subsection (~~((12))~~) (13) shall generate additional MSOC allocations consistent with the nonemployee related costs (NERC) allocation formula in place for the 2010-11 school year as provided section 502, chapter 37, Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted annually for inflation.

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

(15) The superintendent may distribute funding for the following programs outside the basic education formula during fiscal years 2018 and 2019 as follows:

(a) \$638,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$648,000)~~) \$650,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW.

(b) \$436,000 of the general fund-state appropriation for fiscal year 2018 and \$436,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for programs providing skills training for secondary students

who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs.

(16) \$225,000 of the general fund-state appropriation for fiscal year 2018 and \$229,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for school district emergencies as certified by the superintendent of public instruction. Funding provided must be conditioned upon the written commitment and plan of the school district board of directors to repay the grant with any insurance payments or other judgments that may be awarded, if applicable. At the close of the fiscal year the superintendent of public instruction shall report to the office of financial management and the appropriate fiscal committees of the legislature on the allocations provided to districts and the nature of the emergency.

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

(18) Students participating in running start programs may be funded up to a combined maximum enrollment of 1.2 FTE including school district and institution of higher education enrollment consistent with the running start course requirements provided in chapter 202, Laws of 2015 (dual credit education opportunities). In calculating the combined 1.2 FTE, the office of the superintendent of public instruction may average the participating student's September through June enrollment to account for differences in the start and end dates for courses provided by the high school and higher education institution. Additionally, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges, the student achievement council, and the education data center, shall annually track and report to the fiscal committees of the legislature on the combined FTE experience of students participating in the running start program, including course load analyses at both the high school and community and technical college system.

(19) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (12) of this section, the following apply:

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

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection ~~((12))~~ (13) of this section shall be reduced in increments of twenty percent per year.

(20) (a) Indirect cost charges by a school district to approved career and technical education middle and secondary programs shall not exceed ~~((5 percent))~~ the lesser of five percent or the cap established in federal law of the combined basic education and career and technical education program enhancement allocations of state funds. Middle and secondary career and technical education programs are considered separate programs for funding and financial reporting purposes under this section.

(b) Career and technical education program full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported career and technical education program enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

(21) Funding in this section is sufficient to provide full general apportionment payments to school districts eligible for federal forest revenues as provided in RCW 28A.520.020. For the 2017-2019 biennium, general apportionment payments are not reduced for school districts receiving federal forest revenues.

Sec. 503. 2017 3rd sp.s. c 1 s 503 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-BASIC EDUCATION EMPLOYEE COMPENSATION

(1) The following calculations determine the salaries used in the state allocations for certificated instructional, certificated administrative, and classified staff units as provided in House Bill No. 2242 (fully funding the program of basic education), RCW 28A.150.260, and under section 502 of this act:

(a) For the 2017-18 school year, salary allocations for certificated instructional staff units are determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 2 by the district's average staff mix factor for certificated instructional staff in that school year, computed using LEAP document 1.

(b) For the 2017-18 school year, salary allocations for certificated administrative staff units and classified staff units for each district are determined based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 2.

(c) For the 2018-19 school year salary allocations for certificated instructional staff, certificated administrative staff, and classified staff units are determined for each school district by multiplying the statewide minimum salary allocation for each staff type by the school district's regionalization factor shown in LEAP Document 3.

Statewide Minimum Salary Allocation

For School Year 2018-19

Certificated	((59,333.55))
Instructional Staff	<u>\$65,216.05</u>
Certificated	((79,127.50))
Administrative Staff	<u>\$96,805.00</u>
Classified Staff	((39,975.50))
	<u>\$46,784.33</u>

(2) For the purposes of this section:

(a) "LEAP Document 1" means the staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on June 22, 2017, at 1:14 hours; and

	67	66	61	48
	1	0	8	6
1	€	€	6	€
6	1,	4,	1,9	5, 8,
or	88	93	24	91 83
mo	4	2	0	6
re				

(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

(c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be counted after the masters degree. Thus, as used in this subsection, the column headings "MA+(N)" refer to the total of:

(i) Credits earned since receiving the masters degree; and

(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this part V, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The salary allocations established in this section are for allocation purposes only except as provided in this subsection, and do not entitle an

individual staff position to a particular paid salary except as provided in RCW 28A.400.200, as amended by House Bill No. 2242 (fully funding the program of basic education).

(8) For school year 2018-19, the salary allocations for each district shall be the greater of:

(a) The derived school year 2018-19 salary allocations in subsection (1) of this section; or

(b) The derived salary allocations for school year 2017-18 increased by 2.3 percent.

Sec. 504. 2017 3rd sp.s. c 1 s 504 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS

General Fund-State Appropriation (FY 2018).....((~~\$216,086,000~~))

\$206,149,000

General Fund-State Appropriation (FY 2019).....((~~\$1,360,536,000~~))

\$1,911,498,000

Basic Education Account-State Appropriation.....\$85,358,000

TOTAL APPROPRIATION\$1,576,622,000

\$2,203,005,000

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

(1) The salary increases provided in this section are inclusive of and above the annual cost-of-living adjustments pursuant to RCW 28A.400.205.

~~(2) ((In addition to salary allocations specified in this subsection (1) funding in this subsection includes one day of professional learning for each of the funded full-time equivalent certificated instructional staff units in school year 2018-19. Nothing in this section entitles an individual certificated instructional staff to any particular number of professional learning days.~~

~~(3))~~ (a) The appropriations in this section include associated incremental fringe benefit allocations at 22.85 percent for the 2017-18 school year and 22.85 percent for the 2018-19 school year for certificated instructional and

certificated administrative staff and 21.10 percent for the 2017-18 school year and 21.10 percent for the 2018-19 school year for classified staff.

(b) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocations and methodology in sections 502 and 503 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 502 and 503 of this act.

(c) The appropriations in this section include no salary adjustments for substitute teachers.

~~((44))~~ (3) The maintenance rate for insurance benefit allocations is \$780.00 per month for the 2017-18 and 2018-19 school years. The appropriations in this section reflect the incremental change in cost of allocating rates of \$820.00 per month for the 2017-18 school year and ~~((840.00))~~ \$843.97 per month for the 2018-19 school year. When bargaining for health benefits funding for the school employees' benefits board during the 2017-2019 fiscal biennium, any proposal agreed upon must assume the imposition of a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than ninety-five percent of the actuarial value of the public employees' benefits board plan with the largest enrollment. The surcharge payments shall be collected in addition to the member premium payment.

~~((45))~~ (4) The rates specified in this section are subject to revision each year by the legislature.

(5) \$85,358,000 of the basic education account appropriation is provided solely

for allocation to school districts to increase compensation related to increasing school employee salary allocations, changing the special education excess cost multiplier as provided in RCW 28A.150.390(2)(b), and regionalization and experience factors as provided in RCW 28A.150.412(2)(b), each as amended by Engrossed Second Substitute Senate Bill No. 6362 (basic education) as amended by [H-. . ./18].

Sec. 505. 2017 3rd sp.s. c 1 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION

General Fund—State Appropriation (FY 2018)	((502,599,000))	\$518,512,000
General Fund—State Appropriation (FY 2019)	((497,940,000))	\$496,524,000
TOTAL APPROPRIATION	\$1,000,539,000	\$1,015,036,000

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

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

(2)(a) For the 2017-18 and 2018-19 school years, the superintendent shall allocate funding to school district programs for the transportation of eligible students as provided in RCW 28A.160.192. Funding in this section constitutes full implementation of RCW 28A.160.192, which enhancement is within the program of basic education. Students are considered eligible only if meeting the definitions provided in RCW 28A.160.160.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(3) Within amounts appropriated in this section, up to \$10,000,000 of the general fund—state appropriation for fiscal year 2018 and up to \$10,000,000 of the general fund—state appropriation for

fiscal year 2019 are for a transportation alternate funding grant program based on the alternate funding process established in RCW 28A.160.191. The superintendent of public instruction must include a review of school district efficiency rating, key performance indicators and local school district characteristics such as unique geographic constraints in the grant award process.

(4) A maximum of \$913,000 of this fiscal year 2018 appropriation and a maximum of (~~(\$937,000)~~) \$939,000 of the fiscal year 2019 appropriation may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(5) The office of the superintendent of public instruction shall provide reimbursement funding to a school district for school bus purchases only after the superintendent of public instruction determines that the school bus was purchased from the list established pursuant to RCW 28A.160.195(2) or a comparable competitive bid process based on the lowest price quote based on similar bus categories to those used to establish the list pursuant to RCW 28A.160.195.

(6) The superintendent of public instruction shall base depreciation payments for school district buses on the presales tax five-year average of lowest bids in the appropriate category of bus. In the final year on the depreciation schedule, the depreciation payment shall be based on the lowest bid in the appropriate bus category for that school year.

(7) Funding levels in this section reflect waivers granted by the state board of education for four-day school weeks as allowed under RCW 28A.305.141.

(8) The office of the superintendent of public instruction shall annually disburse payments for bus depreciation in August.

Sec. 506. 2017 3rd sp.s. c 1 s 506 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund-State Appropriation (FY 2018)	.....\$7,111,000
General Fund-State Appropriation (FY 2019)	.....((\$7,111,000))
	<u>\$7,173,000</u>
General Fund-Federal Appropriation	.....\$537,178,000
TOTAL APPROPRIATION	.....<u>\$551,400,000</u>
	<u>\$551,462,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$7,111,000 of the general fund-state appropriation for fiscal year 2018 and \$7,111,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for state matching money for federal child nutrition programs, and may support the meals for kids program through the following allowable uses:

(1) Elimination of breakfast copays for eligible public school students and lunch copays for eligible public school students in grades prekindergarten through third grade who are eligible for reduced-price lunch;

(2) Assistance to school districts and authorized public and private nonprofit organizations for supporting summer food service programs, and initiating new summer food service programs in low-income areas;

(3) Reimbursements to school districts for school breakfasts served to students eligible for free and reduced-price lunch, pursuant to chapter 287, Laws of 2005; and

(4) Assistance to school districts in initiating and expanding school breakfast programs.

The office of the superintendent of public instruction shall report annually to the fiscal committees of the legislature on annual expenditures in subsections (1), (2), and (3) of this section.

The superintendent of public instruction shall provide the department of health with the following data, where available, for all nutrition assistance programs that are funded by the United States department of agriculture and

administered by the office of the superintendent of public instruction. The superintendent must provide the report for the preceding federal fiscal year by February 1, 2018, and February 1, 2019. The report must provide:

- (a) The number of people in Washington who are eligible for the program;
- (b) The number of people in Washington who participated in the program;
- (c) The average annual participation rate in the program;
- (d) Participation rates by geographic distribution; and
- (e) The annual federal funding of the program in Washington.

Sec. 507. 2017 3rd sp.s. c 1 s 507 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION PROGRAMS

General Fund—State Appropriation (FY 2018)	.....	(\$956,055,000)
		<u>\$965,613,000</u>
General Fund—State Appropriation (FY 2019)	.....	(\$989,284,000)
		<u>\$951,320,000</u>
General Fund—Federal Appropriation	.....	(\$470,673,000)
		<u>\$485,054,000</u>
Education Legacy Trust Account—State Appropriation	.....	\$54,694,000
<u>Basic Education Account Appropriation</u>	.....	<u>\$19,842,000</u>
<u>Pension Funding Stabilization Account—State Appropriation</u>	.....	<u>\$20,000</u>
TOTAL APPROPRIATION	....	<u>\$2,470,706,000</u>
		<u>\$2,476,543,000</u>

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

(1)(a) Funding for special education programs is provided on an excess cost basis, pursuant to RCW 28A.150.390. School districts shall ensure that special education students as a class receive their full share of the general apportionment allocation accruing through sections 502 and 504 of this act.

To the extent a school district cannot provide an appropriate education for special education students under chapter 28A.155 RCW through the general apportionment allocation, it shall provide services through the special education excess cost allocation funded in this section.

(b) Funding provided within this section is sufficient for districts to provide school principals and lead special education teachers annual professional development on the best-practices for special education instruction and strategies for implementation. Districts shall annually provide a summary of professional development activities to the office of the superintendent of public instruction.

(2)(a) The superintendent of public instruction shall ensure that:

(i) Special education students are basic education students first;

(ii) As a class, special education students are entitled to the full basic education allocation; and

(iii) Special education students are basic education students for the entire school day.

(b) The superintendent of public instruction shall continue to implement the full cost method of excess cost accounting, as designed by the committee and recommended by the superintendent, pursuant to section 501(1)(k), chapter 372, Laws of 2006.

(3) Each fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(4)(a) For the 2017-18 and 2018-19 school years, the superintendent shall allocate funding to school district programs for special education students as provided in RCW 28A.150.390 as amended by Engrossed Second Substitute Senate Bill No. 6362 (basic education) as amended by [H-. . ./18], except that the calculation of the base allocation also includes allocations provided under section 502 (2) and (4) of this act, which enhancement is within the program of basic education.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school district programs for

special education students as provided in section 507, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(5) The following applies throughout this section: The definitions for enrollment and enrollment percent are as specified in RCW 28A.150.390(3). Each district's general fund-state funded special education enrollment shall be the lesser of the district's actual enrollment percent or 13.5 percent.

(6) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be calculated in accordance with RCW 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(7) ~~\$31,087,000~~ of the general fund-state appropriation for fiscal year 2018, (~~(\$31,087,000)~~) \$35,952,000 of the general fund-state appropriation for fiscal year 2019, and (~~(\$31,024,000)~~) \$29,574,000 of the general fund-federal appropriation are provided solely for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided in subsection (4) of this section. If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in this subsection (7) in any fiscal year, the superintendent shall expend all available federal discretionary funds necessary to meet this need. At the conclusion of each school year, the superintendent shall recover safety net funds that were distributed prospectively but for which districts were not subsequently eligible.

(a) For the 2017-18 and 2018-19 school years, safety net funds shall be awarded by the state safety net oversight committee as provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

(b) The office of the superintendent of public instruction shall make award determinations for state safety net funding in August of each school year, except that the superintendent of public instruction shall make award

determinations for state safety net funding in July of each school year for the Washington state school for the blind and for the center for childhood deafness and hearing loss. Determinations on school district eligibility for state safety net awards shall be based on analysis of actual expenditure data from the current school year.

(8) A maximum of \$931,000 may be expended from the general fund-state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(9) The superintendent shall maintain the percentage of federal flow-through to school districts at 85 percent. In addition to other purposes, school districts may use increased federal funds for high-cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(10) A school district may carry over from one year to the next year up to 10 percent of the general fund-state funds allocated under this program; however, carryover funds shall be expended in the special education program.

(11) \$256,000 of the general fund-state appropriation for fiscal year 2018 and \$256,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for two additional full-time equivalent staff to support the work of the safety net committee and to provide training and support to districts applying for safety net awards.

(12) \$50,000 of the general fund-state appropriation for fiscal year 2018, \$50,000 of the general fund-state appropriation for fiscal year 2019, and \$100,000 of the general fund-federal appropriation are provided solely for a special education family liaison position within the office of the superintendent of public instruction.

(13) \$19,842,000 of the basic education account appropriation is provided solely for allocation to school districts to increase the special education excess cost multiplier as provided in RCW 28A.150.390(2)(b), as amended by Engrossed Second Substitute

Senate Bill No. 6362 (basic education) as amended by [H-. . ./18].

Sec. 508. 2017 3rd sp.s. c 1 s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR EDUCATIONAL SERVICE DISTRICTS

Table with 2 columns: Description and Amount. Rows include General Fund-State Appropriation (FY 2018), General Fund-State Appropriation (FY 2019), and TOTAL APPROPRIATION.

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) Funding within this section is provided for regional professional development related to mathematics and science curriculum and instructional strategies aligned with common core state standards and next generation science standards. Funding shall be distributed among the educational service districts in the same proportion as distributions in the 2007-2009 biennium. Each educational service district shall use this funding solely for salary and benefits for a certificated instructional staff with expertise in the appropriate subject matter and in professional development delivery, and for travel, materials, and other expenditures related to providing regional professional development support.

(3) The educational service districts, at the request of the state board of education pursuant to RCW 28A.310.010 and 28A.305.130, may receive and screen applications for school accreditation, conduct school accreditation site visits pursuant to state board of education rules, and submit to the state board of education post-site visit recommendations for school accreditation. The educational service districts may assess a cooperative

service fee to recover actual plus reasonable indirect costs for the purposes of this subsection.

Sec. 509. 2017 3rd sp.s. c 1 s 509 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR LOCAL EFFORT ASSISTANCE

Table with 2 columns: Description and Amount. Rows include General Fund-State Appropriation (FY 2018), General Fund-State Appropriation (FY 2019), and TOTAL APPROPRIATION.

The appropriations in this section are subject to the following conditions and limitations: For purposes of RCW 84.52.0531, the increase per full-time equivalent student is 5.85 percent from the 2016-17 school year to the 2017-18 school year.

Sec. 510. 2017 3rd sp.s. c 1 s 510 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR INSTITUTIONAL EDUCATION PROGRAMS

Table with 2 columns: Description and Amount. Rows include General Fund-State Appropriation (FY 2018), General Fund-State Appropriation (FY 2019), and TOTAL APPROPRIATION.

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

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

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional

education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) \$701,000 of the general fund-state appropriation for fiscal year 2018 and \$701,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, programs for juveniles under the juvenile rehabilitation administration, and programs for juveniles operated by city and county jails.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 511. 2017 3rd sp.s. c 1 s 511 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund-State Appropriation (FY 2018)	..... ((\$21,265,000))	
		<u>\$21,447,000</u>
General Fund-State Appropriation (FY 2019)	..... ((\$24,306,000))	
		<u>\$22,996,000</u>
TOTAL APPROPRIATION.....	\$45,571,000	<u>\$44,443,000</u>

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

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

(2) For the 2017-18 and 2018-19 school years, the superintendent shall allocate funding to school district programs for highly capable students as provided in RCW 28A.150.260(10)(c) except that allocations must be based on 5.0 percent of each school district's full-time equivalent enrollment. In calculating the allocations, the superintendent shall assume the following: (i) Additional instruction of 2.1590 hours per week per funded highly capable program student; (ii) fifteen highly capable program students per teacher; (iii) 36 instructional weeks per year; (iv) 900 instructional hours per teacher; and (v) the compensation rates as provided in sections 503 and 504 of this act.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 4, Laws of 2015 3rd sp. sess., as amended.

(3) \$85,000 of the general fund-state appropriation for fiscal year 2018 and \$85,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the centrum program at Fort Worden state park.

Sec. 512. 2017 3rd sp.s. c 1 s 512 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR MISCELLANEOUS-EVERY STUDENT SUCCEEDS ACT

General Fund-Federal Appropriation	..... ((\$4,802,000))	
		<u>\$5,802,000</u>

Sec. 513. 2017 3rd sp.s. c 1 s 513 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-EDUCATION REFORM PROGRAMS

General Fund-State Appropriation (FY 2018)	..... ((\$134,741,000))	
		<u>\$125,067,000</u>

General Fund-State Appropriation (FY 2019)	((155,464,000))	<u>\$147,957,000</u>
General Fund-Federal Appropriation	((93,320,000))	<u>\$94,820,000</u>
General Fund-Private/Local Appropriation	\$1,451,000	
Education Legacy Trust Account-State Appropriation	\$1,619,000	
<u>Pension Funding Stabilization Account-State</u>		
<u>Appropriation</u>		<u>\$765,000</u>
TOTAL APPROPRIATION	\$386,595,000	<u>\$371,679,000</u>

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

(1) ~~((30,421,000))~~ \$21,104,000 of the general fund-state appropriation for fiscal year 2018, ~~((26,975,000))~~ \$21,104,000 of the general fund-state appropriation for fiscal year 2019, \$1,350,000 of the education legacy trust account-state appropriation, and \$15,868,000 of the general fund-federal appropriation are provided solely for development and implementation of the Washington state assessment system.

(2) \$356,000 of the general fund-state appropriation for fiscal year 2018 and \$356,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Washington state leadership and assistance for science education reform (LASER) regional partnership activities ~~((coordinated at the Pacific science center)),~~ including instructional material purchases, teacher and principal professional development, and school and community engagement events.

(3) \$3,935,000 of the general fund-state appropriation for fiscal year 2018 and \$3,935,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of a new performance-based evaluation for certificated educators and other activities as provided in chapter 235, Laws of 2010 (education reform) and chapter 35, Laws of 2012 (certificated employee evaluations).

(4) ~~((62,672,000))~~ \$62,674,000 of the general fund-state appropriation for

fiscal year 2018 and ~~((82,665,000))~~ \$82,670,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the following bonuses for teachers who hold valid, unexpired certification from the national board for professional teaching standards and who are teaching in a Washington public school, subject to the following conditions and limitations:

(a) For national board certified teachers, a bonus of \$5,296 per teacher in the 2017-18 school year and a bonus of \$5,381 per teacher in the 2018-19 school year;

(b) An additional \$5,000 annual bonus shall be paid to national board certified teachers who teach in either: (A) High schools where at least 50 percent of student headcount enrollment is eligible for federal free or reduced-price lunch, (B) middle schools where at least 60 percent of student headcount enrollment is eligible for federal free or reduced-price lunch, or (C) elementary schools where at least 70 percent of student headcount enrollment is eligible for federal free or reduced-price lunch;

(c) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (b) of this subsection for less than one full school year receive bonuses in a prorated manner. All bonuses in this subsection will be paid in July of each school year. Bonuses in this subsection shall be reduced by a factor of 40 percent for first year NBPTS certified teachers, to reflect the portion of the instructional school year they are certified; and

(d) During the 2017-18 and 2018-19 school years, and within available funds, certificated instructional staff who have met the eligibility requirements and have applied for certification from the national board for professional teaching standards may receive a conditional loan of two thousand dollars or the amount set by the office of the superintendent of public instruction to contribute toward the current assessment fee, not including the initial up-front candidacy payment. The fee shall be an advance on the first annual bonus under RCW 28A.405.415. The conditional loan is provided in addition to compensation received under a district's salary allocation and shall not be included in calculations of a district's average salary and associated

salary limitation under RCW 28A.400.200. Recipients who fail to receive certification after three years are required to repay the conditional loan. The office of the superintendent of public instruction shall adopt rules to define the terms for initial grant of the assessment fee and repayment, including applicable fees. To the extent necessary, the superintendent may use revenues from the repayment of conditional loan scholarships to ensure payment of all national board bonus payments required by this section in each school year.

(5) \$477,000 of the general fund-state appropriation for fiscal year 2018 and \$477,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the leadership internship program for superintendents, principals, and program administrators.

(6) \$950,000 of the general fund-state appropriation for fiscal year 2018 and \$950,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Washington reading corps. The superintendent shall allocate reading corps members to schools identified for comprehensive or targeted support and school districts that are implementing comprehensive, proven, research-based reading programs. Two or more schools may combine their Washington reading corps programs.

(7) \$810,000 of the general fund-state appropriation for fiscal year 2018 and \$810,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the development of a leadership academy for school principals and administrators. The superintendent of public instruction shall contract with an independent organization to operate a state-of-the-art education leadership academy that will be accessible throughout the state. Semiannually the independent organization shall report on amounts committed by foundations and others to support the development and implementation of this program. Leadership academy partners shall include the state level organizations for school administrators and principals, the superintendent of public instruction, the professional educator standards board, and others as the independent organization shall identify.

(8) \$3,000,000 of the general fund-state appropriation for fiscal year 2018 and \$3,000,000 of the general fund-state appropriation for fiscal year 2019 are

provided solely for a statewide information technology (IT) academy program. This public-private partnership will provide educational software, as well as IT certification and software training opportunities for students and staff in public schools.

(9) \$1,802,000 of the general fund-state appropriation for fiscal year 2018 and \$1,802,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008, including parts of programs receiving grants that serve students in grades four through six. If equally matched by private donations, \$825,000 of the 2018 appropriation and \$825,000 of the 2019 appropriation shall be used to support FIRST robotics programs in grades four through twelve. Of the amounts in this subsection, \$100,000 of the fiscal year 2018 appropriation and \$100,000 of the fiscal year 2019 appropriation are provided solely for the purpose of statewide supervision activities for career and technical education student leadership organizations.

(10) \$125,000 of the general fund-state appropriation for fiscal year 2018 and \$125,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for (a) staff at the office of the superintendent of public instruction to coordinate and promote efforts to develop integrated math, science, technology, and engineering programs in schools and districts across the state; and (b) grants of \$2,500 to provide twenty middle and high school teachers each year with professional development training for implementing integrated math, science, technology, and engineering programs in their schools.

(11) \$135,000 of the general fund-state appropriation for fiscal year 2018 and \$135,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.

(12) \$10,500,000 of the general fund-state appropriation for fiscal year 2018 and \$10,500,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a beginning educator support program. The program shall prioritize first year teachers in the

mentoring program. School districts and/or regional consortia may apply for grant funding. The program provided by a district and/or regional consortia shall include: A paid orientation; assignment of a qualified mentor; development of a professional growth plan for each beginning teacher aligned with professional certification; release time for mentors and new teachers to work together; and teacher observation time with accomplished peers. Funding may be used to provide statewide professional development opportunities for mentors and beginning educators.

(13) \$250,000 of the general fund-state appropriation for fiscal year 2018 and \$250,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding in 2018, a high school must have offered a foundational project lead the way course during the 2016-17 school year. The 2018 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2017-18 school year. To be eligible for funding in 2019, a high school must have offered a foundational project lead the way course during the 2017-18 school year. The 2018 funding must be used for one-time start-up course costs for an advanced project lead the way course, to be offered to students beginning in the 2018-19 school year. The office of the superintendent of public instruction and the education research and data center at the office of financial management shall track student participation and long-term outcome data.

(14) \$9,352,000 of the general fund-state appropriation for fiscal year 2018 and \$14,352,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 159, Laws of 2013. By January 15, 2018, the superintendent of public instruction shall submit a plan to the fiscal committees of the legislature outlining the additional school accountability supports that will be implemented as a result of the increased appropriation provided in fiscal year 2019. Of the amount provided in this subsection, \$5,000,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for expenditure contingent upon legislative approval of the superintendent's plan for additional

school accountability supports, and the superintendent may not spend that amount until approval is received.

(15) \$450,000 of the general fund-state appropriation for fiscal year 2018 and \$450,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for annual start-up, expansion, or maintenance of existing programs in aerospace and advanced manufacturing programs. To be eligible for funding, the skills center and high schools must agree to engage in developing local business and industry partnerships for oversight and input regarding program components. Program instructors must also agree to participate in professional development leading to student employment, or certification in aerospace or advanced manufacturing industries as determined by the superintendent of public instruction. The office of the superintendent of public instruction and the education research and data center shall report annually student participation and long-term outcome data.

(16) \$5,000,000 of the general fund-state appropriation for fiscal year 2018 and \$4,000,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the provision of training for teachers, principals, and principal evaluators in the performance-based teacher principal evaluation program.

(17) (~~(\$100,000)~~) \$125,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$100,000)~~) \$125,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to promote the financial literacy of students. The effort will be coordinated through the financial literacy public-private partnership.

(18) \$2,194,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$2,194,000)~~) \$909,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to implement chapter 18, Laws of 2013 2nd sp. sess. (Engrossed Substitute Senate Bill No. 5946) (strengthening student educational outcomes).

(19) \$36,000 of the general fund-state appropriation for fiscal year 2018 and \$36,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for chapter 212, Laws of

2014 (Substitute Senate Bill No. 6074) (homeless student educational outcomes).

(20) \$80,000 of the general fund-state appropriation for fiscal year 2018 and \$40,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for chapter 219, Laws of 2014 (Second Substitute Senate Bill No. 6163) (expanded learning).

(21) \$10,000 of the general fund-state appropriation for fiscal year 2018 and \$10,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for chapter 102, Laws of 2014 (Senate Bill No. 6424) (biliteracy seal).

(22) \$500,000 of the general fund-state appropriation for fiscal year 2018 and \$500,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the office of the superintendent of public instruction to contract with a nonprofit organization to integrate the state learning standards in English language arts, mathematics, and science with FieldSTEM outdoor field studies and project-based and work-based learning opportunities aligned with the environmental, natural resource, and agricultural sectors.

(23) Within the amounts provided in this section, the superintendent of public instruction shall obtain an existing student assessment inventory tool that is free and openly licensed and distribute the tool to every school district. Each school district shall use the student assessment inventory tool to identify all state-level and district-level assessments that are required of students. The state-required assessments should include: Reading proficiency assessments used for compliance with RCW 28A.320.202; the required statewide assessments under chapter 28A.655 RCW in grades three through eight and at the high school level in English language arts, mathematics, and science, as well as the practice and training tests used to prepare for them; and the high school end-of-course exams in mathematics under RCW 28A.655.066. District-required assessments should include: The second grade reading assessment used to comply with RCW 28A.300.320; interim smarter balanced assessments, if required; the measures of academic progress assessment, if required; and other required interim, benchmark, or summative standardized assessments, including assessments used in social

studies, the arts, health, and physical education in accordance with RCW 28A.230.095, and for educational technology in accordance with RCW 28A.655.075. The assessments identified should not include assessments used to determine eligibility for any categorical program including the transitional bilingual instruction program, learning assistance program, highly capable program, special education program, or any formative or diagnostic assessments used solely to inform teacher instructional practices, other than those already identified. By October 15th of each year, each district shall report to the superintendent the amount of student time in the previous school year that is spent taking each assessment identified. By December 15th of each year, the superintendent shall summarize the information reported by the school districts and report to the education committees of the house of representatives and the senate.

(24) \$125,000 of the general fund-state appropriation for fiscal year 2018 and \$125,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for contracts with nonprofit organizations that provide direct services to children exclusively through one-to-one volunteer mentoring. The mentor, student, and parent must each receive monthly coaching from professional staff in the first year and coaching every two months in subsequent years.

Sec. 514. 2017 3rd sp.s. c 1 s 514 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund-State Appropriation (FY 2018)	.....(\$147,948,000)	<u>\$151,022,000</u>
General Fund-State Appropriation (FY 2019)	.....(\$157,744,000)	<u>\$150,515,000</u>
General Fund-Federal Appropriation	.....(\$92,244,000)	<u>\$97,244,000</u>
<u>Pension Funding Stabilization Account-State Appropriation</u>	.....	<u>\$4,000</u>
TOTAL APPROPRIATION	.....	<u>\$397,936,000</u>

\$398,785,000

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

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

(2)(a) For the 2017-18 and 2018-19 school years, the superintendent shall allocate funding to school districts for transitional bilingual programs under RCW 28A.180.010 through 28A.180.080, including programs for exited students, as provided in RCW 28A.150.260(10)(b) and the provisions of this section. In calculating the allocations, the superintendent shall assume the following averages: (i) Additional instruction of 4.7780 hours per week per transitional bilingual program student in grades kindergarten through six and 6.7780 hours per week per transitional bilingual program student in grades seven through twelve in school years 2017-18 and 2018-19; (ii) additional instruction of 3.0000 hours per week in school years 2017-18 and 2018-19 for the head count number of students who have exited the transitional bilingual instruction program within the previous two years based on their performance on the English proficiency assessment; (iii) fifteen transitional bilingual program students per teacher; (iv) 36 instructional weeks per year; (v) 900 instructional hours per teacher; and (vi) the compensation rates as provided in sections 503 and 504 of this act. Pursuant to RCW 28A.180.040(1)(g), the instructional hours specified in (a)(ii) of this subsection (2) are within the program of basic education.

(b) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 4, Laws of 2015, 3rd sp. sess., as amended.

(3) The superintendent may withhold allocations to school districts in subsection (2) of this section solely for the central provision of assessments as provided in RCW 28A.180.090 (1) and (2) up to the following amounts: (~~2.55~~) 2.50 percent for school year 2017-18 and 2.57 percent for school year 2018-19.

(4) The general fund-federal appropriation in this section is for migrant education under Title I Part C and English language acquisition, and language enhancement grants under Title III of the elementary and secondary education act.

(5) \$35,000 of the general fund-state appropriation for fiscal year 2018 and \$35,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to track current and former transitional bilingual program students.

Sec. 515. 2017 3rd sp.s. c 1 s 515 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION-FOR THE LEARNING ASSISTANCE PROGRAM

General Fund-State Appropriation (FY 2018)	(\$326,233,000)	<u>\$323,386,000</u>
General Fund-State Appropriation (FY 2019)	(\$355,633,000)	<u>\$330,463,000</u>
General Fund-Federal Appropriation	(\$505,487,000)	<u>\$519,487,000</u>
TOTAL APPROPRIATION	\$1,187,353,000	<u>\$1,173,336,000</u>

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

(1) The general fund-state appropriations in this section are subject to the following conditions and limitations:

(a) The appropriations include such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(b)(i) For the 2017-18 and 2018-19 school years, the superintendent shall allocate funding to school districts for learning assistance programs as provided in RCW 28A.150.260(10)(a), except that the allocation for the additional instructional hours shall be enhanced as provided in this section, which enhancements are within the program of the basic education. In calculating the allocations, the superintendent shall assume the following averages: (A)

Additional instruction of 2.3975 hours per week per funded learning assistance program student for the 2017-18 and 2018-19 school years; (B) additional instruction of 1.1 hours per week per funded learning assistance program student for the 2017-18 and 2018-19 school years in qualifying high-poverty school building; (C) fifteen learning assistance program students per teacher; (D) 36 instructional weeks per year; (E) 900 instructional hours per teacher; and (F) the compensation rates as provided in sections 503 and 504 of this act.

(ii) From July 1, 2017, to August 31, 2017, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 4, Laws of 2015, 3rd sp. sess., as amended.

(c) A school district's funded students for the learning assistance program shall be the sum of the district's full-time equivalent enrollment in grades K-12 for the prior school year multiplied by the district's percentage of October headcount enrollment in grades K-12 eligible for free or reduced-price lunch in the prior school year. The prior school year's October headcount enrollment for free and reduced-price lunch shall be as reported in the comprehensive education data and research system.

(2) Allocations made pursuant to subsection (1) of this section shall be adjusted to reflect ineligible applications identified through the annual income verification process required by the national school lunch program, as recommended in the report of the state auditor on the learning assistance program dated February, 2010.

(3) The general fund-federal appropriation in this section is provided for Title I Part A allocations of the every student succeeds act of 2016.

(4) A school district may carry over from one year to the next up to 10 percent of the general fund-state funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

(5) Within existing resources, during the 2017-18 and 2018-19 school years, school districts are authorized to use funds allocated for the learning assistance program to also provide assistance to high school students who

have not passed the state assessment in science.

Sec. 516. 2017 3rd sp.s. c 1 s 516 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—PER PUPIL ALLOCATIONS

Statewide Average Allocations			
	Per Annual	Average	Full-Time
	Equivalent	Student	Student
	Basic	2017-18	2018-19
	Education	School	School
	Program	Year	Year
General	Apportionment	((\$7,038)) \$7,063	((\$8,037)) \$8,741
Pupil	Transportatio	((\$422)) \$429	((\$485)) \$531
Special	Education	((\$6,920)) \$6,897	((\$7,875)) \$8,754
Institutio	nal Education	((\$13,47 6)) \$14,401	((\$15,36 9)) \$17,826
Programs	for Highly	((\$455)) \$457	((\$525)) \$570
Transition	al Bilingual	((\$1,024)) \$1,028	((\$1,163)) \$1,250
Learning	Assistance	((\$735)) \$738	((\$849)) \$921

Sec. 517. 2017 3rd sp.s. c 1 s 518 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) Amounts distributed to districts by the superintendent through part V of this act are for allocations purposes only, unless specified by part V of this act, and do not entitle a particular district, district employee, or student to a specific service, beyond what has been expressly provided in statute. Part V of this act restates the requirements of various sections of Title 28A RCW. If any conflict exists, the provisions of Title 28A RCW control unless this act explicitly states that it is providing an enhancement. Any amounts provided in part V of this act in excess of the amounts

required by Title 28A RCW provided in statute, are not within the program of basic education unless clearly stated by this act.

(2) To the maximum extent practicable, when adopting new or revised rules or policies relating to the administration of allocations in part V of this act that result in fiscal impact, the office of the superintendent of public instruction shall attempt to seek legislative approval through the budget request process.

(3) Appropriations made in this act to the office of the superintendent of public instruction shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in subsection (4) of this section.

(4) The appropriations to the office of the superintendent of public instruction in this act shall be expended for the programs and amounts specified in this act. However, after May 1, 2018, unless specifically prohibited by this act and after approval by the director of financial management, the superintendent of public instruction may transfer state general fund appropriations for fiscal year 2018 among the following programs to meet the apportionment schedule for a specified formula in another of these programs: General apportionment, employee compensation adjustments, pupil transportation, special education programs, institutional education programs, transitional bilingual programs, highly capable, and learning assistance programs.

(5) The director of financial management shall notify the appropriate legislative fiscal committees in writing prior to approving any allotment modifications or transfers under this section.

(6) As required by RCW 28A.710.110, the office of the superintendent of public instruction shall transmit the charter school authorizer oversight fee for the charter school commission to the charter school oversight account.

Sec. 518. 2017 3rd sp.s. c 1 s 519 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR CHARTER SCHOOLS

Washington Opportunity Pathways
Account—State
Appropriation (~~(\$62,713,000)~~)
\$53,641,000

The appropriation in this section is subject to the following conditions and limitations: The superintendent shall distribute funding appropriated in this section to charter schools under chapter 28A.710 RCW. Within amounts provided in this section the superintendent may distribute funding for safety net awards for charter schools with demonstrated needs for special education funding beyond the amounts provided under chapter 28A.710 RCW.

Sec. 519. 2017 3rd sp.s. c 1 s 520 (uncodified) is amended to read as follows:

FOR THE OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE WASHINGTON STATE CHARTER SCHOOL COMMISSION

Washington Opportunity Pathways
Account—State
Appropriation (~~(\$477,000)~~)
\$915,000
Charter Schools Oversight Account—
State
Appropriation (~~(\$1,958,000)~~)
\$1,485,000
TOTAL APPROPRIATION ~~\$2,435,000~~
\$2,400,000

The appropriations in this section are subject to the following conditions and limitations: The entire Washington opportunity pathways account—state appropriation in this section is provided to the superintendent of public instruction solely for the operations of the Washington state charter school commission under chapter 28A.710 RCW.

**PART VI
HIGHER EDUCATION**

Sec. 601. 2017 3rd sp.s. c 1 s 605 (uncodified) is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund-State Appropriation (FY 2018)	..... ((\$662,672,000))	<u>\$628,995,000</u>
General Fund-State Appropriation (FY 2019)	..... ((\$668,368,000))	<u>\$645,969,000</u>
Community/Technical College Capital Projects		
Account-State Appropriation	..... ((\$23,841,000))	<u>\$21,618,000</u>
Education Legacy Trust Account-State Appropriation	..... ((\$138,314,000))	<u>\$138,315,000</u>
<u>Pension Funding Stabilization Account-State</u>		
Appropriation	.....	<u>\$67,897,000</u>
TOTAL APPROPRIATION	....	<u>\$1,493,195,000</u>
		<u>\$1,502,794,000</u>

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

(1) \$33,261,000 of the general fund-state appropriation for fiscal year 2018 and \$33,261,000 of the general fund-state appropriation for fiscal year 2019 are provided solely as special funds for training and related support services, including financial aid, as specified in RCW 28C.04.390. Funding is provided to support at least 7,170 full-time equivalent students in fiscal year 2018 and at least 7,170 full-time equivalent students in fiscal year 2019.

(2) \$5,450,000 of the education legacy trust account-state appropriation is provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.

(3) \$425,000 of the general fund-state appropriation for fiscal year 2018 and \$425,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for Seattle central

college's expansion of allied health programs.

(4) \$5,250,000 of the general fund-state appropriation for fiscal year 2018 and \$5,250,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the student achievement initiative.

(5) \$1,610,000 of the general fund-state appropriation for fiscal year 2018, and \$1,610,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the expansion of the mathematics, engineering, and science achievement program. The state board shall report back to the appropriate committees of the legislature on the number of campuses and students served by December 31, 2018.

(6) \$1,500,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$1,500,000)~~ \$8,463,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of guided pathways or similar programs designed to improve student success, including, but not limited to, academic program redesign, student advising, and other student supports.

(7) \$1,500,000 of the general fund-state appropriation for fiscal year 2018 and \$1,500,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for operating a fabrication composite wing incumbent worker training program to be housed at the Washington aerospace training and research center.

(8) \$100,000 of the general fund-state appropriation for fiscal year 2018 and \$100,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the aerospace center of excellence currently hosted by Everett community college to:

(a) Increase statewide communications and outreach between industry sectors, industry organizations, businesses, K-12 schools, colleges, and universities;

(b) Enhance information technology to increase business and student accessibility and use of the center's web site; and

(c) Act as the information entry point for prospective students and job seekers regarding education, training, and employment in the industry.

(9) (~~(\$18,588,000)~~) \$18,697,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$18,960,000)~~) \$19,164,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(10) Community and technical colleges are not required to send mass mailings of course catalogs to residents of their districts. Community and technical colleges shall consider lower cost alternatives, such as mailing postcards or brochures that direct individuals to online information and other ways of acquiring print catalogs.

(11) The state board for community and technical colleges shall not use funds appropriated in this section to support intercollegiate athletics programs.

(12) \$157,000 of the general fund-state appropriation for fiscal year 2018 and \$157,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Wenatchee Valley college wildfire prevention program.

(13) \$100,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(14) \$185,000 of the general fund-state appropriation for fiscal year 2018 and \$185,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

(15) \$41,000 of the general fund-state appropriation for fiscal year 2018 and \$42,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 98, Laws of 2017 (E2SHB 1375) (ctc course material costs).

(16) \$158,000 of the general fund-state appropriation for fiscal year 2018 and \$5,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 237, Laws of 2017 (ESHB 1115) (paraeducators).

(17) \$150,000 of the general fund-state appropriation for fiscal year 2018 and \$150,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for program delivery

through Green River College to the Covington area and southeast King county in response to the education needs assessment conducted by the student achievement council in the 2015-2017 fiscal biennium.

(18) \$60,000 of the general fund-state appropriation for fiscal year 2018 and \$60,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a youth development program operated by Everett community college in conjunction with a county chapter of a national civil rights organization.

(19) \$750,000 of the general fund-state appropriation for fiscal year 2018 and \$750,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for increased enrollments in the integrated basic education and skills training program. Funding will support approximately 120 additional full-time equivalent enrollments annually.

(20) (a) The state board must provide quality assurance reports on the ctcLink project at the frequency directed by the office of chief information officer for review and for posting on its information technology project dashboard.

(b) The state board must develop a technology budget using a method similar to the state capital budget, identifying project costs, funding sources, and anticipated deliverables through each stage of the investment and across fiscal periods and biennia from project initiation to implementation. The budget must be updated at the frequency directed by the office of chief information officer for review and for posting on its information technology project dashboard.

(c) The office of the chief information officer may suspend the ctcLink project at any time if the office of the chief information officer determines that the project is not meeting or is not expected to meet anticipated performance measures, implementation timelines, or budget estimates. Once suspension or termination occurs, the state board shall not make additional expenditures on the ctcLink project without approval of the chief information officer. The ctcLink project funded through the community and technical college innovation account created in RCW 28B.50.515 is subject to

the conditions, limitations, and review provided in section 724 of this act.

(21) \$150,000 of the general fund-state appropriation for fiscal year 2018 and \$150,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the aerospace center of excellence hosted by Everett Community College to develop an unmanned aircraft system program in Sunnyside.

(22) \$216,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the opportunity center for employment and education at north Seattle college.

(23) \$381,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2009 (gold star families/higher ed). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(24) \$2,000,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of House Bill No. 2669 (civil service/part-time employees). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(25) \$500,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for Highline college to implement the Federal Way higher education initiative in partnership with the city of Federal Way and the University of Washington Tacoma campus.

(26) (a) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the board to contract with an independent professional consulting service to:

(i) Collect academic, classified, and professional employee total compensation data, source of funding, and the duties or categories for which that compensation is paid;

(ii) Identify comparable market rate salaries;

(iii) Incorporate, as appropriate, data from the office of financial management from the compensation studies conducted pursuant to the 2017-2019 memorandum of understanding between the state of Washington community college coalition and the Washington federation of state employees re: regional compensation issues; and

(iv) Provide analysis regarding whether a local labor market adjustment formula should be implemented, and if so which market adjustment factors and methods should be used.

(b) The board must collect, and college districts must provide, the compensation, recruitment, and retention data necessary to accomplish the work required in this subsection.

(c) The consultant shall provide an interim report to the board by August 15, 2018. The consultant shall provide the final data and analysis to the board by October 1, 2018.

(27) \$87,000 of the general fund-state appropriation for fiscal year 2018 and \$350,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for Peninsula college to expand the annual cohorts of the specified programs as follows:

(a) Medical assisting, from 20 to 40 students;

(b) Nursing assistant, from 40 to 60 students; and

(c) Registered nursing, from 24 to 32 students.

(28) \$125,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for work associated with the work-integrated learning strategic plan in section 501(59) of this act.

(29) \$338,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the Washington state labor education and research center at South Seattle College.

Sec. 602. 2017 3rd sp.s. c 1 s 606 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund-State Appropriation (FY 2018)(~~\$336,712,000~~)
\$311,875,000

General Fund-State Appropriation (FY 2019)(~~\$353,811,000~~)
\$327,552,000

Aquatic Lands Enhancement Account-State Appropriation\$1,350,000

UW Building Account-State Appropriation.....\$1,052,000

Education Legacy Trust Account–State Appropriation	(\$30,050,000)
	<u>\$33,050,000</u>
Economic Development Strategic Reserve Account–State	
Appropriation	\$3,035,000
<u>Pension Funding Stabilization Account– State</u>	
Appropriation.....	<u>\$51,068,000</u>
Biotoxin Account–State Appropriation	\$597,000
Dedicated Marijuana Account–State Appropriation	
(FY 2018).....	\$247,000
Dedicated Marijuana Account–State Appropriation	
(FY 2019).....	\$247,000
Accident Account–State Appropriation	\$7,436,000
Medical Aid Account–State Appropriation	\$7,042,000
<u>Geoduck Aquaculture Research Account– State</u>	
Appropriation.....	<u>\$200,000</u>
TOTAL APPROPRIATION.....	<u>\$741,579,000</u>
	<u>\$744,751,000</u>

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

(1) \$52,000 of the general fund–state appropriation for fiscal year 2018 and \$52,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the center for international trade in forest products in the college of forest resources.

(2) (~~\$39,581,000~~) \$38,807,000 of the general fund–state appropriation for fiscal year 2018 and (~~\$39,353,000~~) \$39,777,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(3) \$200,000 of the general fund–state appropriation for fiscal year 2018 and \$200,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for labor archives of Washington. The university shall work in

collaboration with the state board for community and technical colleges.

(4) \$8,000,000 of the education legacy trust account–state appropriation is provided solely for the family medicine residency network at the university to expand the number of residency slots available in Washington.

(5) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(6) \$1,350,000 of the aquatic lands enhancement account–state is provided solely for ocean acidification monitoring, forecasting, and research and for operation of the Washington ocean acidification center. By September 1, 2017, the center must provide a biennial work plan and begin quarterly progress reports to the Washington marine resources advisory council created under RCW 43.06.338.

(7) (~~\$8,000,000~~) \$11,000,000 of the education legacy trust account–state appropriation is provided solely for the expansion of degrees in the department of computer science and engineering at the Seattle campus.

(8) \$1,000,000 of the general fund–state appropriation for fiscal year 2018 and \$1,000,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the university to increase resident undergraduate enrollments in science, technology, engineering, and math majors. The university is expected to increase full-time equivalent enrollment by approximately 60 additional students.

(9) \$3,000,000 of the economic development strategic reserve account appropriation is provided solely to support the joint center for aerospace innovation technology.

(10) The University of Washington shall not use funds appropriated in this

section to support intercollegiate athletics programs.

(11) \$250,000 of the general fund-state appropriation for fiscal year 2018 and \$250,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Latino health center.

(12) \$200,000 of the general fund-state appropriation for fiscal year 2018 and \$200,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the climate impacts group in the college of the environment.

(13) \$8,400,000 of the general fund-state appropriation for fiscal year 2018 and \$7,400,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the continued operations and expansion of the Washington, Wyoming, Alaska, Montana, Idaho medical school program.

(14) \$3,200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the university to host the Special Olympics USA Games in July 2018.

(15) \$5,000 of the general fund-state appropriation for fiscal year 2018 and \$80,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 262, Laws of 2017 (E2SHB 1612) (lethal means, reduce access).

(16) \$400,000 of the general fund-state appropriation for fiscal year 2018 and \$400,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a contract with the center for sensorimotor neural engineering to advance research on spinal cord injuries.

(17) \$2,250,000 of the general fund-state appropriation for fiscal year 2018 and \$2,250,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the institute for stem cell and regenerative medicine. Funds appropriated in this subsection must be dedicated to research utilizing pluripotent stem cells and related research methods.

(18) \$500,000 of the general fund-state appropriation for fiscal year 2018 and \$500,000 of the general fund-state appropriation for fiscal year 2019 are provided to the University of Washington to support youth and young adults

experiencing homelessness in the university district of Seattle. Funding is provided for the university to work with community service providers and university colleges and departments to plan for and implement a comprehensive one-stop center with navigation services for homeless youth; the university may contract with the department of commerce to expand services that serve homeless youth in the university district.

(19) \$125,000 of the general fund-state appropriation for fiscal year 2018 and \$125,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the University of Washington school of public health to study the air quality implications of air traffic at the international airport in the state that has the highest total annual number of arrivals and departures. The study must include an assessment of the concentrations of ultrafine particulate matter in areas surrounding and directly impacted by air traffic generated by the airport, including areas within ten miles of the airport in the directions of aircraft flight paths and within ten miles of the airport where public agencies operate an existing air monitoring station. The study must attempt to distinguish between aircraft and other sources of ultrafine particulate matter, and must compare concentrations of ultrafine particulate matter in areas impacted by high volumes of air traffic with concentrations of ultrafine particulate matter in areas that are not impacted by high volumes of air traffic. The university must coordinate with local governments in areas addressed by the study to share results and inclusively solicit feedback from community members. By December 1, 2019, the university must report study findings, including any gaps and uncertainties in health information associated with ultrafine particulate matter, and recommend to the legislature whether sufficient information is available to proceed with a second phase of the study.

(20) The appropriations in this section include sufficient funding for the implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(21) The appropriations in this section include sufficient funding for the implementation of chapter 177, Laws

of 2017 (SSB 5100) (financial literacy seminars).

(22) Within the funds appropriated in this section, the University of Washington shall:

(a) Review the scholarly literature on the short-term and long-term effects of marijuana use to assess if other states or private entities are conducting marijuana research in areas that may be useful to the state.

(b) Provide as part of its budget request for the 2019-2021 biennium:

(i) A list of intended state, federal, and privately funded marijuana research, including cost, duration, and scope; and

(ii) Plans for partnerships with other universities, state agencies, or private entities, including entities outside the state, for purposes related to researching short-term and long-term effects of marijuana use.

(23) General fund-state appropriations in this section are reduced to reflect a reduction in state-supported tuition waivers for graduate students. When reducing tuition waivers, the university will not change its practices and procedures for providing eligible veterans with tuition waivers.

(24) \$45,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the university to conduct research and analysis of military officers who are attending or have completed the command and general staff college, intermediate level education, or advanced operations course as part of their military education. The purpose of the research and analysis is to examine possible graduate level degree programs to be offered in partnership with the university and the U.S. army's command and general staff college. The research and analysis shall include stakeholder meetings with the U.S. army's command and general staff college. The university shall submit a report to the appropriate legislative higher education committees and the joint committee on veterans and military affairs by December 31, 2018. The report shall include the results of the research and analysis and plans for possible next steps with other service schools for field grade officers.

(25) (a) \$140,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the University of

Washington school of law to convene a study on the Washington state supreme court decision *Volk v. DeMeerleer*, 386 P.3d 254 (Wash. 2016), and whether or not it substantially changed the law on the duty of care for mental health providers and whether it has had an impact on access to mental health care services in the state. The study shall include:

(i) Comprehensive review of duty to warn and duty to protect case law and laws in the United States, including a description of how Washington state's law compares to other states and to what extent, if any, the Volk decision changed the law in this state;

(ii) Comprehensive review and assessment of the involuntary and voluntary treatment capacity available in the state, including information and data available from the select committee on quality improvement in state hospitals, related contractors, and other sources;

(iii) An analysis of lawsuits brought in the state as a result of the Volk decision, including the outcome of any such cases and any harm alleged in each lawsuit;

(iv) An analysis of lawsuits brought in the state prior to the issuance of the Volk decision, and since the issuance of the decision in *Petersen v. State*, against outpatient mental health providers alleged to have breached either the duty to warn or the duty to take reasonable precautions established in *Petersen*, including the outcome of any such cases and the harm alleged in each lawsuit;

(v) An analysis of insurance claims filed as a result of the Volk decision, including the outcome of any such cases and any harm alleged in each claim filed;

(vi) Whether insurance policy provisions and rates have been affected due to the Volk decision;

(vii) Assessment of the number of mental health service providers available to provide treatment to voluntary mental health patients in the state, whether that capacity has changed, and whether any such change is a result of the Volk decision, and a description of any changes as a result of the Volk decision;

(viii) Assessment of whether mental health service providers may be changing

practice to limit exposure to the potential risks created by the Volk decision;

(ix) Assessment of legal and practice implications state legal standards regarding duty to warn and duty to protect in the voluntary and involuntary treatment context; and

(x) Comprehensive review of practices where the practice has been consistently shown to have achieved the results it seeks to achieve and that those results are superior to those achieved by other means.

(b) When performing the study under this subsection, the University of Washington school of law shall consult with subject-matter experts including, but not limited to, individuals representing the following organizations:

(i) Attorneys with experience representing defendants in personal injury cases or wrongful death cases related to the issues raised by duty to warn cases;

(ii) Washington state association for justice, representing attorneys with experience representing plaintiffs in personal injury cases or wrongful death cases related to the issues raised by duty to warn cases;

(iii) Department of social and health services;

(iv) Washington academy of family physicians;

(v) Washington association for mental health treatment protection;

(vi) Office of the insurance commissioner;

(vii) Washington council for behavioral health;

(viii) Washington state hospital association;

(ix) Washington state medical association;

(x) Washington state psychiatric association;

(xi) Washington state psychological association;

(xii) Washington state society for clinical social work;

(xiii) Washington association of police chiefs and sheriffs;

(xiv) Victim support services;

(xv) NW health law advocates;

(xvi) National alliance on mental illness;

(xvii) American civil liberties union; and

(xviii) A sample of families who testified or presented evidence of their cases to the legislature.

(c) The University of Washington school of law shall consult each listed organization separately. Following collection and analysis of relevant data, they shall hold at least one meeting of all listed organizations to discuss the data, analysis, and recommendations. The University of Washington school of law must submit the final report to the appropriate committees of the legislature by December 1, 2017.

(26) \$85,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2009 (gold star families/higher education). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(27) \$38,000 of the general fund-state appropriation for fiscal year 2018 and \$152,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for updating the Washington state parcel and forestland databases with standardized information for all of Washington's parcels.

(28) \$77,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the University of Washington school of environmental and forest sciences to pilot a program to advise and facilitate the activities of the Olympic peninsula forest collaborative.

(29) (a) \$172,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a University of Washington study in the south Cascades to determine current wolf use and density, and to gather baseline data to understand the effects of wolf recolonization on predator-prey dynamics of species that currently have established populations in the area. The study objectives shall include:

(i) Determination of whether wolves have started to recolonize a 5,000 square

kilometer study area in the south Cascades of Washington, and if so, an assessment of their distribution over the landscape as well as their health and pregnancy rates;

(ii) Baseline data collection, if wolves have not yet established pack territories in this portion of the state, that will allow for the assessment of how the functional densities and diets of wolves across the landscape will affect the densities and diets in the following predators and prey: Coyote, cougar, black bear, bobcat, red fox, wolverine, elk, white tailed deer, mule deer, moose, caribou, and snowshoe hare;

(iii) Examination of whether the microbiome of each species changes as wolves start to occupy suitable habitat; and

(iv) An assessment of the use of alternative wildlife monitoring tools to cost-effectively monitor size of the wolf population over the long-term.

(b) A report on the findings of the study shall be shared with the Washington department of fish and wildlife.

(30) \$1,000,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the University of Washington's psychiatry integrated care training program.

(31) (a) \$250,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the creation and implementation of the center for education strategy located at the University of Washington campus in Tacoma. The center must be created and administered by the University of Washington Tacoma, in collaboration with an advisory board. The university must convene the board, which shall be made of members including, but not limited to:

(i) Representatives from each public four-year institution;

(ii) The director, or director's designee, of the Washington student achievement council;

(iii) The director, or director's designee, of the workforce training and education coordinating board;

(iv) The director, or director's designee, of the state board for community and technical colleges;

(v) The director, or director's designee, of the office of the superintendent of public instruction;

(vi) A representative from the Washington roundtable;

(vii) A representative from the Washington state apprenticeship and training council; and

(viii) A representative from the Washington building and construction trades council.

(b) The center, in collaboration with its advisory board, shall submit a report to the appropriate committees of the legislature by December 1, 2018. The report shall include, but not be limited to:

(i) A broad strategy for shaping the state's overall system of education to meet the state's needs in a globally competitive world;

(ii) Preliminary research on multi-institution, cross discipline needs; and

(iii) A plan for the continued role of the center.

(32) \$200,000 of the geoduck aquaculture research account-state appropriation is provided solely for the Washington sea grant program at the University of Washington to complete a three-year study to identify best management practices related to shellfish production. The University of Washington must submit an annual report detailing any findings and outline the progress of the study, consistent with RCW 43.01.036, to the office of the governor and the appropriate legislative committees by December 1st of each year.

(33) \$3,190,000 of the general fund-state appropriation for fiscal year 2018 and \$6,323,000 of the general fund-state appropriation for fiscal year 2019 are provided on a one-time basis solely for compensation and central services costs. The funding provided shall temporarily replace a portion of tuition expenditures on central services and salaries and benefits for union-represented and nonrepresented employees. The additional funding provided in this section will permit the university to fund the incremental cost of compensation costs for all general fund-state and tuition-supported employees in equal amounts from general fund-state and tuition for the remainder of the 2017-2019 fiscal biennium.

(34) \$200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the pre-law pipeline and social justice program at the University of Washington Tacoma.

Sec. 603. 2017 3rd sp.s. c 1 s 607 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund-State Appropriation (FY 2018) (~~(\$215,329,000)~~)
\$200,486,000

General Fund-State Appropriation (FY 2019) (~~(\$227,266,000)~~)
\$212,776,000

WSU Building Account-State Appropriation \$792,000

Education Legacy Trust Account-State Appropriation \$33,995,000

Dedicated Marijuana Account-State Appropriation (FY 2018) \$138,000

Dedicated Marijuana Account-State Appropriation (FY 2019) \$138,000

Pension Funding Stabilization Account-State Appropriation..... \$30,983,000

TOTAL APPROPRIATION..... ~~\$477,659,000~~
\$479,308,000

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

(1) \$90,000 of the general fund-state appropriation for fiscal year 2018 and \$90,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a rural economic development and outreach coordinator.

(2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer

science and engineering programs above the prior academic year.

(3) \$500,000 of the general fund-state appropriation for fiscal year 2018 and \$500,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for state match requirements related to the federal aviation administration grant.

(4) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.

(5) The appropriations in this section include sufficient funding for the implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(6) The appropriations in this section include sufficient funding for the implementation of chapter 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

(7) \$3,000,000 of the general fund-state appropriation for fiscal year 2018 and \$7,000,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the continued development and operations of a medical school program in Spokane.

(8) Within the funds appropriated in this section, Washington State University is required to provide administrative support to the sustainable aviation biofuels work group authorized under RCW 28B.30.904.

(9) \$135,000 of the general fund-state appropriation for fiscal year 2018 and \$135,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for a honey bee biology research position.

(10) (~~(\$27,425,000)~~) \$27,586,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$27,973,000)~~) \$28,275,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(11) \$230,000 of the general fund-state appropriation for fiscal year 2018 and \$376,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for chapter 202, Laws of 2017 (2SHB 1713) (children's mental health).

(12) \$300,000 of the general fund-state appropriation for fiscal year 2018 and \$300,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the William D. Ruckelshaus center to collaborate with groups and organizations, including associations of local governments, associations of the business, real estate and building industries, state agencies, environmental organizations, state universities, public health and planning organizations, and tribal governments, to create a "Road Map to Washington's Future." The road map shall identify areas of agreement on ways to adapt Washington's growth management framework of statutes, institutions, and policies to meet future challenges in view of robust forecasted growth and the unique circumstances and urgent priorities in the diverse regions of the state. The center shall, in conjunction with state universities and other sponsors, conduct regional workshops to:

(a) Engage Washington residents in identifying a desired statewide vision for Washington's future;

(b) Partner with state universities on targeted research to inform future alternatives;

(c) Facilitate deep and candid interviews with representatives of the above named groups and organizations; and

(d) Convene parties for collaborative conversations and potential agreement seeking.

The center must submit a final report to the appropriate committees of the legislature by June 30, 2019.

(13) \$580,000 of the general fund-state appropriation for fiscal year 2018 and \$580,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the development of an organic agriculture systems degree program located at the university center in Everett.

(14) Within the funds appropriated in this section, Washington State University shall:

(a) Review the scholarly literature on the short-term and long-term effects of marijuana use to assess if other states or private entities are conducting marijuana research in areas that may be useful to the state.

(b) Provide as part of its budget request for the 2019-2021 fiscal biennium:

(i) A list of intended state, federal, and privately funded marijuana research, including cost, duration, and scope;

(ii) Plans for partnerships with other universities, state agencies, or private entities, including entities outside the state, for purposes related to researching short-term and long-term effects of marijuana use.

(15) \$760,000 of the general fund-state appropriation for fiscal year 2018 and \$760,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 159, Laws of 2017 (2SSB 5474) (elk hoof disease).

(16) \$630,000 of the general fund-state appropriation for fiscal 2018 and \$630,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the creation of an electrical engineering program located in Bremerton. At full implementation, the university is expected to increase degree production by 25 new bachelor's degrees per year. The university must identify these students separately when providing data to the education research data center as required in subsection (2) of this section.

(17) \$1,370,000 of the general fund-state appropriation for fiscal year 2018 and \$1,370,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the creation of software engineering and data analytic programs at the university center in Everett. At full implementation, the university is expected to enroll 50 students per academic year. The university must identify these students separately when providing data to the education research data center as required in subsection (2) of this section.

(18) General fund-state appropriations in this section are reduced to reflect a reduction in state-supported tuition waivers for graduate students. When reducing tuition waivers, the university will not change its practices and procedures for providing eligible veterans with tuition waivers.

(19) \$768,000 of the general fund-state appropriation for fiscal year 2018 and \$504,000 of the general fund-state

appropriation for fiscal year 2019 are provided solely for implementation of chapter 36, Laws of 2017 3rd sp. sess. (renewable energy, tax incentives).

(20) \$89,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2009 (gold star families/higher ed). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(21) \$58,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 2580 (renewable natural gas). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(22) \$50,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the integrated weed control project.

(23) \$180,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the Long Beach research and extension unit.

Sec. 604. 2017 3rd sp.s. c 1 s 608 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY

General Fund-State Appropriation (FY 2018)	.....	(\$50,064,000)
		\$50,090,000
General Fund-State Appropriation (FY 2019)	.....	(\$51,985,000)
		\$52,115,000
Education Legacy Trust Account-State Appropriation	.....	\$16,598,000
TOTAL APPROPRIATION.....		\$118,647,000
		\$118,803,000

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

(1) At least \$200,000 of the general fund-state appropriation for fiscal year 2018 and at least \$200,000 of the general fund-state appropriation for fiscal year 2019 must be expended on the Northwest autism center.

(2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering

enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.

(3) Eastern Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(4) ~~(\$9,851,000)~~ \$9,909,000 of the general fund-state appropriation for fiscal year 2018 and ~~(\$10,048,000)~~ \$10,156,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(5) The appropriations in this section include sufficient funding for the implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(6) The appropriations in this section include sufficient funding for the implementation of chapter 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

(7) Within amounts appropriated in this section, the university is encouraged to increase the number of tenure-track positions created and hired.

(8) \$55,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2009 (gold star families/higher education). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 605. 2017 3rd sp.s. c 1 s 609 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund-State Appropriation (FY 2018)	.....	(\$49,969,000)
		\$48,136,000
General Fund-State Appropriation (FY 2019)	.....	(\$52,303,000)
		\$50,849,000

CWU Capital Projects Account–State
Appropriation \$76,000

Education Legacy Trust Account–State
Appropriation \$19,076,000

Pension Funding Stabilization Account–
State

Appropriation..... \$3,921,000

TOTAL APPROPRIATION..... \$121,424,000

\$122,058,000

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

(1) The university must continue work with the education research and data center to demonstrate progress in engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in engineering programs above the prior academic year.

(2) Central Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(3) (~~(\$11,104,000)~~) \$11,169,000 of the general fund–state appropriation for fiscal year 2018 and (~~(\$11,326,000)~~) \$11,448,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(4) The appropriations in this section include sufficient funding for the implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(5) The appropriations in this section include sufficient funding for the implementation of chapter 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

(6) Within amounts appropriated in this section, the university is encouraged to increase the number of tenure-track positions created and hired.

(7) \$76,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for implementation of

Engrossed Second Substitute House Bill No. 2009 (gold star families/higher education). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(8) \$50,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 1559 (uniformed personnel arbitration). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(9) \$200,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for the game on! program, which provides underserved middle and high school students with training in leadership and science, technology, engineering, and math. The program is expected to serve approximately 500 students per year.

Sec. 606. 2017 3rd sp.s. c 1 s 610 (uncodified) is amended to read as follows:

FOR THE EVERGREEN STATE COLLEGE

General Fund–State Appropriation (FY 2018) (~~(\$26,543,000)~~)
\$26,582,000

General Fund–State Appropriation (FY 2019) (~~(\$27,146,000)~~)
\$28,109,000

TESC Capital Projects Account–State
Appropriation.....\$80,000

Education Legacy Trust Account–State
Appropriation\$5,450,000

~~((Liquor Revolving Account–State
Appropriation.....\$250,000))~~

Pension Funding Stabilization Account–
State

Appropriation.....\$2,000

TOTAL APPROPRIATION.....\$59,469,000

\$60,223,000

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

(1) (~~(\$3,377,000)~~) \$3,397,000 of the general fund–state appropriation for fiscal year 2018 and (~~(\$3,445,000)~~) \$3,482,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(2) Funding provided in this section is sufficient for The Evergreen State College to continue operations of the Longhouse Center and the Northwest Indian applied research institute.

(3) Notwithstanding other provisions in this section, the board of directors for the Washington state institute for public policy may adjust due dates for projects included on the institute's 2017-19 work plan as necessary to efficiently manage workload.

(4) The Evergreen State College shall not use funds appropriated in this section to support intercollegiate athletics programs.

(5) \$33,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$65,000)~~) \$95,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 265, Laws of 2017 (SHB 1867) (ext. foster care transitions).

(6) \$62,000 of the general fund-state appropriation for fiscal year 2018 are provided solely for implementation of chapter 237, Laws of 2017 (ESHB 1115) (paraeducators).

(7) \$17,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$34,000)~~) \$41,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the Washington institute for public policy to conduct a study regarding the implementation of certain aspects of the involuntary treatment act, pursuant to chapter 29, Laws of 2016, sp. sess. (E3SHB 1713).

(8) The appropriations in this section include sufficient funding for the implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(9) The appropriations in this section include sufficient funding for the implementation of chapter 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

(10) \$72,000 of the general fund-state appropriation for fiscal year 2018 and \$43,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the Washington institute for public policy to update its previous meta-analysis on the effect of the national board for professional teaching standards certification on student outcomes by December 15, 2018.

The institute shall also report on the following:

(a) Does the certification improve teacher retention in Washington state?;

(b) Has the additional bonus provided under RCW 28A.405.415 to certificated instructional staff who have attained national board certification to work in high poverty schools acted as an incentive for such teachers to actually work in high poverty schools?; and

(c) Have other states provided similar incentives to achieve a more equitable distribution of staff with national board certification?

(11) \$122,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$40,000)~~) \$141,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 244, Laws of 2015 (college bound).

(12) \$1,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$1,000)~~) \$7,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 7, Laws of 2015, 3rd sp.s. (early start act).

(~~(14)~~) (13) Within amounts appropriated in this section, the college is encouraged to increase the number of tenure-track positions created and hired.

(~~(15)~~) (14) \$16,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$22,000)~~) \$50,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of Engrossed Substitute Senate Bill No. 5890 (foster care and adoption). If the bill is not enacted by July 31, 2017, the amounts provided in this subsection shall lapse.

(15) \$35,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of House Bill No. 2892 (mental health field response). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(16) \$50,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 1559 (uniformed personnel arbitration). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(17) \$100,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the Washington state institute for public policy to conduct a meta-analysis of United States single payer and other United States universal health care proposals, studies, and models. The institute shall provide a report to the appropriate committees of the legislature by December 1, 2018. The analysis shall:

(a) Summarize the parameters used to define universal health care coverage;

(b) Summarize the various models proposed;

(c) Identify the role of the state in providing health care coverage;

(d) Compare and contrast the extent to which the state is sole payer for health care coverage;

(e) Identify the extent to which other funds are leveraged to provide for health care coverage;

(f) Identify the various financing mechanisms proposed;

(g) Examine any cost savings to consumers, the health care system, or the state resulting from the adoption of such a model; and

(h) Summarize any identified technical challenges.

(18) \$56,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for data storage and security upgrades at the Washington state institute for public policy.

(19) \$76,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed House Bill No. 2008 (child welfare budgeting). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(20) \$27,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2009 (gold star families/higher education). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(21) \$150,000 of the general fund-state appropriation for fiscal year 2019 is provided to the Washington state institute for public policy solely for additional research related to

marijuana. In addition to those activities performed pursuant to Initiative Measure No. 502, the institute must:

(a) Update the inventory of programs for the prevention and treatment of youth cannabis use published in December 2016; and

(b) Examine current data collection methods measuring use of cannabis by youth and report to the legislature on potential ways to improve data collection and comparisons; and

(c) To the extent information is available, identify effective methods used to reduce or eliminate the unlicensed cultivation or distribution of marijuana or marijuana containing products in jurisdictions with existing recreational and/or medical marijuana markets.

(22) (a) \$87,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the Washington state institute for public policy to conduct a study of medical debt in Washington. The study must include:

(i) A systematic review of the prevalence and impact of medical debt on Washingtonians including, but not limited to, if available:

(A) The nature and amount of medical debt;

(B) The amount of prejudgment interest sought;

(C) Attorneys' fees and other collection costs sought by collection agencies;

(D) Number and rate of default judgments in medical debt collection cases;

(E) The amount of postjudgment interest, garnishment fees, and other costs after judgment; and

(F) Hospital debt collection policies; and

(ii) A comparison of the laws and practices regarding medical debt collection in Washington with those in other states.

(b) In conducting its analysis, the Washington state institute for public policy may work with the administrative office of the courts and individual

courts throughout the state in order to access necessary data.

(c) The Washington state institute for public policy shall conduct research to enable a report of the findings of the study to be completed and submitted to the appropriate committees of the legislature by December 1, 2019.

(23) \$111,000 of the general fund-state appropriation for fiscal year 2018 and \$20,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 205, Laws of 2016 (2SHB 2449) (truancy reduction).

Sec. 607. 2017 3rd sp.s. c 1 s 611 (uncodified) is amended to read as follows:

FOR WESTERN WASHINGTON UNIVERSITY

General Fund-State Appropriation (FY 2018) (~~(\$70,456,000)~~)
\$70,474,000

General Fund-State Appropriation (FY 2019) (~~(\$72,950,000)~~)
\$74,155,000

Education Legacy Trust Account-State Appropriation \$13,831,000

Western Washington University Capital Projects

Account-State Appropriation (FY 2018) \$771,000

Western Washington University Capital Projects Account-State

Appropriation (FY 2019)..... \$712,000

TOTAL APPROPRIATION..... ~~\$158,720,000~~

\$159,943,000

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

(1) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer

science and engineering programs above the prior academic year.

(2) \$630,000 of the general fund-state appropriation for fiscal year 2018 and \$630,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the computer and information systems security program located at Olympic college - Poulsbo. The university is expected to enroll 30 students each academic year beginning in fiscal year 2017. The university must identify these students separately when providing data to the educational data centers as required in (1) of this section.

(3) Western Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.

(4) (~~(\$15,326,000)~~) \$15,416,000 of the general fund-state appropriation for fiscal year 2018 and (~~(\$15,632,000)~~) \$15,801,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for the implementation of the college affordability program as set forth in RCW 28B.15.066.

(5) The appropriations in this section include sufficient funding for the implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(6) The appropriations in this section include sufficient funding for the implementation of chapter 177, Laws of 2017 (SSB 5100) (financial literacy seminars).

(7) \$500,000 of the general fund-state appropriation for fiscal year 2018 and \$500,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for programs or initiatives designed to improve student academic success and increase degree completion.

(8) Within amounts appropriated in this section, the university is encouraged to increase the number of tenure-track positions created and hired.

(9) \$39,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2009 (gold star families/higher education). If the bill is not enacted by

June 30, 2018, the amount provided in this subsection shall lapse.

(10) \$700,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the creation and implementation of an early childhood education degree program at the western on the peninsulas campus. The university must collaborate with Olympic college. At full implementation, the university is expected to grant approximately 75 bachelor's degrees in early childhood education per year at the western on the peninsulas campus.

(11) \$50,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 1559 (uniformed personnel arbitration). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(12) \$70,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for a study of the feasibility of the university creating a four-year degree-granting campus on the Kitsap or Olympic peninsula. The university shall submit a report on the findings of the study to the governor and appropriate committees of the legislature by December 2018.

(13) \$250,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the Washington campus compact to implement the statewide student civic engagement initiative. Amounts provided in this subsection must be used to: Issue civic engagement grants, provide training to students, develop a statewide web site and database, assess the impact of grants, and provide student leadership awards.

Sec. 608. 2017 3rd sp.s. c 1 s 612 (uncodified) is amended to read as follows:

FOR THE STUDENT ACHIEVEMENT COUNCIL-POLICY COORDINATION AND ADMINISTRATION

General Fund-State Appropriation (FY 2018) ((\$5,640,000))
\$5,370,000

General Fund-State Appropriation (FY 2019) ((\$5,791,000))
\$6,304,000

General Fund-Federal Appropriation \$4,892,000

Pension Funding Stabilization Account-State

Appropriation	\$535,000
TOTAL APPROPRIATION	\$16,323,000
	\$17,101,000

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

(1) \$20,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for administrative costs to implement the expansion of the college bound scholarship program for foster youth, pursuant to Engrossed Substitute Senate Bill No. 5890 (foster care and adoption). If the bill is not enacted by July 31, 2017, the amount provided in this subsection shall lapse.

(2) \$62,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Second Substitute House Bill No. 1512 (expanding college bound scholarship eligibility). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(3) \$363,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 2143 (higher education financial aid). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(4) \$33,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of House Bill No. 2832 (passport to college/foster). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(5) \$200,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Fourth Substitute House Bill No. 1827 (educator workforce supply). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(6) \$126,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the consumer protection unit.

Sec. 609. 2017 3rd sp.s. c 1 s 613 (uncodified) is amended to read as follows:

**FOR THE STUDENT ACHIEVEMENT COUNCIL—
OFFICE OF STUDENT FINANCIAL ASSISTANCE**

General Fund—State Appropriation (FY 2018)	..... ((\$238,397,000))	<u>\$238,388,000</u>
General Fund—State Appropriation (FY 2019)	..... ((\$242,726,000))	<u>\$273,016,000</u>
General Fund—Federal Appropriation	..... ((\$11,906,000))	<u>\$11,905,000</u>
General Fund—Private/Local Appropriation	..... \$300,000	
Education Legacy Trust Account—State Appropriation	..... ((\$99,955,000))	<u>\$104,291,000</u>
WA Opportunity Pathways Account—State Appropriation	..... ((\$117,389,000))	<u>\$122,350,000</u>
Aerospace Training Student Loan Account—State Appropriation	..... \$208,000	
Health Professionals Loan Repayment and Scholarship Program Account—State Appropriation	..... \$4,720,000	
Pension Funding Stabilization Account—State Appropriation	..... \$18,000	
TOTAL APPROPRIATION	..... \$715,601,000	<u>\$755,196,000</u>

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

(1) \$229,157,000 of the general fund—state appropriation for fiscal year 2018, \$233,928,000 of the general fund—state appropriation for fiscal year 2019, \$69,376,000 of the education legacy trust account—state appropriation, and \$88,000,000 of the Washington opportunity pathways account—state appropriation are provided solely for student financial aid payments under the state need grant and state work study programs, including up to four percent administrative allowance for the state work study program.

(2)(a) For the 2017-2019 fiscal biennium, state need grant awards given to private for-profit institutions shall be the same amount as the prior year.

(b) For the 2017-2019 fiscal biennium, grant awards given to private four-year not-for-profit institutions shall be set at the same level as the average grant award for public research universities. Increases in awards given to private four-year not-for-profit institutions shall align with annual tuition increases for public research institutions.

(3) Changes made to the state work study program in the 2009-2011 and 2011-2013 fiscal biennia are continued in the 2017-2019 fiscal biennium including maintaining the increased required employer share of wages; adjusted employer match rates; discontinuation of nonresident student eligibility for the program; and revising distribution methods to institutions by taking into consideration other factors such as off-campus job development, historical utilization trends, and student need.

(4) Within the funds appropriated in this section, eligibility for the state need grant includes students with family incomes at or below 70 percent of the state median family income (MFI), adjusted for family size, and shall include students enrolled in three to five credit-bearing quarter credits, or the equivalent semester credits. Awards for students with incomes between 51 and 70 percent of the state median shall be prorated at the following percentages of the award amount granted to those with incomes below 51 percent of the MFI: 70 percent for students with family incomes between 51 and 55 percent MFI; 65 percent for students with family incomes between 56 and 60 percent MFI; 60 percent for students with family incomes between 61 and 65 percent MFI; and 50 percent for students with family incomes between 66 and 70 percent MFI.

(5) Of the amounts provided in subsection (1) of this section, \$100,000 of the general fund—state appropriation for fiscal year 2018 and \$100,000 of the general fund—state appropriation for fiscal year 2019 are provided for the council to process an alternative financial aid application system pursuant to RCW 28B.92.010.

(6) Students who are eligible for the college bound scholarship shall be given priority for the state need grant program. These eligible college bound students whose family incomes are in the 0-65 percent median family income ranges must be awarded the maximum state need grant for which they are eligible under

state policies and may not be denied maximum state need grant funding due to institutional policies or delayed awarding of college bound scholarship students. The council shall provide directions to institutions to maximize the number of college bound scholarship students receiving the maximum state need grant for which they are eligible with a goal of 100 percent coordination. Institutions shall identify all college bound scholarship students to receive state need grant priority. If an institution is unable to identify all college bound scholarship students at the time of initial state aid packaging, the institution should reserve state need grant funding sufficient to cover the projected enrollments of college bound scholarship students.

(7) \$15,849,000 of the education legacy trust account—state appropriation and (~~(\$29,389,000)~~) \$34,350,000 of the Washington opportunity pathways account—state appropriation are provided solely for the college bound scholarship program and may support scholarships for summer session. Funding provided in this subsection reflects treatment of the state-funded portion of the Washington state opportunity scholarship as a state-funded grant under RCW 28B.118.010.

(8) \$2,236,000 of the general fund—state appropriation for fiscal year 2018 and (~~(\$2,236,000)~~) \$2,535,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the passport to college program. The maximum scholarship award is up to \$5,000. The council shall contract with a nonprofit organization to provide support services to increase student completion in their postsecondary program and shall, under this contract, provide a minimum of \$500,000 in fiscal years 2018 and 2019 for this purpose. Of the amounts in this subsection, \$299,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of House Bill No. 2832 (passport to college/foster). If the bill is not enacted by June 30, 2018, this portion of the amount provided in this subsection shall lapse.

(9) (~~(\$14,730,000)~~) \$19,066,000 of the education legacy trust account—state appropriation is provided solely to meet state match requirements associated with the opportunity scholarship program. The legislature will evaluate subsequent appropriations to the opportunity

scholarship program based on the extent that additional private contributions are made, program spending patterns, and fund balance.

(10) \$2,325,000 of the general fund—state appropriation for fiscal year 2018 and \$2,325,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for expenditure into the health professionals loan repayment and scholarship program account. These amounts and \$4,720,000 appropriated from the health professionals loan repayment and scholarship program account must be used to increase the number of licensed primary care health professionals to serve in licensed primary care health professional critical shortage areas. Contracts between the office and program recipients must guarantee at least three years of conditional loan repayments. The office of student financial assistance and the department of health shall prioritize a portion of any nonfederal balances in the health professional loan repayment and scholarship fund for conditional loan repayment contracts with psychiatrists and with advanced registered nurse practitioners for work at one of the state-operated psychiatric hospitals. The office and department shall designate the state hospitals as health professional shortage areas if necessary for this purpose. The office shall coordinate with the department of social and health services to effectively incorporate three conditional loan repayments into the department's advanced psychiatric professional recruitment and retention strategies. The office may use these targeted amounts for other program participants should there be any remaining amounts after eligible psychiatrists and advanced registered nurse practitioners have been served. The office shall also work to prioritize loan repayments to professionals working at health care delivery sites that demonstrate a commitment to serving uninsured clients. It is the intent of the legislature to provide funding to maintain the current number and amount of awards for the program in the 2019-2021 biennium on the basis of these contractual obligations.

(11) \$42,000 of the general fund—state appropriation for fiscal year 2018 and \$42,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the council to design and implement a program that provides customized information to high-achieving

(as determined by local school districts), low-income, high school students. "Low-income" means students who are from low-income families as defined by the education data center in RCW 43.41.400. For the purposes of designing, developing, and implementing the program, the council shall partner with a national entity that offers aptitude tests and shall consult with institutions of higher education with a physical location in Washington. The council shall implement the program no later than fall 2016, giving consideration to spring mailings in order to capture early action decisions offered by institutions of higher education and nonprofit baccalaureate degree-granting institutions. The information packet for students must include at a minimum:

- (a) Materials that help students to choose colleges;
- (b) An application guidance booklet;
- (c) Application fee waivers, if available, for four-year institutions of higher education and independent nonprofit baccalaureate degree-granting institutions in the state that enable students receiving a packet to apply without paying application fees;
- (d) Information on college affordability and financial aid that includes information on the net cost of attendance for each four-year institution of higher education and each nonprofit baccalaureate degree-granting institution, and information on merit and need-based aid from federal, state, and institutional sources; and
- (e) A personally addressed cover letter signed by the governor and the president of each four-year institution of higher education and nonprofit baccalaureate degree-granting institution in the state.

(12) \$1,000,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of House Bill No. 1452 (opportunity scholarship program). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(13) \$4,000,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Fourth Substitute House Bill No. 1827 (educator workforce supply). If the bill is not enacted by June 30, 2018,

the amount provided in this subsection shall lapse.

Sec. 610. 2017 3rd sp.s. c 1 s 614 (uncodified) is amended to read as follows:

FOR THE WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund-State Appropriation (FY 2018)	.....	(\$1,881,000)
		\$1,845,000
General Fund-State Appropriation (FY 2019)	.....	(\$1,795,000)
		\$1,833,000
General Fund-Federal Appropriation	.....	\$55,279,000
General Fund-Private/Local Appropriation	.....	\$208,000
<u>Pension Funding Stabilization Account-State</u>		
<u>Appropriation</u>	.....	\$176,000
TOTAL APPROPRIATION	.....	\$59,163,000
		\$59,341,000

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

(1) For the 2017-2019 fiscal biennium the board shall not designate recipients of the Washington award for vocational excellence or recognize them at award ceremonies as provided in RCW 28C.04.535.

(2) The health workforce council of the state workforce training and education coordinating board, in partnership with work underway with the office of the governor, shall, within resources available for such purpose, but not to exceed \$250,000, assess workforce shortages across behavioral health disciplines. The board shall create a recommended action plan to address behavioral health workforce shortages and to meet the increased demand for services now, and with the integration of behavioral health and primary care in 2020. The analysis and recommended action plan shall align with the recommendations of the adult behavioral health system task force and related work of the healthier Washington initiative. The board shall consider workforce data, gaps, distribution, pipeline, development, and infrastructure, including innovative high school, postsecondary, and postgraduate programs

to evolve, align, and respond accordingly to our state's behavioral health and related and integrated primary care workforce needs. The board will continue its work and submit final recommendations in calendar year 2017.

(3) \$22,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 154, Laws of 2017 (SSB 5022) (education loan information).

(4) \$114,000 of the general fund-state appropriation for fiscal year 2018 and \$57,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for implementation of chapter 182, Laws of 2017 (2SSB 5285) (workforce employment sectors study).

(5) \$125,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for work associated with the work-integrated learning strategic plan in section 501(59) of this act.

Sec. 611. 2017 3rd sp.s. c 1 s 615 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

General Fund-State Appropriation (FY 2018)	(\$119,174,000)
	\$116,775,000
General Fund-Federal Appropriation	\$171,032,000
Education Legacy Trust Account-State Appropriation	\$14,091,000
Home Visiting Services Account-State Appropriation	\$3,133,000
Home Visiting Services Account-Federal Appropriation	\$12,153,000
WA Opportunity Pathways Account-State Appropriation	\$40,000,000
<u>Pension Funding Stabilization Account-State</u>	
<u>Appropriation</u>	<u>\$468,000</u>
TOTAL APPROPRIATION	\$359,583,000
	\$357,652,000

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

(1) \$58,185,000 of the general fund-state appropriation for fiscal year 2018, \$12,125,000 of the education legacy trust account-state appropriation, and

\$40,000,000 of the opportunity pathways account appropriation are provided solely for the early childhood education and assistance program. These amounts shall support at least 12,491 slots in fiscal year 2018.

(2) \$200,000 of the general fund-state appropriation for fiscal year 2018 is provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.

(3)(a) The department is the lead agency for and recipient of the federal child care and development fund grant. Amounts within this grant shall be used to fund child care licensing, quality initiatives, agency administration, and other costs associated with child care subsidies. The department shall transfer a portion of this grant to the department of social and health services to fund the child care subsidies paid by the department of social and health services on behalf of the department of early learning.

(b)(i) If the department receives additional federal child care and development funding while the legislature is not in session, the department shall request a federal allotment adjustment through the unanticipated receipts process defined in RCW 43.79.270 and shall prioritize its request based on the following priorities:

(A) Increasing child care rates comparable to market rates based on the most recent market survey;

(B) Increasing access to infant and toddler child care;

(C) Increasing access to child care in geographic areas where supply for subsidized child care does not meet the demand; and

(D) Providing nurse consultation services to licensed providers.

(ii) The secretary of the department shall consult with the chairs and ranking members of the appropriate policy committees of the legislature prior to submitting the unanticipated receipt.

(4)(a) ~~(\$76,650,000)~~ \$77,253,000 of the general fund-federal appropriation is provided solely for the working connections child care program under RCW 43.215.135. In order to not exceed the appropriated amount, the department shall manage the program so that the

average monthly caseload does not exceed 33,000 households. The department shall give prioritized access into the program according to the following order:

(i) Families applying for or receiving temporary assistance for needy families (TANF);

(ii) TANF families curing sanction;

(iii) Foster children;

(iv) Families that include a child with special needs;

(v) Families in which a parent of a child in care is a minor who is not living with a parent or guardian and who is a full-time student in a high school that has a school-sponsored on-site child care center;

(vi) Families with a child residing with a biological parent or guardian who have received child protective services, child welfare services, or a family assessment response from the department of social and health services in the past six months, and has received a referral for child care as part of the family's case management; and

(vii) Families that received subsidies within the last thirty days and:

(A) Have reapplied for subsidies; and

(B) Have household income of two hundred percent federal poverty level or below; and

(viii) All other eligible families.

(b) The department of early learning and the department of social and health services must take immediate action to reduce fraud and overpayments in the working connections child care program. By December 1, 2017, the department must adopt rules to:

(i) Require verification of the applicant's household composition in determining eligibility for the working connections child care program. At a minimum, the department of social and health services must consult agency records for the temporary assistance for needy families program, food assistance, medical assistance, and child support enforcement to verify the applicant's household composition and other applicable eligibility criteria whenever possible. In cases where only one parent's name appears on the application and the department of social and health services cannot verify an open child

support case or verify household composition through internal agency records, then the applicant must:

(A) Provide the name and address of the other parent or indicate, under penalty of perjury, that the other parent's identity or address are unknown to the applicant; and

(B) Document the presence or absence of the other parent through acceptable documentation as defined by the department in rule.

The department must exempt an applicant from providing information about the other parent if the department of social and health services determines the applicant has good cause not to cooperate. For the purposes of this subsection, "good cause" must include, at a minimum, consideration of the safety of domestic violence victims;

(ii) Authorize working connections child care payments to licensed and certified providers and in-home relative child care providers serving eligible consumers who participate in one hundred ten hours or more of approved work or related activities per calendar month within the following categories: (A) Full day care for a non-school-age child, (B) half-day care for a school-age child during the school year, and (C) full day care for a school-age child during school holidays;

(iii) Define the occurrence of fraud, an intentional program violation, an unintentional program violation and an administrative error;

(iv) Outline the administrative process for determining fraud or an intentional program violation; and

(v) Define the progressive disqualification process for providers who commit fraud or intentional program violation(s).

(c) The department, in collaboration with the department of social and health services, must submit a preliminary report by December 1, 2017, and a final report by December 1, 2018, to the governor and the appropriate fiscal and policy committees of the legislature on quality control measures for the working connections child care program. The reports must each include:

(i) A detailed narrative of the procurement and implementation of an improved time and attendance system,

including a detailed accounting of the costs of procurement and implementation;

(ii) A comprehensive description of all processes, including computer algorithms and additional rule development, that the department and the department of social and health services plan to establish prior to and after full implementation of the time and attendance system. At a minimum, processes must be designed to:

(A) Ensure the department's auditing efforts are informed by regular and continuous alerts of the potential for overpayments;

(B) Avoid overpayments to the maximum extent possible and expediently recover overpayments that have occurred;

(C) Withhold payment from providers when necessary to incentivize receipt of the necessary documentation to complete an audit;

(D) Establish methods for reducing future payments or establishing repayment plans in order to recover any overpayments;

(E) Sanction providers, including termination of eligibility, who commit intentional program violations or fail to comply with program requirements, including compliance with any established repayment plans;

(F) Consider pursuit of prosecution in cases with fraudulent activity; and

(iii) A description of the process by which fraud is identified and how fraud investigations are prioritized and expedited.

(d) Beginning July 1, 2018, and annually thereafter, the department, in collaboration with the department of social and health services, must report to the governor and the appropriate fiscal and policy committees of the legislature on the status of overpayments in the working connections child care program. The report must include the following information for the previous fiscal year:

(i) A summary of the number of overpayments that occurred;

(ii) The reason for each overpayment;

(iii) The total cost of overpayments;

(iv) A comparison to overpayments that occurred in the past two preceding fiscal years; and

(v) Any planned modifications to internal processes that will take place in the coming fiscal year to further reduce the occurrence of overpayments.

(5) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report enrollments and active caseload for the working connections child care program to the legislative fiscal committees and the legislative-executive WorkFirst oversight task force on an agreed upon schedule. The report shall also identify the number of cases participating in both temporary assistance for needy families and working connections child care. The department must also report on the number of children served through contracted slots.

(6) \$1,560,000 of the general fund-state appropriation for fiscal year 2018 and \$6,712,000 of the general fund-federal appropriation are provided solely for the seasonal child care program. If federal sequestration cuts are realized, cuts to the seasonal child care program must be proportional to other federal reductions made within the department.

(7) \$4,674,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the early childhood intervention prevention services (ECLIPSE) program. The department shall contract for ECLIPSE services to provide therapeutic child care and other specialized treatment services to abused, neglected, at-risk, and/or drug-affected children. Priority for services shall be given to children referred from the department of social and health services children's administration.

(8) (~~(\$44,663,000)~~) \$42,707,000 of the general fund-state appropriation for fiscal year 2018 and \$13,954,000 of the general fund-federal appropriation are provided solely to maintain the requirements set forth in chapter 7, Laws of 2015 3rd sp. sess. The department shall place a ten percent administrative overhead cap on any contract entered into with the University of Washington. In its annual report to the governor and the legislature, the department shall report

the total amount of funds spent on the quality rating and improvements system and the total amount of funds spent on degree incentives, scholarships, and tuition reimbursements. Of the amounts provided in this subsection, \$386,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for a six percent base rate increase for child care center providers.

(9) \$1,728,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for reducing barriers for low-income providers to participate in the early achievers program.

(10) \$300,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.

(11) \$2,000,000 of the education legacy trust account-state appropriation is provided solely for early intervention assessment and services.

(12) \$7,979,000 of the general fund-federal appropriation for fiscal year 2018 is provided solely for the department to procure a time and attendance system and are subject to the conditions, limitations, and review provided in section 724 of this act.

(13) Information technology projects or investments and proposed projects or investments impacting time capture, payroll and payment processes and systems, eligibility, case management and authorization systems within the department of early learning are subject to technical oversight by the office of the chief information officer. The department must collaborate with the office of the chief information officer to develop a strategic business and technology architecture plan for a child care attendance and billing system that supports a statewide architecture.

(14)(a)(i) The department of early learning is required to provide to the education research and data center, housed at the office of financial management, data on all state-funded early childhood programs. These programs include the early support for infants and toddlers, early childhood education and assistance program (ECEAP), and the working connections and seasonal subsidized childcare programs including license exempt facilities or family,

friend, and neighbor care. The data provided by the department to the education research data center must include information on children who participate in these programs, including their name and date of birth, and dates the child received services at a particular facility.

(ii) ECEAP early learning professionals must enter any new qualifications into the department's professional development registry starting in the 2015-16 school year, and every school year thereafter. By October 2017, and every October thereafter, the department must provide updated ECEAP early learning professional data to the education research data center.

(iii) The department must request federally funded head start programs to voluntarily provide data to the department and the education research data center that is equivalent to what is being provided for state-funded programs.

(iv) The education research and data center must provide an updated report on early childhood program participation and K-12 outcomes to the house of representatives appropriations committee and the senate ways and means committee using available data by November 2017 for the school year ending in 2016 and again in March 2018 for the school year ending in 2017.

(b) The department, in consultation with the department of social and health services, must withhold payment for services to early childhood programs that do not report on the name, date of birth, and the dates a child received services at a particular facility.

(15) The department shall work with state and local law enforcement, federally recognized tribal governments, and tribal law enforcement to develop a process for expediting fingerprinting and data collection necessary to conduct background checks for tribal early learning and child care providers.

(16) \$2,651,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the 2017-2019 collective bargaining agreement covering family child care providers as set forth in section 940 of this act. Funding is contingent upon enactment of Senate Bill No. 5969 (transparency in public employee collective bargaining). If the bill is not enacted by July 31, 2017, the amount

provided in this subsection shall lapse. Of the amounts provided in this subsection:

(a) \$273,000 is for a base rate increase;

(b) \$55,000 is for increasing paid professional development days from three days to five days;

(c) \$1,708,000 is for the family child care providers 501c3 organization for the substitute pool, training and quality improvement support services, and administration;

(d) \$114,000 is for increasing licensing incentive payments; and

(e) \$500,000 is for needs based grants.

(17) \$175,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the department to contract with a nonprofit entity that provides quality improvement services to participants in the early achievers program to implement a community-based training module that supports licensed child care providers who have been rated in early achievers and who are specifically interested in serving children in the early childhood education and assistance program. The module must be functionally translated into Spanish and Somali. The module must prepare trainees to administer all aspects of the early childhood education and assistance program for eligible children in their licensed program and must be offered to 105 child care providers to serve children eligible for the early childhood education and assistance program by June 30, 2019.

(18) \$750,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for the implementation of the early achievers expanded learning opportunity quality initiative pursuant to RCW 43.215.100(3)(d).

(19) \$267,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 236, Laws of 2017 (SHB 1445) (dual language in early learning & K-12).

(20) \$100,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 202, Laws of 2017 (E2SHB 1713) (children's mental health).

(21) \$5,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for a child care workforce development technical work group to develop recommendations to support increased child care workforce wages, reduce turnover, enable child care providers to recruit more qualified educators, and maintain the diversity of the current workforce.

(a) The department shall convene and provide staff support for the technical work group. The department shall consult with advocates and stakeholders of the early learning workforce when selecting members for the technical work group. Membership of the work group must consist of representatives from the following organizations and entities:

(i) The statewide child care resource and referral network;

(ii) The department;

(iii) The department of commerce;

(iv) The economic opportunity institute;

(v) A coalition of organizations representing nonprofits, professional associations, businesses, and industries in early learning;

(vi) The state board for community and technical colleges;

(vii) A union representing child care workers;

(viii) The small business administration;

(ix) A member consisting of either an economist or a representative of the workforce development councils;

(x) A representative from an early childhood education and assistance program;

(xi) A representative from a nonprofit child care center;

(xii) A representative from a private child care center; and

(xiii) A representative from an organization that provides culturally responsive services for early learning programs in communities with high numbers of families whose primary language is not English.

(b) Members of the work group may be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

Funding in this subsection is provided solely for travel reimbursement of work group members and other costs to conduct the meetings. Funding provided in this subsection may not be used to contract for facilitation.

(c) The work group shall issue a report with recommendations and an implementation plan to the governor and appropriate committees of the legislature by December 1, 2018.

(22) \$317,000 of the general fund-state appropriation for fiscal year 2018 is provided solely for implementation of chapter 162, Laws of 2017 (SSB 5357) (outdoor early learning programs).

(23)(a) During the 2017-2019 fiscal biennium, the department must revise its agreements and contracts with vendors to include a provision to require that each vendor agrees to equality among its workers by ensuring similarly employed individuals are compensated as equals as follows:

(i) Employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed;

(ii) Vendors may allow differentials in compensation for its workers based in good faith on any of the following:

(A) A seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels.

(B) A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience, that is: Consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential.

(C) A bona fide regional difference in compensation level must be: Consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential.

(b) The provision must allow for the termination of the contract if the department or department of enterprise

services determines that the vendor is not in compliance with this agreement or contract term.

(c) The department must implement this provision with any new contract and at the time of renewal of any existing contract.

Sec. 612. 2017 3rd sp.s. c 1 s 616 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND

General Fund-State Appropriation (FY 2018)	.....	(\$6,976,000)	
			<u>\$6,924,000</u>
General Fund-State Appropriation (FY 2019)	.....	(\$7,427,000)	
			<u>\$7,529,000</u>
General Fund-Private/Local Appropriation	.....	\$34,000	
<u>Pension Funding Stabilization Account-State</u>			
<u>Appropriation</u>	.....	\$591,000	
TOTAL APPROPRIATION	.....	\$14,437,000	<u>\$15,078,000</u>

The appropriations in this section are subject to the following conditions and limitations: Funding provided in this section is sufficient for the school to offer to students enrolled in grades nine through twelve for full-time instructional services at the Vancouver campus with the opportunity to participate in a minimum of one thousand eighty hours of instruction and the opportunity to earn twenty-four high school credits.

Sec. 613. 2017 3rd sp.s. c 1 s 617 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS

General Fund-State Appropriation (FY 2018)	.....	(\$10,646,000)	
			<u>\$10,290,000</u>
General Fund-State Appropriation (FY 2019)	.....	(\$11,679,000)	
			<u>\$11,616,000</u>
<u>Pension Funding Stabilization Account-State</u>			
<u>Appropriation</u>	.....	\$727,000	

TOTAL APPROPRIATION.....~~\$22,325,000~~
\$22,633,000

The appropriations in this section are subject to the following conditions and limitations: Funding provided in this section is sufficient for the center to offer to students enrolled in grades nine through twelve for full-time instructional services at the Vancouver campus with the opportunity to participate in a minimum of one thousand eighty hours of instruction and the opportunity to earn twenty-four high school credits.

Sec. 614. 2017 3rd sp.s. c 1 s 618 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund-State Appropriation (FY 2018) (~~\$1,497,000~~)
\$1,417,000

General Fund-State Appropriation (FY 2019) (~~\$1,514,000~~)
\$1,567,000

General Fund-Federal Appropriation \$2,124,000

General Fund-Private/Local Appropriation (~~\$16,000~~)
\$50,000

Pension Funding Stabilization Account-State
Appropriation.....\$122,000

TOTAL APPROPRIATION.....~~\$5,151,000~~
\$5,280,000

The appropriations in this section are subject to the following conditions and limitations: (~~\$78,000~~) \$58,000 of the general fund-state appropriation for fiscal year 2018 and (~~\$78,000~~) \$98,000 of the general fund-state appropriation for fiscal year 2019 are provided solely to implement chapter 240, Laws of 2017 (creative districts).

Sec. 615. 2017 3rd sp.s. c 1 s 619 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund-State Appropriation (FY 2018) (~~\$2,505,000~~)

General Fund-State Appropriation (FY 2019) (~~\$2,603,000~~)
\$2,789,000

Pension Funding Stabilization Account-State
Appropriation.....\$230,000

TOTAL APPROPRIATION.....~~\$5,108,000~~
\$5,466,000

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

(1) \$96,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 2288 (history day program). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(2) The Washington state historical society must transfer the management and operations of the historic Lord mansion in Olympia to The Evergreen State College by July 1, 2018. The department of enterprise services must facilitate and approve the transfer. If the Lord mansion management and operations are not transferred to The Evergreen State College by June 30, 2019, then the department of enterprise services must begin administering the management and operations of the property on July 1, 2019.

Sec. 616. 2017 3rd sp.s. c 1 s 620 (uncodified) is amended to read as follows:

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund-State Appropriation (FY 2018) (~~\$1,991,000~~)
\$1,925,000

General Fund-State Appropriation (FY 2019) (~~\$2,044,000~~)
\$2,091,000

Pension Funding Stabilization Account-State
Appropriation.....\$213,000

TOTAL APPROPRIATION.....~~\$4,035,000~~
\$4,229,000

**PART VII
SPECIAL APPROPRIATIONS**

Sec. 701. 2017 3rd sp.s. c 1 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund—State Appropriation (FY 2018) (~~\$1,133,223,000~~)
 \$1,115,140,000

General Fund—State Appropriation (FY 2019) (~~\$1,190,324,000~~)
 \$1,158,352,000

State Building Construction Account—State Appropriation \$6,456,000

Columbia River Basin Water Supply—State Appropriation \$79,000

State Taxable Building Construction Account—State Appropriation \$376,000

Debt-Limit Reimbursable Bond Retire Account—State Appropriation \$570,000

TOTAL APPROPRIATION... ~~\$2,331,028,000~~
 \$2,280,973,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the debt-limit general fund bond retirement account.

Sec. 702. 2017 3rd sp.s. c 1 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund—State Appropriation (FY 2018) \$1,400,000

General Fund—State Appropriation (FY 2019) \$1,400,000

~~((Hood Canal Aquatic Rehabilitation State Appropriation..... \$1,000))~~

State Building Construction Account—State Appropriation \$2,191,000

Columbia River Basin Water Supply—State Appropriation \$58,000

Columbia River Basin Taxable Bond Water

Supply—State Appropriation...\$14,000

State Taxable Building Construction Account—State

Appropriation\$150,000

TOTAL APPROPRIATION.....~~\$5,214,000~~

\$5,213,000

NEW SECTION. **Sec. 703.** A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR SUNDRY CLAIMS**

The following sums, or so much thereof as may be necessary, are appropriated from the general fund for fiscal year 2018, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims.

(1) These appropriations are to be disbursed on vouchers approved by the director of the department of enterprise services, except as otherwise provided, for reimbursement of criminal defendants acquitted on the basis of self-defense, pursuant to RCW 9A.16.110, as follows:

(a) John Weiler, claim number 99970144\$7,975

(b) Samson Asfaw, claim number 99970145.....\$18,873

(c) Kevon Turner, claim number 99970147.....\$9,750

(d) Arthur Eshe, claim number 99970148\$12,900

(e) Woody J. Pierson, claim number 99970235.....\$19,789

(2) These appropriations are to be disbursed on vouchers approved by the director of the department of enterprise services, except as otherwise provided, for payment of compensation for wrongful convictions pursuant to RCW 4.100.060, as follows:

Robert Larson, Tyler Gassman, and Paul Statler, claim numbers 99970072-99970074\$79,000

Sec. 704. 2017 3rd sp.s. c 1 s 708 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE

General Fund—State Appropriation (FY 2018)\$36,386,000

General Fund-State Appropriation (FY 2019) \$36,386,000

TOTAL APPROPRIATION..... \$72,772,000

The appropriations in this section are subject to the following conditions and limitations: The state treasurer shall distribute the appropriations to the following counties and health districts in the amounts designated to support public health services, including public health nursing:

Health District	FY 2018	FY 2019	2017-2019 Biennium
(Adams County Health District)) Adams County Integrate Health Care Services	\$121,213	\$121,213	\$242,426
Asotin County Health District	\$159,890	\$159,890	\$319,780
Benton-Franklin Health District	\$1,614,337	\$1,614,337	\$3,228,674
Chelan-Douglas Health District	\$399,634	\$399,634	\$799,268
Clallam County Health and Human Services Department	\$291,401	\$291,401	\$582,802
(Clark County Health District)) Clark County Public Health	\$1,767,341	\$1,767,341	\$3,534,682
(Skamania County Health Department)	\$111,327	\$111,327	\$222,654

Skamania County Community Health	(Columbia County Health District)) Columbia County Public Health	\$119,991	\$119,991	\$239,982
(Cowlitz County Health Department)) Cowlitz County Health and Human Services	Garfield County Health District	\$477,981	\$477,981	\$955,962
Grant County Health District	(Grays Harbor Health Department)) Grays Harbor Public Health and Social Services	\$93,154	\$93,154	\$186,308
(Island County Health Department)) Island County Public Health	(Jefferson County Health and Human)	\$297,761	\$297,761	\$595,522
(Jefferson County Health and Human)	(Island County Health Department)) Island County Public Health	\$335,666	\$335,666	\$671,332
(Jefferson County Health and Human)	(Island County Health Department)) Island County Public Health	\$255,224	\$255,224	\$510,448
(Jefferson County Health and Human)	(Jefferson County Health and Human)	\$184,080	\$184,080	\$368,160

Services)) <u>Jefferson</u> <u>County</u> <u>Public</u> <u>Health</u>				Lincol n County Health Departmen t	\$113, 917	\$113, 917	\$227, 834
(Seat tle King County Departmen t of <u>Public</u> <u>Health</u>) <u>Public</u> <u>Health</u> - <u>Seattle &</u> <u>King</u> <u>County</u>	\$12,6 85,521	\$12,6 85,521	\$25,3 71,042	(Mase n County Departmen t of <u>Health</u> <u>Services</u>)) <u>Mason</u> <u>County</u> <u>Public</u> <u>Health</u> <u>and Human</u> <u>Services</u>	\$227, 448	\$227, 448	\$454, 896
(Brem erton Kitsap County Health District)) <u>Kitsap</u> <u>Public</u> <u>Health</u> <u>District</u>	\$997, 476	\$997, 476	\$1,99 4,952	(Okan ogan County Health District)) <u>Okanogan</u> <u>County</u> <u>Public</u> <u>Health</u>	\$169, 882	\$169, 882	\$339, 764
(Kitt itas County Health Departmen t)) <u>Kittitas</u> <u>County</u> <u>Public</u> <u>Health</u>	\$198, 979	\$198, 979	\$397, 958	(Paci fic County Health Departmen t)) <u>Pacific</u> <u>County</u> <u>Health</u> <u>and Human</u> <u>Services</u>	\$169, 075	\$169, 075	\$338, 150
(Klick itat County Health Departmen t)) <u>Klickitat</u> <u>County</u> <u>Public</u> <u>Health</u>	\$153, 784	\$153, 784	\$307, 568	Tacoma -Pierce County Health Departmen t	\$4,14 3,169	\$4,14 3,169	\$8,28 6,338
(Lewi s County Health Departmen t) <u>Lewis</u> <u>County</u> <u>Public</u> <u>Health</u> <u>and</u> <u>Social</u> <u>Services</u>	\$263, 134	\$263, 134	\$526, 268	San Juan County Health and Community Services	\$126, 569	\$126, 569	\$253, 138
				(Skag it County Health Departmen t)) <u>Skagit</u> <u>County</u>	\$449, 745	\$449, 745	\$899, 490

<u>Public Health</u>			
Snohomish Health District	\$3,43 3,291	\$3,43 3,291	\$6,86 6,582
(Spokane County Health District)	\$2,87 7,318	\$2,87 7,318	\$5,75 4,636
Northeast Tri-County Health District	\$249, 303	\$249, 303	\$498, 606
(Thurston County Health Department)	\$1,04 6,897	\$1,04 6,897	\$2,09 3,794
(Wahkiakum County Health Department)	\$93,1 81	\$93,1 81	\$186, 362
(Walla Walla County City Health Department)	\$302, 173	\$302, 173	\$604, 346

Whatcom County Health Department	\$1,21 4,301	\$1,21 4,301	\$2,42 8,602
(Whitman County Health Department)	\$189, 355	\$189, 355	\$378, 710
Yakima Health District	\$1,05 2,482	\$1,05 2,482	\$2,10 4,964
TOTAL APPROPRIATIONS	\$36,3 86,000	\$36,3 86,000	\$72,7 72,000

Sec. 705. 2017 3rd sp.s. c 1 s 720 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—ANDY HILL CANCER RESEARCH ENDOWMENT FUND MATCH TRANSFER ACCOUNT

General Fund—State Appropriation (FY 2018)	\$5,000,000
TOTAL APPROPRIATION	\$5,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the Andy Hill cancer research endowment fund match transfer account per RCW 43.348.080 to fund the cancer research endowment program.

Sec. 706. 2017 3rd sp.s. c 1 s 722 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—HEALTH PROFESSIONS ACCOUNT

Dedicated Marijuana Account—State Appropriation	
(FY 2018)	(\$352,000)
	\$2,652,000
Dedicated Marijuana Account—State Appropriation	
(FY 2019)	\$352,000
TOTAL APPROPRIATION	\$704,000
	\$3,004,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the health professions account to reimburse the account for costs incurred by the department of health for the development and administration of the marijuana authorization database.

Sec. 707. 2017 3rd sp.s. c 1 s 721 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—HOME VISITING SERVICES ACCOUNT

General Fund—State Appropriation (FY 2018)	.....	\$691,000
General Fund—State Appropriation (FY 2019)	.....	(\$744,000)
		<u>\$3,043,000</u>
TOTAL APPROPRIATION.....		<u>\$1,435,000</u>
		<u>\$3,734,000</u>

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the home visiting services account for the home visiting program.

Sec. 708. 2017 3rd sp.s. c 1 s 723 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEASE COST POOL

General Fund—State Appropriation (FY 2018)	.....	\$9,712,000
General Fund—State Appropriation (FY 2019)	.....	<u>\$8,000,000</u>
General Fund—Federal Appropriation	.....	\$2,431,000
TOTAL APPROPRIATION.....		<u>\$12,143,000</u>
		<u>\$20,143,000</u>

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

(1) The appropriations in this section are provided solely for expenditure into the state agency office relocation pool account created in section 949 of this act for state agency office relocation costs as shown in LEAP omnibus document (~~LEAS-2017~~) LEAS-2018, dated (~~March 14, 2017~~) February 20, 2018, which is hereby incorporated by reference. To

facilitate the transfer of moneys from other funds and accounts that are associated with office relocations contained in LEAP omnibus document LEAS-2017, dated March 14, 2017, the state treasurer is directed to transfer moneys from other funds and accounts in an amount not to exceed \$2,431,000 to the lease cost pool in accordance with schedules provided by the office of financial management.

(2) Agencies may apply to the office of financial management to receive funds from the state agency office relocation pool account in an amount not to exceed the actual costs for the office relocations.

NEW SECTION. Sec. 709. The following acts or parts of acts are each repealed:

- (1) 2017 3rd sp.s. c 1 s 726 (uncodified);
- (2) 2017 3rd sp.s. c 1 s 727 (uncodified);
- (3) 2017 3rd sp.s. c 1 s 728 (uncodified);
- (4) 2017 3rd sp.s. c 1 s 729 (uncodified);
- (5) 2017 3rd sp.s. c 1 s 730 (uncodified);
- (6) 2017 3rd sp.s. c 1 s 731 (uncodified);
- (7) 2017 3rd sp.s. c 1 s 732 (uncodified);
- (8) 2017 3rd sp.s. c 1 s 733 (uncodified);
- (9) 2017 3rd sp.s. c 1 s 734 (uncodified);
- (10) 2017 3rd sp.s. c 1 s 735 (uncodified);
- (11) 2017 3rd sp.s. c 1 s 736 (uncodified); and
- (12) 2017 3rd sp.s. c 1 s 737 (uncodified).

NEW SECTION. Sec. 710. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows: **PAID FAMILY LEAVE**

General Fund—State Appropriation (FY 2019)	.....	\$1,013,000
General Fund—Federal Appropriation.....		\$85,000

General Fund-Private/Local
 Appropriation\$7,000
 Dedicated Funds and Accounts
 Appropriation\$221,000
 TOTAL APPROPRIATION.....\$1,326,000

The appropriations in this section are subject to the following conditions and limitations: Funding is provided for employer payment of employee family and medical leave premiums as shown in LEAP Document G2F 2018 dated February 15, 2018.

NEW SECTION. Sec. 711. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT-SECRETARY OF STATE ARCHIVES AND RECORDS MANAGEMENT**

General Fund-State Appropriation (FY 2018)\$3,000
 General Fund-State Appropriation (FY 2019)\$4,000
 General Fund-Federal Appropriation\$2,000
 TOTAL APPROPRIATION.....\$9,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the secretary of state's billing authority for archives and records management. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92C-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 712. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT-STATE AUDITOR AUDIT SERVICES**

General Fund-State Appropriation (FY 2018)\$1,000
 General Fund-State Appropriation (FY 2019)\$4,000
 General Fund-Federal Appropriation\$3,000
 TOTAL APPROPRIATION.....\$8,000

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

appropriations related to corresponding adjustments in the state auditor's billing authority for state agency auditing services. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92D-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 713. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT-OFFICE OF ATTORNEY GENERAL LEGAL SERVICES**

General Fund-State Appropriation (FY 2018).....\$112,000
 General Fund-State Appropriation (FY 2019).....\$187,000
 General Fund-Federal Appropriation.....\$32,000
 General Fund-Private/Local Appropriation.....\$2,000
 Other Appropriated Funds\$103,000
 TOTAL APPROPRIATION.....\$436,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the office of attorney general's billing authority for legal services. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92E-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 714. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT-ADMINISTRATIVE HEARINGS**

General Fund-State Appropriation (FY 2018).....(\$37,000)
 General Fund-State Appropriation (FY 2019).....(\$318,000)
 General Fund-Federal Appropriation.....(\$259,000)
 General Fund-Private/Local Appropriation.....\$27,000
 Other Appropriated Funds ...\$2,646,000
 TOTAL APPROPRIATION.....\$2,059,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the office of administrative hearing's billing authority. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92G-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 715. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONSOLIDATED TECHNOLOGY SERVICES CENTRAL SERVICES**

General Fund—State Appropriation (FY 2018)	\$453,000
General Fund—State Appropriation (FY 2019)	\$367,000
General Fund—Federal Appropriation	\$245,000
General Fund—Private/Local Appropriation	\$25,000
Other Appropriated Funds.....	\$495,000
TOTAL APPROPRIATION.....	\$1,585,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the central technology services' billing authority. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92J-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 716. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT—DEPARTMENT OF ENTERPRISE SERVICES CENTRAL SERVICES**

General Fund—State Appropriation (FY 2018)	\$10,000
General Fund—State Appropriation (FY 2019)	\$538,000
General Fund—Federal Appropriation	\$111,000

General Fund—Private/Local Appropriation.....	\$20,000
Other Appropriated Funds	\$349,000
TOTAL APPROPRIATION.....	\$1,028,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the department of enterprise services' billing authority. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92K-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 717. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT—OFFICE OF FINANCIAL MANAGEMENT CENTRAL SERVICES**

General Fund—State Appropriation (FY 2018).....	\$3,000
General Fund—State Appropriation (FY 2019).....	\$1,757,000
General Fund—Federal Appropriation.....	\$452,000
General Fund—Private/Local Appropriation.....	\$43,000
Other Appropriated Funds	\$728,000
TOTAL APPROPRIATION.....	\$2,983,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to new billing authority for central service functions performed by the office of financial management. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document 92R-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 718. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONSOLIDATED TECHNOLOGY SERVICES FEE FOR SERVICE ADJUSTMENT**

General Fund—State Appropriation (FY 2018).....	\$282,000
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General Fund-State Appropriation (FY 2019) \$570,000

General Fund-Federal Appropriation \$228,000

General Fund-Private/Local Appropriation \$36,000

Other Appropriated Funds..... \$559,000

TOTAL APPROPRIATION..... \$1,675,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the consolidated technology services' billing authority. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document GZC-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 719. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT-DEPARTMENT OF ENTERPRISE SERVICES RATE COMPENSATION ADJUSTMENTS**

General Fund-State Appropriation (FY 2018) (\$5,000)

General Fund-State Appropriation (FY 2019) \$572,000

General Fund-Federal Appropriation \$112,000

General Fund-Private/Local Appropriation \$15,000

Other Appropriated Funds..... \$298,000

TOTAL APPROPRIATION..... \$992,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section reflect adjustments in agency appropriations related to corresponding adjustments in the department of enterprise services' billing authority. The office of financial management shall adjust allotments in the amounts specified, and to the state agencies specified in LEAP omnibus document GZH-2018, dated February 20, 2018, and adjust appropriation schedules accordingly.

NEW SECTION. Sec. 720. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT-PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM**

General Fund-State Appropriation (FY 2019)\$2,900,000

Special Retirement Contribution Increase Revolving

Account-State Appropriation..... (\$1,900,000)

TOTAL APPROPRIATION.....\$1,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for allocation to state agencies for costs of revised eligibility criteria for the public safety employees' retirement system as provided in Substitute House Bill No. 1558 (public safety employees retirement system membership). If the bill is not enacted by June 30, 2018, the appropriations in this section shall lapse.

NEW SECTION. Sec. 721. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**FOR THE OFFICE OF FINANCIAL MANAGEMENT-PERS AND TRS PLANS 1 MINIMUM BENEFITS**

General Fund-State Appropriation (FY 2019)\$7,200,000

Special Retirement Contribution Increase Revolving

Account-State Appropriation \$2,000,000

TOTAL APPROPRIATION.....\$9,200,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for allocation to state agencies and school districts for costs of a one-time, ongoing increase to the minimum benefit and the alternative minimum benefit in the public employees' retirement system and the teachers' retirement system plans 1. If a bill is not enacted by June 30, 2018, to implement the increase in these minimum benefits, the appropriations in this section shall lapse.

NEW SECTION. Sec. 722. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:**COMPENSATION-STATE EMPLOYEES INSURANCE BENEFITS**

General Fund-State Appropriation (FY 2019) (\$14,036,000)

General Fund-Federal Appropriation (\$3,012,000)

General Fund-Private/Local Appropriation (\$284,000)

Dedicated Funds and Accounts
Appropriation (\$7,242,000)

TOTAL APPROPRIATION..... (\$24,574,000)

The appropriations in this section are subject to the following conditions and limitations: Funding is provided for state employee health benefits for state agencies, including institutions of higher education, and are subject to the conditions and limitations in sections 903 and 904 of this act. Appropriations in this act for state agencies, including institutions of higher education, are increased by the amounts specified in LEAP omnibus document GLS 2018 dated February 15, 2018.

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2017 3rd sp.s. c 1 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance

premium distributions.. (~~(\$9,731,000)~~)
\$9,730,000

General Fund Appropriation for prosecuting attorney

distributions..... (~~(\$6,786,000)~~)
\$6,643,000

General Fund Appropriation for boating safety and

education distributions.... \$4,000,000

General Fund Appropriation for public utility district excise tax

distributions (~~(\$60,611,000)~~)
\$30,230,000

Death Investigations Account Appropriation for

distribution to counties for publicly funded

autopsies..... (~~(\$3,556,000)~~)
\$3,135,000

Aquatic Lands Enhancement Account Appropriation for

harbor improvement revenue distribution \$140,000

Timber Tax Distribution Account Appropriation for

distribution to "timber" counties..... (~~(\$77,367,000)~~)
\$68,009,000

County Criminal Justice Assistance Appropriation..... (~~(\$96,145,000)~~)

\$93,628,000

Municipal Criminal Justice Assistance Appropriation..... (~~(\$38,126,000)~~)

\$36,908,000

City-County Assistance Appropriation.....\$27,160,000

Liquor Excise Tax Account Appropriation for liquor

excise tax distribution...\$56,058,000

Streamlined Sales and Use Tax Mitigation Account

Appropriation for distribution to local taxing

jurisdictions to mitigate the unintended revenue

redistributions effect of sourcing law changes..... (~~(\$20,012,000)~~)
\$20,549,000

Columbia River Water Delivery Account Appropriation

for the Confederated Tribes of the Colville

Reservation\$8,074,000

Columbia River Water Delivery Account Appropriation

for the Spokane Tribe of Indians.....\$5,402,000

Liquor Revolving Account Appropriation for liquor

profits distribution\$98,876,000

General Fund Appropriation for other tax

distributions\$80,000

General Fund Appropriation for Marijuana Excise

Tax distributions..... (~~(\$12,000,000)~~)
\$30,000,000

General Fund Appropriation for Habitat Conservation

Program distributions\$5,347,000

TOTAL APPROPRIATION.....~~\$529,471,000~~
\$485,969,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

Sec. 802. 2017 3rd sp.s. c 1 s 805 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER—TRANSFERS

Criminal Justice Treatment Account:
For transfer to

the state general fund, \$4,450,000 for fiscal

year 2018 and \$4,450,000 for fiscal year 2019 \$8,900,000

Dedicated Marijuana Account: For transfer to

the basic health plan trust account, the lesser

of the amount determined pursuant to RCW 69.50.540

or this amount plus \$40,494,000 for fiscal year

2018, (~~(\$170,000,000)~~) \$226,654,000 and this

amount for fiscal year 2019,

(~~(\$180,000,000)~~)
\$194,000,000 (~~(\$350,000,000)~~)

\$420,654,000

Dedicated Marijuana Account: For transfer to

the state general fund, the lesser of the amount

determined pursuant to RCW 69.50.540 or this amount

for fiscal year 2018, (~~(\$120,000,000)~~)
\$130,000,000

and this amount for fiscal year 2019, (~~(\$130,000,000)~~)

\$137,000,000 (~~(\$239,239,000)~~)

\$267,000,000

Aquatic Lands Enhancement Account: For transfer to

the clean up settlement account as repayment of

the loan provided in section 3022(2) chapter 2,

Laws of 2012, 2nd sp. sess. (ESB 6074 2012

supplemental capital budget), \$620,000 for fiscal

year 2018 and \$620,000 for fiscal year 2019.....\$1,240,000

Tobacco Settlement Account: For transfer to the

state general fund, in an amount not to exceed the

actual amount of the annual base payment to the

tobacco settlement account for fiscal year 2018.....\$101,639,000

Tobacco Settlement Account: For transfer to the

state general fund, in an amount not to exceed the

actual amount of the annual base payment to the

tobacco settlement account for fiscal year 2019.....\$101,639,000

State Toxics Control Account: For transfer to the

cleanup settlement account as repayment of the

loan provided in section 3022(2) chapter 2,

Laws of 2012, 2nd sp. sess. (ESB 6074, 2012

supplemental capital budget), \$620,000 for

fiscal year 2018 and \$620,000 for fiscal

year 2019.....\$1,240,000

General Fund: For transfer to the streamlined sales

and use tax account, (~~(\$11,171,000)~~)
\$12,877,000

for fiscal year 2018 and (~~(\$8,641,000)~~) \$7,672,000

for fiscal year 2019..~~(\$20,012,000)~~

\$20,549,000

Aerospace Training and Student Loan Account: For

transfer to the state general fund,
\$750,000

for fiscal year 2018 and \$750,000 for
fiscal

year 2019.....\$1,500,000

Disaster Response Account: For
transfer to the state

general fund, \$42,000,000 for fiscal
year 2018\$42,000,000

State Treasurer's Service Account: For
transfer to the state

general fund, \$6,000,000 for fiscal
year 2018 and

\$6,000,000 for fiscal year
2019\$12,000,000

Statewide Information Tech System
Maintenance and

Operations Revolving Account: For
transfer to the

consolidated technology services
revolving account,

\$5,500,000 for fiscal year
2018\$5,500,000

General Fund: For transfer to the
family and medical

leave insurance account as start-up
costs for

the family and medical leave insurance
program

pursuant to enactment of Substitute
House Bill

No. 1116 (family and medical leave
insurance),

Senate Bill No. 5975 (paid family and
medical

leave insurance), or Senate Bill No.
5032

(family and medical leave insurance),

\$82,000,000 for fiscal year
2018\$82,000,000

Family and Medical Leave Insurance
Account: For

transfer to the General Fund as
repayment for

start-up costs for the family and
medical leave

insurance program pursuant to
implementation of

Substitute House Bill No. 1116 (family
and

medical leave insurance), Senate Bill
No. 5975

(paid family and medical leave
insurance),

or Senate Bill No. 5032 (family and
medical

leave insurance), the lesser of the
amount

determined by the treasurer for full
repayment

of the \$82,000,000 transferred from
the general

fund in fiscal year 2018 for start-up
costs

with any related interest or this
amount for

fiscal year 2019,
\$90,000,000.....\$90,000,000

Public Works Assistance Account: For
transfer to the

education legacy trust account,
\$136,998,000 for

fiscal year 2018 and \$117,017,000 for
fiscal

year 2019.....\$254,015,000

General Fund: For transfer to the
firearms range

account for fiscal year 2018..\$75,000

Death Investigations Account: For
transfer to

the state general fund, \$1,186,000 for

fiscal year 2018.....\$1,186,000

New Motor Vehicle Arbitration Account:
For transfer

to the state general fund, \$2,000,000
for fiscal

year 2018.....\$2,000,000

Local Toxics Control Account: For
transfer to the

state toxics control account,
\$9,000,000 for

fiscal year 2018 and \$12,000,000 for
fiscal

year 2019.....\$21,000,000

Flood Control Assistance Account: For
transfer to

the state general fund, \$1,000,000 for fiscal

year 2018 and \$1,000,000 for fiscal year 2019 \$2,000,000

State Toxics Control Account: For transfer to water

pollution control revolving account, \$3,000 for

fiscal year 2018..... \$3,000

Aquatic Lands Enhancement Account: For transfer to

the geoduck aquaculture research account for

fiscal year 2019..... \$200,000

General Fund: For transfer to the basic education

account for fiscal year 2018 \$105,200,000

The amount transferred represents the monetary

sanctions accrued from August 13, 2015, through

June 30, 2018, under the order of the state supreme

court of August 13, 2015, in *McCleary v. State*.

General Fund: For transfer to the disaster response

account for fiscal year 2018 \$51,000,000

Oil Spill Response Account: For transfer to the oil

spill prevention account for fiscal year 2018,

to be transferred no later than April 1, 2018 \$4,721,000

General Fund: For transfer to the Washington

internet crimes against children account for fiscal

year 2018..... \$3,000,000

Funeral and Cemetery Account: For transfer to the

skeletal human remains assistance account for fiscal

year 2018..... \$15,000

PART IX

MISCELLANEOUS

Sec. 901. RCW 43.41.433 and 2017 3rd sp.s. c 1 s 950 are each amended to read as follows:

(1) The information technology investment revolving account is created in the custody of the state treasurer. All receipts from legislative appropriations and transfers must be deposited into the account. Only the director of financial management or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) Any residual balance of funds remaining in the information technology investment revolving account created in section 705, chapter 4, Laws of 2015 3rd sp. sess. and reenacted in subsection (1) of this section shall be transferred to the information technology investment revolving account created in subsection (1) of this section after June 30, 2017.

Sec. 902. 2017 3rd sp.s. c 1 s 936 (uncodified) is amended to read as follows:

COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE BENEFITS

An agreement was reached for the 2017-2019 biennium between the governor and the health care super coalition under the provisions of chapter 41.80 RCW. Appropriations in this act for state agencies, including institutions of higher education, are sufficient to implement the provisions of the 2017-2019 collective bargaining agreement, and are subject to the following conditions and limitations:

(1) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$913 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate shall not exceed ((~~\$957~~) \$926 per eligible employee.

(2) Except as provided by the parties' health care agreement, in order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes

to benefits consistent with RCW 41.05.065. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment. The surcharge payments shall be collected in addition to the member premium payment.

(3) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts may not be used for administrative expenditures.

Sec. 903. 2017 3rd sp.s. c 1 s 937 (uncodified) is amended to read as follows:

**COMPENSATION—REPRESENTED EMPLOYEES
OUTSIDE SUPER COALITION—INSURANCE
BENEFITS**

Appropriations for state agencies in this act are sufficient for represented employees outside the super coalition for health benefits, and are subject to the following conditions and limitations:

(1) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, may not exceed \$913 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate may not exceed (~~\$957~~) \$926 per eligible employee.

(2) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or other changes to benefits consistent with RCW 41.05.065. The board shall collect a twenty-five dollar per month surcharge payment from members who use

tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment. The surcharge payments shall be collected in addition to the member premium payment.

(3) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts may not be used for administrative expenditures.

Sec. 904. 2017 3rd sp.s. c 1 s 942 (uncodified) is amended to read as follows:

**COMPENSATION—NONREPRESENTED
EMPLOYEES—INSURANCE BENEFITS**

Appropriations for state agencies in this act are sufficient for nonrepresented state employee health benefits for state agencies, including institutions of higher education, and are subject to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan, may not exceed \$913 per eligible employee for fiscal year 2018. For fiscal year 2019, the monthly employer funding rate may not exceed (~~\$957~~) \$926 per eligible employee.

(b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse

or domestic partner where the spouse or domestic partner has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the public employees' benefits board plan with the largest enrollment. The surcharge payments shall be collected in addition to the member premium payment. All savings resulting from reduced claim costs or other factors identified after December 31, 2016, must be reserved for reducing expenditures in the current biennium, or for funding employee health benefits in the 2019-2021 fiscal biennium, and shall not be used to increase benefits, except as provided in (c) of this subsection.

(c) The funding is sufficient for a new virtual diabetes prevention program, and for a change in the waiting period for dental crown replacements in the uniform dental program from seven years to five years.

(d) The health care authority shall deposit any moneys received on behalf of the uniform medical plan as a result of rebates on prescription drugs, audits of hospitals, subrogation payments, or any other moneys recovered as a result of prior uniform medical plan claims payments, into the public employees' and retirees' insurance account to be used for insurance benefits. Such receipts may not be used for administrative expenditures.

(2) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for medicare, pursuant to RCW 41.05.085. For calendar year ~~((s))~~ 2018 ~~((and 2019))~~, the subsidy shall be up to \$150 per month. For calendar year 2019, the subsidy shall be up to \$168 per month. The public employees' benefits board may not authorize under RCW 41.05.085, and the health care authority may not provide, a subsidy under this subsection of more than \$150 per month in calendar year 2018, and \$168 in calendar year 2019. Funds from reserves accumulated for future adverse claims experience, from past favorable claims experience, or otherwise, may not be used to increase this retiree subsidy beyond what is authorized by the legislature in this subsection.

(3) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit into the public employees' and retirees' insurance account established in RCW 41.05.120 the following amounts:

(a) For each full-time employee, \$64.07 per month beginning September 1, 2017, and ~~((~~\$68.67~~))~~ \$71.08 beginning September 1, 2018;

(b) For each part-time employee, who at the time of the remittance is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, \$64.07 each month beginning September 1, 2017, and ~~((~~\$68.67~~))~~ \$71.08 beginning September 1, 2018, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives. The remittance requirements specified in this subsection do not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

Sec. 905. RCW 80.36.690 and 2013 2nd sp.s. c 8 s 208 are each amended to read as follows:

(1) The universal communications services account is created in the custody of the state treasurer. Revenues to the account consist of moneys deposited in the account by the legislature and any penalties or other recoveries received pursuant to RCW 80.36.670. Expenditures from the account may be used only for the purposes of the universal communications services program established in RCW 80.36.650. During the 2017-19 biennium, expenditures from the account may also be used for grants to local governments and federally recognized tribes to provide high-speed, open access broadband services to rural and underserved communities. Only the secretary of the commission or the secretary's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) This section expires July 1, 2020.

Sec. 906. RCW 28B.20.476 and 2013 2nd sp.s. c 4 s 960 are each amended to read as follows:

The geoduck aquaculture research account is created in the custody of the state treasurer. All receipts from any legislative appropriations, the aquaculture industry, or any other private or public source directed to the account must be deposited in the account. Expenditures from the account may only be used by the sea grant program for the geoduck research projects identified by RCW 28B.20.475. Only the president of the University of Washington or the president's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. During the ~~((2013-2015))~~ 2017-2019 fiscal biennium, amounts available in the geoduck aquaculture research account may also be appropriated for the sea grant program at the University of Washington to conduct research examining the possible negative and positive effects of evolving shellfish aquaculture techniques and practices on Washington's economy and marine ecosystems. It is the intent of the legislature that this policy be continued in future biennia.

Sec. 907. 2017 3rd sp.s. c 1 s 944 (uncodified) is amended to read as follows:

**INITIATIVE 732 COST-OF-LIVING
INCREASES**

Part IX of this act authorizes general wage increases for state employees covered by Initiative Measure No. 732. The general wage increases on July 1, 2017, and July 1, 2018, provide a portion of the annual cost-of-living adjustments required under Initiative Measure No. 732. Funding is also provided for additional increases of three-tenths of a percent on July 1, 2017, and ~~((seven-tenths of a))~~ one percent on July 1, 2018, for cost-of-living adjustments under the initiative. Funding is provided for a salary increase on January 1, 2019, of ~~((one))~~ seven-tenths of a percent for these employees, for a nominal total of a six percent increase during the 2017-2019 fiscal biennium.

NEW SECTION. Sec. 908. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:

A paid family and medical leave program was created by chapter 5, Laws of 2017 3rd sp. sess. The state, as an employer, will be responsible for payment

of employer premiums for employees beginning January 1, 2019, other than those covered by a collective bargaining agreement. Funding is provided for this obligation.

Sec. 909. RCW 41.26.802 and 2017 3rd sp.s. c 1 s 964 are each amended to read as follows:

(1) By September 30, 2011, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer five million dollars to the local public safety enhancement account.

(2) By September 30, 2019, and by September 30 of each odd-numbered year thereafter, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer the lesser of one-third of the increase, or fifty million dollars, to the local public safety enhancement account.

(3) It is the intent of the legislature to fund any distribution in 2019 and 2021 dedicated to the local law enforcement officers' and firefighters' retirement system benefits improvement account through alternate means, which may include transfers from the law enforcement officers' and firefighters' plan 2 retirement fund.

Sec. 910. RCW 69.50.530 and 2016 sp.s. c 36 s 942 are each amended to read as follows:

The dedicated marijuana account is created in the state treasury. All moneys received by the state liquor and cannabis board, or any employee thereof, from marijuana-related activities must be deposited in the account. Unless otherwise provided in chapter 4, Laws of 2015 2nd sp. sess., all marijuana excise taxes collected from sales of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products under RCW 69.50.535, and the license fees, penalties, and forfeitures derived under this chapter from marijuana producer, marijuana processor, marijuana researcher, and marijuana retailer licenses, must be deposited in the account. Moneys in the account may only be spent after appropriation. During the 2015-2017 and 2017-2019 fiscal ~~((biennium))~~ biennia, the legislature

may transfer from the dedicated marijuana account to the basic health plan trust account such amounts as reflect the excess fund balance of the account.

Sec. 911. RCW 69.50.540 and 2017 3rd sp.s. c 1 s 979 are each amended to read as follows:

The legislature must annually appropriate moneys in the dedicated marijuana account created in RCW 69.50.530 as follows:

(1) For the purposes listed in this subsection (1), the legislature must appropriate to the respective agencies amounts sufficient to make the following expenditures on a quarterly basis:

(a) Beginning July 1, 2015, one hundred twenty-five thousand dollars to the department of social and health services to design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and state liquor and cannabis board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;

(b) Beginning July 1, 2015, fifty thousand dollars to the department of social and health services for the purpose of contracting with the Washington state institute for public policy to conduct the cost-benefit evaluation and produce the reports described in RCW 69.50.550. This appropriation ends after production of the final report required by RCW 69.50.550;

(c) Beginning July 1, 2015, five thousand dollars to the University of Washington alcohol and drug abuse

institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by marijuana use;

(d)(i) An amount not less than one million two hundred fifty thousand dollars to the state liquor and cannabis board for administration of this chapter as appropriated in the omnibus appropriations act; ~~((and))~~

(ii) ~~((Three hundred fifty one thousand seven hundred fifty))~~ Two million six hundred fifty-one thousand seven hundred fifty dollars for fiscal year 2018 and three hundred fifty-one thousand seven hundred fifty dollars for fiscal year 2019 to the health professions account established under RCW 43.70.320 for the development and administration of the marijuana authorization database by the department of health~~((. It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium))~~;

(iii) Two million eight hundred three thousand dollars for fiscal year 2019 to the Washington state patrol for a drug enforcement task force. It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium; and

(iv) One hundred eighty thousand dollars for fiscal year 2019 to the department of ecology for accreditation of marijuana product testing laboratories. It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium.

(e) Twenty-three thousand seven hundred fifty dollars to the department of enterprise services provided solely for the state building code council established under RCW 19.27.070, to develop and adopt fire and building code provisions related to marijuana processing and extraction facilities. The distribution under this subsection (1)(e) is for fiscal year 2016 only;

(2) From the amounts in the dedicated marijuana account after appropriation of the amounts identified in subsection (1) of this section, the legislature must appropriate for the purposes listed in this subsection (2) as follows:

(a)(i) Up to fifteen percent to the department of social and health services division of behavioral health and recovery for the development, implementation, maintenance, and evaluation of programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women; PROVIDED, That:

(A) Of the funds appropriated under (a)(i) of this subsection for new programs and new services, at least eighty-five percent must be directed to evidence-based or research-based programs and practices that produce objectively measurable results and, by September 1, 2020, are cost-beneficial; and

(B) Up to fifteen percent of the funds appropriated under (a)(i) of this subsection for new programs and new services may be directed to proven and tested practices, emerging best practices, or promising practices.

(ii) In deciding which programs and practices to fund, the secretary of the department of social and health services must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute.

(iii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of twenty-seven million seven hundred eighty-six thousand dollars, and for each subsequent fiscal year thereafter, the legislature must appropriate a minimum of twenty-five million five hundred thirty-six thousand dollars under this subsection (2)(a);

(b)(i) Up to ten percent to the department of health for the following, subject to (b)(ii) of this subsection (2):

(A) Creation, implementation, operation, and management of a marijuana education and public health program that contains the following:

(I) A marijuana use public health hotline that provides referrals to substance abuse treatment providers, utilizes evidence-based or research-based public health approaches to minimizing the harms associated with marijuana use, and does not solely advocate an abstinence-only approach;

(II) A grants program for local health departments or other local community agencies that supports development and implementation of coordinated intervention strategies for the prevention and reduction of marijuana use by youth; and

(III) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by marijuana use;

(B) The Washington poison control center; and

(C) During the 2015-2017 fiscal biennium, the funds appropriated under this subsection (2)(b) may be used for prevention activities that target youth and populations with a high incidence of tobacco use.

(ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of seven million five hundred thousand dollars and for each subsequent fiscal year thereafter, the legislature must appropriate a minimum of nine million seven hundred fifty thousand dollars under this subsection (2)(b);

(c)(i) Up to six-tenths of one percent to the University of Washington and four-tenths of one percent to Washington State University for research on the short and long-term effects of marijuana use, to include but not be limited to formal and informal methods for estimating and measuring intoxication and impairment, and for the dissemination of such research.

(ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of two hundred seven thousand dollars and for each subsequent fiscal year, except for the 2017-2019 fiscal biennium, the legislature must appropriate a minimum of one million twenty-one thousand dollars to the University of Washington. For the

fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of one hundred thirty-eight thousand dollars and for each subsequent fiscal year thereafter, except for the 2017-2019 fiscal biennium, a minimum of six hundred eighty-one thousand dollars to Washington State University under this subsection (2)(c). It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium;

(d) Fifty percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;

(e) Five percent to the Washington state health care authority to be expended exclusively through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;

(f)(i) Up to three-tenths of one percent to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW.

(ii) For the fiscal year beginning July 1, 2016, and each subsequent fiscal year, the legislature must appropriate a minimum of five hundred eleven thousand dollars to the office of the superintendent of public instruction under this subsection (2)(f); and

(g) At the end of each fiscal year, the treasurer must transfer any amounts in the dedicated marijuana account that are not appropriated pursuant to subsection (1) of this section and this subsection (2) into the general fund, except as provided in (g)(i) of this subsection (2).

(i) Beginning in fiscal year 2018, if marijuana excise tax collections deposited into the general fund in the prior fiscal year exceed twenty-five million dollars, then each fiscal year the legislature must appropriate an amount equal to thirty percent of all marijuana excise taxes deposited into the general fund the prior fiscal year to the treasurer for distribution to counties, cities, and towns as follows:

(A) Thirty percent must be distributed to counties, cities, and towns where licensed marijuana retailers are

physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (2)(g)(i)(A) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed marijuana retailers physically located in each jurisdiction. For purposes of this subsection (2)(g)(i)(A), one hundred percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town.

(B) Seventy percent must be distributed to counties, cities, and towns ratably on a per capita basis. Counties must receive sixty percent of the distribution, which must be disbursed based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer.

(ii) Distribution amounts allocated to each county, city, and town must be distributed in four installments by the last day of each fiscal quarter.

(iii) By September 15th of each year, the state liquor and cannabis board must provide the state treasurer the annual distribution amount, if any, for each county and city as determined in (g)(i) of this subsection (2).

(iv) The total share of marijuana excise tax revenues distributed to counties and cities in (g)(i) of this subsection (2) may not exceed ~~((six))~~ fifteen million dollars in fiscal years 2018 and 2019 and twenty million dollars per fiscal year thereafter. ~~((However, if the February 2018 forecast of state revenues for the general fund in the 2017-2019 fiscal biennium exceeds the amount estimated in the June 2017 revenue forecast by over eighteen million dollars after adjusting for changes directly related to legislation adopted in the 2017 legislative session, the total share of marijuana excise tax revenue distributed to counties and cities in (g)(i) of this subsection (2) may not exceed fifteen million dollars in fiscal years 2018 and 2019.))~~ It is the intent of the legislature that the policy for the maximum distributions in the subsequent fiscal biennia will be no more than ~~((six))~~ fifteen million dollars per fiscal year.

For the purposes of this section, "marijuana products" means "useable marijuana," "marijuana concentrates," and "marijuana-infused products" as those terms are defined in RCW 69.50.101.

Sec. 912. RCW 70.105D.070 and 2017 3rd sp.s. c 1 s 980 are each amended to read as follows:

(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2)(a) Moneys collected under RCW 82.21.030 must be deposited as follows: Fifty-six percent to the state toxics control account under subsection (3) of this section and forty-four percent to the local toxics control account under subsection (4) of this section. When the cumulative amount of deposits made to the state and local toxics control accounts under this section reaches the limit during a fiscal year as established in (b) of this subsection, the remainder of the moneys collected under RCW 82.21.030 during that fiscal year must be deposited into the environmental legacy stewardship account created in RCW 70.105D.170.

(b) The limit on distributions of moneys collected under RCW 82.21.030 to the state and local toxics control accounts for the fiscal year beginning July 1, 2013, is one hundred forty million dollars.

(c) In addition to the funds required under (a) of this subsection, the following moneys must be deposited into the state toxics control account: (i) The costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (ii) penalties collected or recovered under this chapter; and (iii) any other money appropriated or transferred to the account by the legislature.

(3) Moneys in the state toxics control account must be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(a) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(b) The state's responsibility for solid waste planning, management, regulation, enforcement, technical

assistance, and public education required under chapter 70.95 RCW;

(c) The hazardous waste clean-up program required under this chapter;

(d) State matching funds required under federal cleanup law;

(e) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(f) State government programs for the safe reduction, recycling, or disposal of paint and hazardous wastes from households, small businesses, and agriculture;

(g) Oil and hazardous materials spill prevention, preparedness, training, and response activities;

(h) Water and environmental health protection and monitoring programs;

(i) Programs authorized under chapter 70.146 RCW;

(j) A public participation program;

(k) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both: (i) A substantially more expeditious or enhanced cleanup than would otherwise occur; and (ii) the prevention or mitigation of unfair economic hardship;

(l) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;

(m) State agriculture and health programs for the safe use, reduction, recycling, or disposal of pesticides;

(n) Stormwater pollution control projects and activities that protect or preserve existing remedial actions or prevent hazardous clean-up sites;

(o) Funding requirements to maintain receipt of federal funds under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et seq.);

(p) Air quality programs and actions for reducing public exposure to toxic air pollution;

(q) Public funding to assist prospective purchasers to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) if:

(i) The facility is located within a redevelopment opportunity zone designated under RCW 70.105D.150;

(ii) The amount and terms of the funding are established under a settlement agreement under RCW 70.105D.040(5); and

(iii) The director has found the funding meets any additional criteria established in rule by the department, will achieve a substantially more expeditious or enhanced cleanup than would otherwise occur, and will provide a public benefit in addition to cleanup commensurate with the scope of the public funding;

(r) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters;

(s) Appropriations to the local toxics control account or the environmental legacy stewardship account created in RCW 70.105D.170, if the legislature determines that priorities for spending exceed available funds in those accounts;

(t) During the ~~((2015-2017 and))~~ 2017-2019 fiscal ~~((biennia))~~ biennium, the department of ecology's water quality, shorelands, environmental assessment, administration, and air quality programs;

~~((u) ((During the 2013-2015 fiscal biennium, actions at the state conservation commission to improve water quality for shellfish;~~

~~((v) During the 2013-2015 and 2015-2017 fiscal biennia, actions at the University of Washington for reducing ocean acidification;~~

~~((w))~~ During the ~~((2015-2017 and))~~ 2017-2019 fiscal ~~((biennia))~~ biennium, for the University of Washington Tacoma soil remediation project; and

~~((x) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be spent on projects in section 3160, chapter 19, Laws of 2013 2nd sp. sess. and for transfer to the local toxics control account;~~

~~((y) For the 2013-2015 fiscal biennium, moneys in the state toxics control~~

~~account may be transferred to the radioactive mixed waste account; and~~

~~((z))~~ (v) For the ~~((2015-2017 and))~~ 2017-2019 fiscal ~~((biennia))~~ biennium, forest practices regulation at the department of natural resources.

(4) (a) The department shall use moneys deposited in the local toxics control account for grants or loans to local governments for the following purposes in descending order of priority:

(i) Extended grant agreements entered into under ~~((e))~~ (c) (i) of this subsection;

(ii) Remedial actions, including planning for adaptive reuse of properties as provided for under ~~((e))~~ (c) (iv) of this subsection. The department must prioritize funding of remedial actions at:

(A) Facilities on the department's hazardous sites list with a high hazard ranking for which there is an approved remedial action work plan or an equivalent document under federal cleanup law;

(B) Brownfield properties within a redevelopment opportunity zone if the local government is a prospective purchaser of the property and there is a department-approved remedial action work plan or equivalent document under the federal cleanup law;

(iii) Stormwater pollution source projects that: (A) Work in conjunction with a remedial action; (B) protect completed remedial actions against recontamination; or (C) prevent hazardous clean-up sites;

(iv) Hazardous waste plans and programs under chapter 70.105 RCW;

(v) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; and

(vii) Appropriations to the state toxics control account or the environmental legacy stewardship account created in RCW 70.105D.170, if the legislature determines that priorities for spending exceed available funds in those accounts.

(b) Funds for plans and programs must be allocated consistent with the

priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW.

~~(c) ((During the 2013-2015 fiscal biennium, the local toxics control account may also be used for local government stormwater planning and implementation activities.~~

~~(d) During the 2013-2015 fiscal biennium, the legislature may transfer from the local toxics control account to the state general fund, such amounts as reflect the excess fund balance in the account.~~

~~(e))~~ To expedite cleanups throughout the state, the department may use the following strategies when providing grants to local governments under this subsection:

(i) Enter into an extended grant agreement with a local government conducting remedial actions at a facility where those actions extend over multiple biennia and the total eligible cost of those actions exceeds twenty million dollars. The agreement is subject to the following limitations:

(A) The initial duration of such an agreement may not exceed ten years. The department may extend the duration of such an agreement upon finding substantial progress has been made on remedial actions at the facility;

(B) Extended grant agreements may not exceed fifty percent of the total eligible remedial action costs at the facility; and

(C) The department may not allocate future funding to an extended grant agreement unless the local government has demonstrated to the department that funds awarded under the agreement during the previous biennium have been substantially expended or contracts have been entered into to substantially expend the funds;

(ii) Enter into a grant agreement with a local government conducting a remedial action that provides for periodic reimbursement of remedial action costs as they are incurred as established in the agreement;

(iii) Enter into a grant agreement with a local government prior to it acquiring a property or obtaining necessary access to conduct remedial actions, provided the agreement is conditioned upon the local government

acquiring the property or obtaining the access in accordance with a schedule specified in the agreement;

(iv) Provide integrated planning grants to local governments to fund studies necessary to facilitate remedial actions at brownfield properties and adaptive reuse of properties following remediation. Eligible activities include, but are not limited to: Environmental site assessments; remedial investigations; health assessments; feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; economic and fiscal analyses; and any environmental analyses under chapter 43.21C RCW;

(v) Provide grants to local governments for remedial actions related to area-wide groundwater contamination. To receive the funding, the local government does not need to be a potentially liable person or be required to seek reimbursement of grant funds from a potentially liable person;

(vi) The director may alter grant matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardship imposed by the clean-up liability;

(B) Funding would create new substantial economic development, public recreational opportunities, or habitat restoration opportunities that would not otherwise occur; or

(C) Funding would create an opportunity for acquisition and redevelopment of brownfield property under RCW 70.105D.040(5) that would not otherwise occur;

(vii) When pending grant applications under ~~((e))~~ (c) (iv) and (v) of this subsection (4) exceed the amount of funds available, designated redevelopment opportunity zones must receive priority for distribution of available funds.

~~((f))~~ (d) To expedite multiparty clean-up efforts, the department may purchase remedial action cost-cap insurance. ~~((For the 2013-2015 fiscal biennium, moneys in the local toxics control account may be spent on projects in sections 3024, 3035, 3036, and 3059, chapter 19, Laws of 2013 2nd sp. sess.))~~

(5) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.

(6) No moneys deposited into either the state or local toxics control account may be used for: Natural disasters where there is no hazardous substance contamination; high performance buildings; solid waste incinerator facility feasibility studies, construction, maintenance, or operation; or ~~((after January 1, 2010, for))~~ projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310. However, this subsection does not prevent an appropriation from the state toxics control account to the department of revenue to enforce compliance with the hazardous substance tax imposed in chapter 82.21 RCW.

(7) ~~((Except during the 2011-2013 and the 2015-2017 fiscal biennia,))~~ One percent of the moneys collected under RCW 82.21.030 shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation that are not expended at the close of any biennium revert to the state toxics control account.

(8) The department shall adopt rules for grant or loan issuance and performance. To accelerate both remedial action and economic recovery, the department may expedite the adoption of rules necessary to implement chapter 1, Laws of 2013 2nd sp. sess. using the expedited procedures in RCW 34.05.353. The department shall initiate the award of financial assistance by August 1, 2013. To ensure the adoption of rules will not delay financial assistance, the department may administer the award of financial assistance through

interpretive guidance pending the adoption of rules through July 1, 2014.

(9) Except as provided under subsection (3)(k) and (q) of this section, nothing in chapter 1, Laws of 2013 2nd sp. sess. affects the ability of a potentially liable person to receive public funding.

~~(10) ((During the 2015-2017 fiscal biennium the local toxics control account may also be used for the centennial clean water program and for the stormwater financial assistance program administered by the department of ecology.~~

~~(11))~~ During the 2017-2019 biennium:

(a) The state toxics control account, the local toxics control account, and the environmental legacy stewardship account may be used for interchangeable purposes and funds may be transferred between accounts to accomplish those purposes.

(b) The legislature may direct the state treasurer to make transfers of moneys in the state toxics control account to the water pollution control revolving account.

Sec. 913. RCW 77.12.203 and 2017 3rd sp.s. c 1 s 984 are each amended to read as follows:

(1) Except as provided in subsection (5) of this section and notwithstanding RCW 84.36.010 or other statutes to the contrary, the director must pay by April 30th of each year on game lands, regardless of acreage, in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes equal to that amount paid on similar parcels of open space land taxable under chapter 84.34 RCW or the greater of seventy cents per acre per year or the amount paid in 1984 plus an additional amount for control of noxious weeds equal to that which would be paid if such lands were privately owned. This amount may not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, or public fishing areas.

(2) "Game lands," as used in this section and RCW 77.12.201, means those tracts, regardless of acreage, owned in fee by the department and used for wildlife habitat and public recreational purposes. All lands purchased for wildlife habitat, public access, or

recreation purposes with federal funds in the Snake River drainage basin are considered game lands regardless of acreage.

(3) This section does not apply to lands transferred after April 23, 1990, to the department from other state agencies.

(4) The county must distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county must distribute the amount received under this section for weed control to the appropriate weed district.

(5) For the 2013-2015 and 2015-2017 fiscal biennia, the director must pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes and must be distributed as follows:

County

Adams	1,909
Asotin	36,123
Chelan	24,757
Columbia	7,795
Ferry	6,781
Garfield	4,840
Grant	37,443
Kittitas	143,974
Klickitat	21,906
Lincoln	13,535
Okanogan	151,402
Pend Oreille	3,309
Yakima	126,225

These amounts may not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, or public fishing areas.

(6) For the 2017-2019 fiscal biennium, the director must pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes and must be distributed as follows:

County

Adams	((1,235)) <u>1,817</u>
Asotin	((26,425)) <u>38,891</u>
Chelan	((39,858)) <u>58,661</u>
Columbia	((20,713)) <u>30,485</u>
Ferry	((22,798)) <u>33,554</u>
Garfield	((12,744)) <u>18,757</u>
Grant	((71,930)) <u>105,865</u>
Kittitas	((382,638)) <u>563,154</u>
Klickitat	((51,019)) <u>75,088</u>
Lincoln	((13,000)) <u>19,133</u>
Okanogan	((264,036)) <u>388,600</u>
Pend Oreille	((5,546)) <u>8,162</u>
Yakima	((186,056)) <u>273,831</u>

These amounts may not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, or public fishing areas.

Sec. 914. RCW 79.105.150 and 2017 3rd sp.s. c 1 s 987 are each amended to read as follows:

(1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. During the ~~((2013-2015, 2015-2017, and))~~ 2017-2019 fiscal ~~((biennia))~~ biennium, the aquatic lands enhancement account may be used to support the shellfish program, the ballast water program, hatcheries, the Puget Sound toxic sampling program and steelhead mortality research at the department of fish and wildlife, the knotweed program at the department of agriculture, actions at the University of Washington for reducing ocean acidification, which may include the creation of a center on ocean acidification, the Puget SoundCorps program, and support of the marine

resource advisory council and the Washington coastal marine advisory council. During the ~~((2013-2015))~~ 2017-2019 fiscal biennium, the legislature may transfer from the aquatic lands enhancement account to the geoduck aquaculture research account for research related to shellfish aquaculture. ~~((During the 2015-2017 fiscal biennium, the legislature may transfer moneys from the aquatic lands enhancement account to the marine resources stewardship trust account.))~~

(2) In providing grants for aquatic lands enhancement projects, the recreation and conservation funding board shall:

(a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications;

(b) Utilize the statement of environmental benefits, consideration, except as provided in RCW 79.105.610, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, whether a project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, and except as otherwise provided in RCW 79.105.630, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the applicant is an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030 in its prioritization and selection process; and

(c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.

(3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.

(4) The department shall consult with affected interest groups in implementing this section.

(5) ~~((After January 1, 2010,))~~ Any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda

developed by the Puget Sound partnership under RCW 90.71.310.

Sec. 915. RCW 86.26.007 and 2015 3rd sp.s. c 4 s 978 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. ~~((At the beginning of the 2005-2007 fiscal biennium, the state treasurer shall transfer three million dollars from the general fund to the flood control assistance account.))~~ Each biennium ~~((thereafter))~~ the state treasurer shall transfer four million dollars from the general fund to the flood control assistance account ~~((, except that during the 2011-2013 fiscal biennium, the state treasurer shall transfer one million dollars from the general fund to the flood control assistance account))~~. Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter. ~~((During the 2013-2015 fiscal biennium and the 2015-2017 fiscal biennium, the legislature may transfer from the flood control assistance account to the state general fund such amounts as reflect the excess fund balance of the account.))~~ During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the flood control assistance account to the state general fund.

Sec. 916. RCW 90.56.500 and 2015 c 274 s 6 are each amended to read as follows:

(1) The state oil spill response account is created in the state treasury. All receipts from RCW 82.23B.020(1) shall be deposited in the account. All costs reimbursed to the state by a responsible party or any other person for responding to a spill of oil shall also be deposited in the account. Moneys in the account shall be spent only after appropriation. The account is subject to allotment procedures under chapter 43.88 RCW.

(2)(a) The account shall be used exclusively to pay for:

(i) The costs associated with the response to spills or imminent threats of spills of crude oil or petroleum products into the waters of the state; and

(ii) The costs associated with the department's use of an emergency response towing vessel.

(b) During the (~~(2015-2017)~~) 2017-2019 biennium, the legislature may transfer up to (~~(two million two hundred twenty-five)~~) four million seven hundred twenty-one thousand dollars from the account to the oil spill prevention account created in RCW 90.56.510.

(3) Payment of response costs under subsection (2)(a)(i) of this section shall be limited to spills which the director has determined are likely to exceed one thousand dollars.

(4) Before expending moneys from the account, but without delaying response activities, the director shall make reasonable efforts to obtain funding for response costs under subsection (2) of this section from the person responsible for the spill and from other sources, including the federal government.

(5) Reimbursement for response costs from this account shall be allowed only for costs which are not covered by funds appropriated to the agencies responsible for response activities. Costs associated with the response to spills of crude oil or petroleum products shall include:

(a) Natural resource damage assessment and related activities;

(b) Spill related response, containment, wildlife rescue, cleanup, disposal, and associated costs;

(c) Interagency coordination and public information related to a response; and

(d) Appropriate travel, goods and services, contracts, and equipment.

Sec. 917. RCW 18.39.810 and 2009 c 102 s 24 are each amended to read as follows:

The funeral and cemetery account is created in the custody of the state treasurer. All receipts from fines and fees collected under this chapter and chapter 68.05 RCW must be deposited in the account. Expenditures from the account may be used only to carry out the duties required for the operation and enforcement of this chapter and chapter 68.05 RCW. Only the director of licensing or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. During the 2017-2019 biennium, the legislature may transfer

moneys from the funeral and cemetery account to the skeletal human remains assistance account.

NEW SECTION. Sec. 918. A new section is added to chapter 28A.150 RCW to read as follows:

The basic education account is created in the state treasury. Moneys in the account may be spent only after appropriation. Revenues to the account consist of moneys transferred to the account pursuant to legislative directive. The legislature may appropriate from the account only for purposes of the state's program of basic education as defined in RCW 28A.150.220.

NEW SECTION. Sec. 919. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:

(1) The legislature finds that the frequency and severity of natural disasters are taking a toll on states and their budgets and has stressed federal agencies and their capacity to respond. While the highest priority in preparing for and responding to disasters is saving lives, defining, protecting, and restoring critical infrastructure is crucial to saving lives and helping people and communities recover and rebuild.

(2) The joint legislative task force on critical infrastructure is established with membership as follows:

(a) The chair and ranking minority member of the senate committees on: (i) State government, tribal relations, and elections; and (ii) energy, environment, and technology;

(b) One member from each of the two largest caucuses in the senate appointed by the president of the senate;

(c) The chair and ranking minority member of the house of representative committees on: (i) Community development, housing, and tribal affairs; and (ii) public safety; and

(d) One member from each of the two largest caucuses in the house of representatives appointed by the speaker.

(3) The task force shall choose a chair or co-chairs from among its members. The chair of the senate state government, tribal relations, and elections committee and the chair of the house of representatives community development,

housing, and tribal affairs committee will convene the first meeting of the task force.

(4) The task force must, among other things:

(a) Make a recommendation for funding an all hazard mitigation analysis;

(b) Analyze levels of insurance and the viability of parametric insurance;

(c) Review current approaches and plans for reducing loss of life, mitigating property losses, and recovering and rebuilding in the event of a natural disaster or other catastrophe;

(d) Define critical infrastructure that must be protected and restored in order to reduce loss of life, mitigate property losses, and enable communities to recover and rebuild in the event of a natural disaster or other catastrophe; and

(e) Make findings and recommendations, including proposed legislation if applicable, on protecting and restoring critical infrastructure in the event of a natural disaster or other catastrophe.

(5) The task force should seek input broadly, particularly from experts at all levels of government, tribes, and the private sector, and include both standard and innovative approaches to rebuild and recover, including financing these efforts. Examples of monetary assistance includes federal disaster programs for public and private recovery efforts, state and local bonding for public infrastructure, and insurance, including parametric insurance policies.

(6) The task force will be staffed by the house office of program research and senate committee services.

(7) The task force shall report its findings and any recommendations or proposed legislation to the committees identified in subsection (2)(a) and (c) of this section by December 15, 2018.

(8) This section expires on December 31, 2018.

Sec. 920. 2017 c 290 s 2 (uncodified) is amended to read as follows:

(1)(a) The joint legislative task force on sexual assault forensic examination best practices is established for the purpose of reviewing best practice models for managing all aspects of sexual assault examinations

and for reducing the number of untested sexual assault examination kits in Washington state that were collected prior to the effective date of this section.

(i) The caucus leaders from the senate shall appoint one member from each of the two largest caucuses of the senate.

(ii) The caucus leaders from the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives.

(iii) The president of the senate and the speaker of the house of representatives shall jointly appoint:

(A) One member representing each of the following:

(I) The Washington state patrol;

(II) The Washington association of sheriffs and police chiefs;

(III) The Washington association of prosecuting attorneys;

(IV) The Washington defender association or the Washington association of criminal defense lawyers;

(V) The Washington association of cities;

(VI) The Washington association of county officials;

(VII) The Washington coalition of sexual assault programs;

(VIII) The office of crime victims advocacy;

(IX) The Washington state hospital association;

(X) The Washington state forensic investigations council;

(XI) A public institution of higher education as defined in RCW 28B.10.016;

(XII) A private higher education institution as defined in RCW 28B.07.020; and

(XIII) The office of the attorney general; and

(B) Two members representing survivors of sexual assault.

(b) The task force shall choose two cochairs from among its legislative membership. The legislative membership shall convene the initial meeting of the task force.

(2) The duties of the task force include, but are not limited to:

(a) Researching and determining the number of untested sexual assault examination kits in Washington state;

(b) Researching the locations where the untested sexual assault examination kits are stored;

(c) Researching, reviewing, and making recommendations regarding legislative policy options for reducing the number of untested sexual assault examination kits;

(d) Researching the best practice models both in state and from other states for collaborative responses to victims of sexual assault from the point the sexual assault examination kit is collected to the conclusion of the investigation and providing recommendations regarding any existing gaps in Washington and resources that may be necessary to address those gaps; and

(e) Researching, identifying, and making recommendations for securing nonstate funding for testing the sexual assault examination kits, and reporting on progress made toward securing such funding.

(3) Staff support for the task force must be provided by the senate committee services and the house of representatives office of program research.

(4) Legislative members of the task force must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(5) The expenses of the task force must be paid jointly by the senate and the house of representatives. Task force meetings and expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(6) The first meeting of the task force must occur prior to October 1, 2015. The task force shall submit a preliminary report regarding its initial findings and recommendations to the appropriate committees of the legislature and the governor no later than December 1, 2015.

(7) The task force must meet no less than twice annually.

(8) The task force shall report its findings and recommendations to the appropriate committees of the legislature and the governor by September 30, 2016, and by December 1st of the following year.

(9) This section expires June 30, ~~(2018)~~ 2019.

NEW SECTION. **Sec. 921.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 922.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Representative Ormsby spoke in favor of the adoption of the amendment.

Representative Chandler spoke against the adoption of the amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Lovick presiding) divided the House. The result was 50 - YEAS; 48 - NAYS.

Amendment (1195) was adopted.

The bill was ordered engrossed.

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

Representatives Ormsby, Robinson, Chapman and Sullivan spoke in favor of the passage of the bill.

Representatives Chandler, Kraft, Nealey, MacEwen, Walsh and Taylor spoke against the passage of the bill.

MOTION

On motion of Representative Hayes, Representatives DeBolt and Wilcox were excused.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6032, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6032, as amended by the House, and the bill passed the House by the following vote: Yeas, 50; Nays, 46; Absent, 0; Excused, 2.

Voting yea: Representatives Appleton, Bergquist, Blake, Chapman, Clibborn, Cody, Doglio, Dolan, 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, Valdez, Wylie and Mr. Speaker. \par Voting nay: Representatives Barkis, Buys, Caldier, Chandler, Condotta, Dent, Dye, Eslick, Graves, Griffey, Haler, Hargrove, Harmsworth, Harris, Hayes, Holy, Irwin, Jenkin, Johnson, Klippert, Kraft, Kretz, Kristiansen, MacEwen, Manweller, Maycumber, McCabe, McCaslin, McDonald, Muri, Nealey, Orcutt, Pike, Rodne, Schmick, Shea, Smith, Stambaugh, Steele, Stokesbary, Taylor, Van Werven, Vick, Volz, Walsh and Young. \par Excused: Representatives DeBolt and Wilcox.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6032, as amended by the House, having received the necessary constitutional majority, was declared passed.

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

REPORTS OF STANDING COMMITTEES

February 26, 2018

HB 2283 Prime Sponsor, Representative DeBolt: Encouraging investment in and reducing the costs of transitioning to the clean energy future. Reported by Committee on Finance

MAJORITY recommendation: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Technology & Economic Development. Signed by Representatives Lytton, Chair; Frame, Vice Chair; Orcutt, Ranking Minority Member; Dolan; Nealey; Pollet; Springer; Stokesbary and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Condotta and Wilcox.

Referred to Committee on Rules for second reading.

February 26, 2018

HB 2395 Prime Sponsor, Representative Tharinger: Concerning the capital budget. Reported by Committee on Capital Budget

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass.

Signed by Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye; Eslick; Kraft; MacEwen; Macri; Morris; Reeves; Riccelli; Ryu; Sells; Steele; Stonier; Volz and Walsh.

Referred to Committee on Rules for second reading.

February 26, 2018

HB 2988 Prime Sponsor, Representative Tharinger: Concerning the distribution of state forestland revenues for certain former state forestlands. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass. Signed by Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye; Eslick; Kraft; MacEwen; Macri; Morris; Reeves; Riccelli; Ryu; Sells; Steele; Stonier; Volz and Walsh.

Referred to Committee on Rules for second reading.

February 24, 2018

HB 2993 Prime Sponsor, Representative Sullivan: Transferring nine hundred ninety-five million eight hundred two thousand dollars from the budget stabilization account to the state general fund to offset the revenue impact of reducing the combined rate for state property tax levies to 2.365 dollars per thousand dollars of assessed value for taxes levied for collection in calendar year 2019 and to two dollars and thirty cents per thousand dollars of assessed value for taxes levied for collection in calendar year 2020. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Lytton, Chair; Frame, Vice Chair; Dolan; Pollet; Springer and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Condotta; Nealey; Stokesbary and Wilcox.

Referred to Committee on Rules for second reading.

February 26, 2018

HB 2995 Prime Sponsor, Representative Tarleton: Concerning Washington's clean, affordable, and reliable energy future. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass.

Signed by Representatives Lytton, Chair; Frame, Vice Chair; Dolan; Nealey; Pollet; Springer and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Condotta; Stokesbary and Wilcox.

Referred to Committee on Appropriations.

February 26, 2018

HB 2998 Prime Sponsor, Representative Robinson: Providing a business and occupation tax exemption for accountable communities of health. Reported by Committee on Finance

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Lytton, Chair; Frame, Vice Chair; Orcutt, Ranking Minority Member; Condotta; Dolan; Nealey; Pollet; Springer; Stokesbary; Wilcox and Wylie.

Referred to Committee on Rules for second reading.

February 26, 2018

ESSB 5513 Prime Sponsor, Committee on Ways & Means: Increasing tax exemption transparency and accountability. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**NEW SECTION. Sec. 1.** It is the legislature's intent to incorporate a more explicit recognition of the fiscal impact of tax preferences on the state budget. This act reforms the tax preference expenditure process by explicitly including the fiscal impact of tax preference expenditures in the budget outlook document that is created as part of the biennial state budget process. This brings tax expenditures into the state budget process to protect the public's interest, make them more transparent and accountable, and help ensure they are producing results to meet the priorities of government.

Sec. 2. RCW 43.06.400 and 2013 c 225 s 605 are each amended to read as follows:

(1) Beginning in January ~~((1984))~~ 2019, and in January of every ~~((fourth))~~ second year thereafter, the department of revenue must submit to the legislature prior to the regular session a listing of the amount of reduction for the current

and next biennium in the revenues of the state or the revenues of local government collected by the state as a result of tax ~~((exemptions))~~ preferences. The listing must include an estimate of the revenue lost from the tax ~~((exemption))~~ preference, the purpose of the tax ~~((exemption))~~ preference, the persons, organizations, or parts of the population which benefit from the tax ~~((exemption))~~ preference, recommendations by the legislative auditor and citizen commission for performance measurement of tax preferences for any review of the tax preference under chapter 43.136 RCW, and whether or not the tax ~~((exemption))~~ preference conflicts with another state program. The listing must include but not be limited to the following revenue sources:

(a) Real and personal property tax exemptions under Title 84 RCW;

(b) Business and occupation tax exemptions, deductions, and credits under chapter 82.04 RCW;

(c) Retail sales and use tax exemptions under chapters 82.08, 82.12, and 82.14 RCW;

(d) Public utility tax exemptions and deductions under chapter 82.16 RCW;

(e) Food fish and shellfish tax exemptions under chapter 82.27 RCW;

(f) Leasehold excise tax exemptions under chapter 82.29A RCW;

(g) Motor vehicle and special fuel tax exemptions and refunds under chapter 82.38 RCW;

(h) Aircraft fuel tax exemptions under chapter 82.42 RCW;

(i) Motor vehicle excise tax exclusions under chapter 82.44 RCW; and

(j) Insurance premiums tax exemptions under chapter 48.14 RCW.

(2) The department of revenue must prepare the listing required by this section with the assistance of any other agencies or departments as may be required.

(3) The department of revenue must present the listing to the ways and means committees of each house in public hearings.

(4) Beginning in January ~~((1984))~~ 2019, and every ~~((four))~~ two years thereafter the governor is requested to

review the report from the department of revenue and may submit recommendations to the legislature with respect to the repeal or modification of any tax ~~((exemption. The ways and means committees of each house and the appropriate standing committee of each house must hold public hearings and take appropriate action on the recommendations submitted by the governor))~~ preference.

(5) As used in this section, "tax ~~((exemption))~~ preference" means an exemption, exclusion, or deduction from the base of a tax; a credit against a tax; a deferral of a tax; or a preferential tax rate.

~~((4) For purposes of the listing due in January 2012, the department of revenue does not have to prepare or update the listing with respect to any tax exemption that would not be likely to increase state revenue if the exemption was repealed or otherwise eliminated.))~~

NEW SECTION. Sec. 3. By November 1, 2018, the office of financial management must conduct discussions with the committee on finance in the house of representatives and the committee on ways and means in the senate to recommend the appropriate means to advance the transparency of discretionary tax preferences and consideration of their impact in budgeting through disclosure in the budget outlook pursuant to RCW 82.33.060 and the budget documents submitted to the Legislature pursuant to RCW 43.88.030. The recommendations may include, but are not limited to: (1) how to set minimum thresholds for inclusion based on the amount of revenue foregone by a tax preference in the biennium covered by the four year forecast; (2) whether there has been a review by the joint legislative audit and review committee or the citizen for performance measurement of tax preferences; and (3) how best to determine and publicly share the return on investment by the state for the identified tax preferences."

Correct the title.

Signed by Representatives Lytton, Chair; Frame, Vice Chair; Dolan; Pollet; Springer and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Condotta; Stokesbary and Wilcox.

MINORITY recommendation: Without recommendation. Signed by Representative Nealey.

Referred to Committee on Rules for second reading.

February 26, 2018

3SSB 5576 Prime Sponsor, Committee on Transportation: Addressing compliance with apprenticeship utilization requirements. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass. Signed by Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye; Eslick; Kraft; MacEwen; Macri; Morris; Reeves; Riccelli; Ryu; Sells; Steele; Stonier; Volz and Walsh.

Referred to Committee on Rules for second reading.

February 26, 2018

SSB 5746 Prime Sponsor, Committee on State Government, Tribal Relations & Elections: Concerning the association of Washington generals. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended by Committee on State Government, Elections & Information Technology as further amended by Committee on Transportation.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 43.15.030 and 2005 c 69 s 1 are each amended to read as follows:

(1) The association of Washington generals is organized as a private, nonprofit, nonpartisan ~~((7))~~ corporation in accordance with chapter 24.03 RCW and this section.

(2) The purpose of the association of Washington generals is to:

(a) Provide the state a means of extending formal recognition for an individual's outstanding services to the state; ~~((and))~~

(b) Bring together those individuals to serve the state as ambassadors of trade, tourism, and international goodwill; and

(c) Expand educational, sports, and/or employment opportunities for youth, veterans, and people with disabilities in Washington state.

(3) The association of Washington generals may conduct activities in support of their mission, including but not limited to:

(a) Establishing selection criteria for selecting Washington generals;

~~(b) ((Operating a statewide essay competition;~~

~~(c))~~ Training Washington generals as ambassadors of the state of Washington, nationally and internationally; and

~~((d))~~ (c) Promoting Washington generals as ambassadors of the state of Washington.

(4) The association of Washington generals is governed by a board of directors. The board is composed of the governor, lieutenant governor, and the secretary of state, who serve as ex officio, nonvoting members, and other officers and members as the association of Washington generals designates.

(5) The board shall:

(a) Review nominations for and be responsible for the selection of Washington generals; ~~(and)~~

(b) Establish the title of honorary Washington general to honor worthy individuals from outside the state of Washington; and

(c) Adopt bylaws and establish governance and transparency policies.

~~((5))~~ (6) The lieutenant governor's office may provide technical and financial assistance for the association of Washington generals, where the work of the association aligns with the mission of the office. Assistance from the lieutenant governor's office may include, but is not limited to:

(a) Collaboration with the association of Washington generals on the Washington world fellows program, a college readiness and study abroad fellowship administered by the office of the lieutenant governor;

(b) Beginning January 1, 2019, collaboration with the association of Washington generals to administer the sports mentoring program as established under section 3 of this act, a mentoring program to encourage underserved youth to join sports or otherwise participate in the area of sports; and

(c) The compilation of a yearly financial report, which shall be made available to the legislature no later than January 15th of each year, detailing all revenues and expenditures associated with the Washington world fellows program and the sports mentoring program. Any expenditures made by the association of Washington generals in support of the Washington world fellows program and the sports mentoring program shall be made available to the office of the lieutenant governor for the purpose of inclusion in the annual financial report.

~~((6))~~ (7) The legislature may make appropriations in support of the Washington generals subject to the availability of funds.

(8) The office of the lieutenant governor must post on its web site detailed information on all funds received by the association of Washington generals and all expenditures by the association of Washington generals.

Sec. 2. RCW 46.68.420 and 2017 c 25 s 3 and 2017 c 11 s 4 are each reenacted and amended to read as follows:

(1) The department shall:

(a) Collect special license plate fees established under RCW 46.17.220;

(b) Deduct an amount not to exceed twelve dollars for initial issue and two dollars for renewal issue for administration and collection expenses incurred by it; and

(c) Remit the remaining proceeds to the custody of the state treasurer with a proper identifying detailed report.

(2) The state treasurer shall credit the proceeds to the motor vehicle account until the department determines that the state has been reimbursed for the cost of implementing the special license plate. Upon determination by the department that the state has been reimbursed, the state treasurer shall credit the remaining special license plate fee amounts for each special license plate to the following appropriate account as created in this section in the custody of the state treasurer:

ACCOUNT	CONDITIONS FOR USE OF FUNDS	
4-H programs	Support Washington programs	4-H

Fred Hutch	Support cancer research at the Fred Hutchinson cancer research center	support interpretive programs by lighthouse docents
Gonzaga University alumni association	Scholarship funds to needy and qualified students attending or planning to attend Gonzaga University	Promote music education in schools throughout Washington
Helping kids speak	Provide free diagnostic and therapeutic services to families of children who suffer from a delay in language or speech development	<u>Seattle Mariners</u> <u>Provide funds to the sports mentoring program and to support the Washington world fellows program in the following manner: (a) Seventy-five percent to the office of the lieutenant governor solely to administer the sports mentoring program established under section 3 of this act, to encourage youth who have economic needs or face adversities to experience spectator sports or get involved in youth sports, and (b) up to twenty-five percent to the office of the lieutenant governor solely to administer the Washington world fellows program, an equity focused program</u>
Law enforcement memorial	Provide support and assistance to survivors and families of law enforcement officers in Washington killed in the line of duty and to organize, finance, fund, construct, utilize, and maintain a memorial on the state capitol grounds to honor those fallen officers	
Lighthouse environmental programs	Support selected Washington state lighthouses that are accessible to the public and staffed by volunteers; provide environmental education programs; provide grants for other Washington lighthouses to assist in funding infrastructure preservation and restoration; encourage and	<u>Seattle Seahawks</u> <u>Provide funds to InvestED and to support the Washington world fellows program in the following manner: (a) Seventy-five percent, to InvestED, to encourage secondary students who have economic needs to stay in school, return to school, or get</u>

involved within their learning community; and (b) twenty-five percent to the office of the lieutenant governor solely to administer the Washington world fellows program, including the provision of fellowships

civics projects and to recognize the outstanding public service of individuals or groups in the state of Washington

Seattle Sounders FC

Provide funds to Washington state mentors and the association of Washington generals created in RCW 43.15.030 in the following manner: (a) Seventy percent and the remaining proceeds, if any, to Washington state mentors, to increase the number of mentors in the state by offering mentoring grants throughout Washington state that foster positive youth development and academic success, with up to twenty percent of these proceeds authorized for program administration costs; and (b) up to thirty percent, not to exceed forty-thousand dollars annually as adjusted for inflation by the office of financial management, to the association of Washington generals, to develop Washington state educational, veterans, international relations, and

Seattle University

Fund scholarships for students attending or planning to attend Seattle University

Share the road

Promote bicycle safety and awareness education in communities throughout Washington

Ski & ride Washington

Promote winter snowsports, such as skiing and snowboarding, and related programs, such as ski and ride safety programs, underprivileged youth ski and ride programs, and active, healthy lifestyle programs

State flower

Support Meerkerk Rhododendron Gardens and provide for grants to other qualified nonprofit organizations' efforts to preserve rhododendrons

Volunteer firefighters

Receive and disseminate funds for purposes on behalf of volunteer firefighters, their families, and others deemed in need

Washington farmers and ranchers Provide funds to the Washington FFA Foundation for educational programs in Washington state

Washington state aviation Provide funds to the department of transportation to support infrastructure improvements at public use airports in Washington state

Washington state council of firefighters benevolent fund Receive and disseminate funds for charitable purposes on behalf of members of the Washington state council of firefighters, their families, and others deemed in need

Washington state wrestling Provide funds to the Washington state wrestling foundation to fund new and existing college wrestling programs

~~((Washington state council of firefighters benevolent fund Receive and disseminate funds for charitable purposes on behalf of members of the Washington state council of firefighters, their families, and others deemed in need))~~

Washington tennis Provide funds to assist cities to assist in the construction and maintenance of a public tennis facility with at least four indoor tennis courts. A city is eligible for construction funds if the city does not already have a public or

private facility with at least four indoor tennis courts. Funds for construction must first be made available to the most populous eligible city, according to the most recent census, for a time period not to exceed five years after January 1, 2017. After the five-year time period, the funds for construction must be made available to the next most populous eligible city. Funds for the maintenance of a public tennis facility with at least four indoor tennis courts must first be made available to the first eligible city that utilizes funds for construction provided by chapter 16, Laws of 2016

Washington's national park fund Build awareness of Washington's national parks and support priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks

We love our Support and
 pets enable the
 Washington
 federation of
 animal welfare and
 control agencies
 to promote and
 perform
 spay/neuter
 surgery of
 Washington state
 pets in order to
 reduce pet
 population

(3) Except as otherwise provided in this section, only the director or the director's designee may authorize expenditures from the accounts described in subsection (2) of this section. The accounts are subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(4) Except as otherwise provided in this section, funds in the special license plate accounts described in subsection (2) of this section must be disbursed subject to the conditions described in subsection (2) of this section and under contract between the department and qualified nonprofit organizations that provide the services described in subsection (2) of this section.

(5) Funds from the Seattle Seahawks account may be provided to the lieutenant governor solely for the purpose of administering the Washington world fellows program. Of the amounts received by the lieutenant governor's office under this subsection, at least ninety percent must be provided as fellowships under the program.

(6) Beginning January 1, 2019, funds from the Seattle Mariners account may be provided to the office of lieutenant governor solely for the purpose of administering the sports mentoring program. Of the amounts received by the office of lieutenant governor, at least ninety percent must be applied towards services directly provided to youth participants.

(7) For the purposes of this section, a "qualified nonprofit organization" means a not-for-profit corporation operating in Washington that has received a determination of tax exempt status under 26 U.S.C. Sec. 501(c)(3). The qualified nonprofit organization must

meet all the requirements under RCW 46.18.100(1).

NEW SECTION. Sec. 3. A new section is added to chapter 43.15 RCW to read as follows:

(1) The sports mentoring program is established to enable eligible nonprofit community-based organizations to provide opportunities for underserved youth to join sports teams or otherwise participate in the area of sports. The goal of the program is to support youth in building self-confidence, developing skills in the areas of goal setting and collaboration, and promoting a healthy lifestyle through forming positive relationships with peers and family, avoiding risky or delinquent behavior, and achieving educational success. Proceeds from the Seattle Mariners special license plate, issued under RCW 46.18.200, must be deposited into the Seattle Mariners account in accordance with RCW 46.68.420. Funds in the account may only be used, except as provided under RCW 46.68.420(6), for grants to support youth to stay in school, participate in sports, and receive mentorships.

(2) The office of lieutenant governor will collaborate with the association of Washington generals to issue competitive grants to eligible organizations. The following criteria must be used to prioritize applications:

(a) Services provided by the organization to program participants are provided without a fee;

(b) Eligible organizations must assist children with enrolling in sports through their parents, guardians, or coach; and

(c) Eligible organizations must provide professional staff support to the mentor, child, and parent.

(3) Eligible organizations must meet the following requirements:

(a) Be a 501(c)(3) nonprofit organization;

(b) Conduct national criminal background checks for all employees and volunteer mentors who work with children;

(c) Have adopted standards for care including staff training, health and safety standards, and mechanisms for assessing and enforcing the program's compliance with the standards adopted;

(d) Ensure that sixty percent or more of the children they serve are eligible for free or reduced-price lunch;

(e) Provide free, direct services to children through volunteer mentoring; and

(f) Provide professional oversight of all mentoring relationships for each child served.

Sec. 4. RCW 46.17.220 and 2017 c 25 s 2 and 2017 c 11 s 3 are each reenacted and amended to read as follows:

~~((1))~~ In addition to all fees and taxes required to be paid upon application for a vehicle registration in chapter 46.16A RCW, the holder of a special license plate shall pay the appropriate special license plate fee as listed in this section.

PLATE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
((a)) (1) 4-H	\$ 40.00	\$ 30.00	RCW 46.68.420
((b)) (2) Amateur radio license	\$ 5.00	N/A	RCW 46.68.070
((c)) (3) Armed forces	\$ 40.00	\$ 30.00	RCW 46.68.425
((d)) (4) Breast cancer awareness	\$ 40.00	\$ 30.00	RCW 46.68.425
((e)) (5) Collector vehicle	\$ 35.00	N/A	RCW 46.68.030
((f)) (6) Collegiate	\$ 40.00	\$ 30.00	RCW 46.68.430
((h)) (7) Endangered wildlife	\$ 40.00	\$ 30.00	RCW 46.68.425

((i)) (8) Fred Hutch	\$ 40.00	\$ 30.00	RCW 46.68.420
((j)) (9) Gonzaga University alumni association	\$ 40.00	\$ 30.00	RCW 46.68.420
((k)) (10) Helping kids speak	\$ 40.00	\$ 30.00	RCW 46.68.420
((l)) (11) Horseless carriage	\$ 35.00	N/A	RCW 46.68.030
((m)) (12) Keep kids safe	\$ 45.00	\$ 30.00	RCW 46.68.425
((n)) (13) Law enforcement memorial	\$ 40.00	\$ 30.00	RCW 46.68.420
((o)) (14) Military affiliate radio system	\$ 5.00	N/A	RCW 46.68.070
((p)) (15) Music matters	\$ 40.00	\$ 30.00	RCW 46.68.420
((q)) (16) Purple Heart	\$ 40.00	\$ 30.00	RCW 46.68.425
((r)) (17) Professional firefighters and paramedics	\$ 40.00	\$ 30.00	RCW 46.68.425
((s)) (18) Ride share	\$ 25.00	N/A	RCW 46.68.030

((t))	\$	\$	RCW
(19)	40.00	30.00	46.68.420
Seattle Mariners			
(20)	\$ 40.00	\$ 30.00	RCW 46.68.420
Seattle Seahawks			
((u))	\$	\$	RCW
(21)	40.00	30.00	46.68.420
Seattle Sounders FC			
((v))	\$	\$	RCW
(22)	40.00	30.00	46.68.420
Seattle University			
((w))	\$	\$	RCW
(23)	Share 40.00	30.00	46.68.420
the road			
((x))	\$	\$	RCW
(24)	Ski & 40.00	30.00	46.68.420
ride Washington			
((y))	\$	N/A	RCW
(25)	40.00		46.68.070
Square dancer			
((z))	\$	\$	RCW
(26)	State 40.00	30.00	46.68.420
flower			
((aa))	\$	\$	RCW
) (27)	40.00	30.00	46.68.420
Volunteer firefighte rs			
((bb))	\$	\$	RCW
) (28)	40.00	30.00	46.68.420
Washington farmers and ranchers			
((cc))	\$	\$	RCW
) (29)	40.00	30.00	46.68.420
Washington lighthouse s			
((dd))	\$	\$	RCW
) (30)	40.00	30.00	46.68.420
Washington state aviation			

((ee))	\$	\$	RCW
) (31)	40.00	30.00	46.68.425
Washington state parks			
((ff))	\$	\$	RCW
) (32)	40.00	30.00	46.68.420
Washington state wrestling			
((gg))	\$	\$	RCW
) (33)	40.00	30.00	46.68.420
Washington tennis			
((hh))	\$	\$	RCW
) (34)	40.00	30.00	46.68.425
Washington 's fish collection			
((ii))	\$	\$	RCW
) (35)	40.00	30.00	46.68.420
Washington 's national parks			
((jj))	\$	\$	RCW
) (36)	40.00	30.00	46.68.425
Washington 's wildlife collection			
((kk))	\$	\$	RCW
) (37)	We 40.00	30.00	46.68.420
love our pets			
((ll))	\$	\$	RCW
) (38)	Wild 40.00	30.00	46.68.425
on Washington			

~~((2) After deducting administration and collection expenses for the sale of baseball stadium license plates, the remaining proceeds must be distributed to a county for the purpose of paying the principal and interest payments on bonds issued by the county to construct a baseball stadium, as defined in RCW 82.14.0485, including reasonably necessary preconstruction costs, while the taxes are being collected under RCW 82.14.360. After this date, the state treasurer shall credit the funds to the state general fund.)~~

Sec. 5. RCW 46.18.200 and 2017 c 25 s 1 and 2017 c 11 s 2 are each reenacted and amended to read as follows:

(1) Special license plate series reviewed and approved by the department:

(a) May be issued in lieu of standard issue or personalized license plates for vehicles required to display one and two license plates unless otherwise specified;

(b) Must be issued under terms and conditions established by the department;

(c) Must not be issued for vehicles registered under chapter 46.87 RCW; and

(d) Must display a symbol or artwork approved by the department.

(2) The department approves and shall issue the following special license plates:

LICENSE PLATE	DESCRIPTION, SYMBOL, OR ARTWORK		
4-H	Displays the "4-H" logo.	Fred Hutch	Displays the Fred Hutch logo.
Armed forces collection	Recognizes the contribution of veterans, active duty military personnel, reservists, and members of the national guard, and includes six separate designs, each containing a symbol representing a different branch of the armed forces to include army, navy, air force, marine corps, coast guard, and national guard.	Gonzaga University alumni association	Recognizes the Gonzaga University alumni association.
		Helping kids speak	Recognizes an organization that supports programs that provide no-cost speech pathology programs to children.
		Keep kids safe	Recognizes efforts to prevent child abuse and neglect.
		Law enforcement memorial	Honors law enforcement officers in Washington killed in the line of duty.
		Music matters	Displays the "Music Matters" logo.
		Professional firefighters and paramedics	Recognizes professional firefighters and paramedics who are members of the Washington state council of firefighters.
		<u>Seattle Mariners</u>	<u>Displays the "Seattle Mariners" logo.</u>
		Seattle Seahawks	Displays the "Seattle Seahawks" logo.
Breast cancer awareness	Displays a pink ribbon symbolizing breast cancer awareness.	Seattle Sounders FC	Displays the "Seattle Sounders FC" logo.
Endangered wildlife	Displays a symbol or artwork symbolizing endangered	Seattle University	Recognizes Seattle University.

Share the road	Recognizes an organization that promotes bicycle safety and awareness education.	Washington tennis	Builds awareness and year-round opportunities for tennis in Washington state. Displays a symbol or artwork recognizing tennis in Washington state.
Ski & ride Washington	Recognizes the Washington snowsports industry.		
State flower	Recognizes the Washington state flower.	<u>Washington's fish collection</u>	<u>Recognizes Washington's fish.</u>
Volunteer firefighters	Recognizes volunteer firefighters.	Washington's national park fund	Builds awareness of Washington's national parks and supports priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks.
Washington farmers and ranchers	Recognizes farmers and ranchers in Washington state.		
Washington lighthouses	Recognizes an organization that supports selected Washington state lighthouses and provides environmental education programs.		
Washington state aviation	Displays a Stearman biplane in the foreground with an image of Mount Rainier in the background.	((Washington's fish collection	Recognizes Washington's fish.))
Washington state parks	Recognizes Washington state parks as premier destinations of uncommon quality that preserve significant natural, cultural, historical, and recreational resources.	Washington's wildlife collection	Recognizes Washington's wildlife.
Washington state wrestling	Promotes and supports college wrestling in the state of Washington.	We love our pets	Recognizes an organization that assists local member agencies of the federation of animal welfare and control agencies to promote and perform spay/neuter surgery on Washington state

pets to reduce pet overpopulation.

Wild on Symbolizes Washington wildlife viewing in Washington state.

(3) Applicants for initial and renewal professional firefighters and paramedics special license plates must show proof of eligibility by providing a certificate of current membership from the Washington state council of firefighters.

(4) Applicants for initial volunteer firefighters special license plates must (a) have been a volunteer firefighter for at least ten years or be a volunteer firefighter for one or more years and (b) have documentation of service from the district of the appropriate fire service. If the volunteer firefighter leaves firefighting service before ten years of service have been completed, the volunteer firefighter shall surrender the license plates to the department on the registration renewal date. If the volunteer firefighter stays in service for at least ten years and then leaves, the license plate may be retained by the former volunteer firefighter and as long as the license plate is retained for use the person will continue to pay the future registration renewals. A qualifying volunteer firefighter may have no more than one set of license plates per vehicle, and a maximum of two sets per applicant, for their personal vehicles. If the volunteer firefighter is convicted of a violation of RCW 46.61.502 or a felony, the license plates must be surrendered upon conviction.

Sec. 6. RCW 46.68.430 and 2010 c 161 s 811 are each amended to read as follows:

- (1) The department shall: (a) Collect special license plates fees established under RCW 46.17.220 ((1) (e) and (e)) (6); (b) Deduct an amount not to exceed twelve dollars for initial issue and two dollars for renewal issue for administration and collection expenses incurred by it; and (c) Remit the remaining proceeds to the custody of the state treasurer with a proper identifying detailed report.

(2) The state treasurer shall credit the remaining special license plate fees

to the following accounts by special license plate type:

Table with columns: SPECIAL LICENSE PLATE TYPE, ACCOUNT, PURPOSE. Row 1: ((Baseball stadium), A county, To pay the principal and interest payments on bonds issued by the county to construct a baseball stadium, as defined in RCW 82.14.0485, including reasonably necessary preconstruction costs, while the taxes are being collected under RCW 82.14.360. After the principal and interest payments on bonds have been made, the state treasurer shall credit the funds to the state general fund.)

Collegiate RCW Student 28B.10.890 scholarships

NEW SECTION. Sec. 7. A new section is added to chapter 46.04 RCW to read as follows:

"Seattle Mariners license plates" means special license plates issued under RCW 46.18.200 that display a symbol or artwork recognizing the Seattle Mariners.

NEW SECTION. Sec. 8. The following acts or parts of acts are each repealed:

- (1) RCW 46.04.062 (Baseball stadium license plate) and 2010 c 161 s 105; and (2) RCW 46.18.215 (Baseball stadium license plates) and 2011 c 332 s 3, 2010 c 161 s 614, 1997 c 291 s 5, 1995 3rd sp.s. c 1 s 102, 1994 c 194 s 2, & 1990 c 250 s 1.

NEW SECTION. **Sec. 9.** Sections 3 through 8 of this act take effect January 1, 2019."

Correct the title.

Strike everything after the enacting clause and insert the following:

"**Sec. 10.** RCW 43.15.030 and 2005 c 69 s 1 are each amended to read as follows:

(1) The association of Washington generals is organized as a private, nonprofit, nonpartisan(~~(7)~~) corporation in accordance with chapter 24.03 RCW and this section.

(2) The purpose of the association of Washington generals is to:

(a) Provide the state a means of extending formal recognition for an individual's outstanding services to the state; (~~and~~)

(b) Bring together those individuals to serve the state as ambassadors of trade, tourism, and international goodwill; and

(c) Expand educational and/or employment opportunities for youth, veterans, and people with disabilities in Washington state.

(3) The association of Washington generals may conduct activities in support of their mission, including but not limited to:

(a) Establishing selection criteria for selecting Washington generals;

(b) (~~Operating a statewide essay competition;~~

~~(e)~~) Training Washington generals as ambassadors of the state of Washington, nationally and internationally; and

(~~(d)~~) (c) Promoting Washington generals as ambassadors of the state of Washington.

(4) The association of Washington generals is governed by a board of directors. The board is composed of the governor, lieutenant governor, and the secretary of state, who serve as ex officio, nonvoting members, and other officers and members as the association of Washington generals designates.

(5) The board shall:

(a) Review nominations for and be responsible for the selection of Washington generals; (~~and~~)

(b) Establish the title of honorary Washington general to honor worthy individuals from outside the state of Washington; and

(c) Adopt bylaws and establish governance and transparency policies.

(~~(5)~~) (6) The lieutenant governor's office may provide technical and financial assistance for the association of Washington generals, where the work of the association aligns with the mission of the office. Assistance from the lieutenant governor's office may include, but is not limited to:

(a) Collaboration with the association of Washington generals on the Washington world fellows program, a college readiness and study abroad fellowship administered by the office of the lieutenant governor; and

(b) The compilation of a yearly financial report, which shall be made available to the legislature no later than January 15th of each year, detailing all revenues and expenditures associated with the Washington world fellows program. Any expenditures made by the association of Washington generals in support of the Washington world fellows program shall be made available to the office of the lieutenant governor for the purpose of inclusion in the annual financial report.

(~~(6)~~) (7) The legislature may make appropriations in support of the Washington generals subject to the availability of funds.

(8) The office of the lieutenant governor must post on its web site detailed information on all funds received by the association of Washington generals and all expenditures by the association of Washington generals.

Sec. 11. RCW 46.68.420 and 2017 c 25 s 3 and 2017 c 11 s 4 are each reenacted and amended to read as follows:

(1) The department shall:

(a) Collect special license plate fees established under RCW 46.17.220;

(b) Deduct an amount not to exceed twelve dollars for initial issue and two dollars for renewal issue for

administration and collection expenses incurred by it; and

(c) Remit the remaining proceeds to the custody of the state treasurer with a proper identifying detailed report.

(2) The state treasurer shall credit the proceeds to the motor vehicle account until the department determines that the state has been reimbursed for the cost of implementing the special license plate. Upon determination by the department that the state has been reimbursed, the state treasurer shall credit the remaining special license plate fee amounts for each special license plate to the following appropriate account as created in this section in the custody of the state treasurer:

ACCOUNT	CONDITIONS FOR USE OF FUNDS
4-H programs	Support Washington 4-H programs
Fred Hutch	Support cancer research at the Fred Hutchinson cancer research center
Gonzaga University alumni association	Scholarship funds to needy and qualified students attending or planning to attend Gonzaga University
Helping speak kids	Provide free diagnostic and therapeutic services to families of children who suffer from a delay in language or speech development
Law enforcement memorial	Provide support and assistance to survivors and families of law enforcement officers in Washington killed in the line of duty and to organize, finance, fund, construct, utilize, and

Lighthouse environmental programs

Music matters awareness

Seattle Seahawks

maintain a memorial on the state capitol grounds to honor those fallen officers

Support selected Washington state lighthouses that are accessible to the public and staffed by volunteers; provide environmental education programs; provide grants for other Washington lighthouses to assist in funding infrastructure preservation and restoration; encourage and support interpretive programs by lighthouse docents

Promote music education in schools throughout Washington

Provide funds to InvestED and to support the Washington world fellows program in the following manner: (a) Seventy-five percent, to InvestED, to encourage secondary students who have economic needs to stay in school, return to school, or get involved within their learning community; and (b) twenty-five percent to the office of the lieutenant governor solely to administer the Washington world

Seattle Sounders FC	<u>fellows program,</u> <u>including the</u> <u>provision of</u> <u>fellowships</u>	Seattle University	Fund scholarships for students attending or planning to attend Seattle University
	Provide funds to Washington state mentors and the association of Washington generals created in RCW 43.15.030 in the following manner: (a) Seventy percent and the remaining proceeds, if any, to Washington state mentors, to increase the number of mentors in the state by offering mentoring grants throughout Washington state that foster positive youth development and academic success, with up to twenty percent of these proceeds authorized for program administration costs; and (b) up to thirty percent, not to exceed forty-thousand dollars annually as adjusted for inflation by the office of financial management, to the association of Washington generals, to develop Washington state educational, veterans, international relations, and civics projects and to recognize the outstanding public service of individuals or groups in the state of Washington	Share the road	Promote bicycle safety and awareness education in communities throughout Washington
		Ski & ride Washington	Promote winter snowsports, such as skiing and snowboarding, and related programs, such as ski and ride safety programs, underprivileged youth ski and ride programs, and active, healthy lifestyle programs
		State flower	Support Meerkerk Rhododendron Gardens and provide for grants to other qualified nonprofit organizations' efforts to preserve rhododendrons
		Volunteer firefighters	Receive and disseminate funds for purposes on behalf of volunteer firefighters, their families, and others deemed in need
		Washington farmers and ranchers	Provide funds to the Washington FFA Foundation for educational programs in Washington state
		Washington state aviation	Provide funds to the department of transportation to support infrastructure

improvements at public use airports in Washington state

Washington state council of firefighters benevolent fund

Receive and disseminate funds for charitable purposes on behalf of members of the Washington state council of firefighters, their families, and others deemed in need

Washington state wrestling

Provide funds to the Washington state wrestling foundation to fund new and existing college wrestling programs

~~((Washington state council of firefighters benevolent fund~~

~~Receive and disseminate funds for charitable purposes on behalf of members of the Washington state council of firefighters, their families, and others deemed in need))~~

Washington tennis

Provide funds to cities to assist in the construction and maintenance of a public tennis facility with at least four indoor tennis courts. A city is eligible for construction funds if the city does not already have a public or private facility with at least four indoor tennis courts. Funds for construction must first be made available to the most populous eligible city, according to the most recent census, for a time

period not to exceed five years after January 1, 2017. After the five-year time period, the funds for construction must be made available to the next most populous eligible city. Funds for the maintenance of a public tennis facility with at least four indoor tennis courts must first be made available to the first eligible city that utilizes funds for construction provided by chapter 16, Laws of 2016

Washington's national park fund

Build awareness of Washington's national parks and support priority park programs and projects in Washington's national parks, such as enhancing visitor experience, promoting volunteerism, engaging communities, and providing educational opportunities related to Washington's national parks

We love our pets

Support and enable the Washington federation of animal welfare and control agencies to promote and perform spay/neuter surgery of Washington state pets in order to

reduce pet
population

(3) Except as otherwise provided in this section, only the director or the director's designee may authorize expenditures from the accounts described in subsection (2) of this section. The accounts are subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(4) Except as otherwise provided in this section, funds in the special license plate accounts described in subsection (2) of this section must be disbursed subject to the conditions described in subsection (2) of this section and under contract between the department and qualified nonprofit organizations that provide the services described in subsection (2) of this section.

(5) Funds from the Seattle Seahawks account may be provided to the lieutenant governor solely for the purpose of administering the Washington world fellows program. Of the amounts received by the lieutenant governor's office under this subsection, at least ninety percent must be provided as fellowships under the program.

(6) For the purposes of this section, a "qualified nonprofit organization" means a not-for-profit corporation operating in Washington that has received a determination of tax exempt status under 26 U.S.C. Sec. 501(c)(3). The qualified nonprofit organization must meet all the requirements under RCW 46.18.100(1)."

Correct the title.

Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Harmsworth, Ranking Minority Member; Chapman; Gregerson; Hayes; Irwin; Kloba; Lovick; McBride; Morris; Orcutt; Ortiz-Self; Pellicciotti; Riccelli; Rodne; Stambaugh; Tarleton; Valdez and Van Werven.

MINORITY recommendation: Do not pass. Signed by Representatives Pike; Shea and Young.

MINORITY recommendation: Without recommendation. Signed by Representative Hargrove, Assistant Ranking Minority Member.

Referred to Committee on Rules for second reading.

February 26, 2018

SSB 6012

Prime Sponsor, Committee on Transportation: Concerning requirements for the issuance of a driver's license that includes a veteran designation. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Harmsworth, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Chapman; Gregerson; Hayes; Irwin; Kloba; Lovick; McBride; Morris; Orcutt; Ortiz-Self; Pellicciotti; Pike; Riccelli; Rodne; Shea; Stambaugh; Tarleton; Valdez; Van Werven and Young.

Referred to Committee on Rules for second reading.

February 26, 2018

ESSB 6034

Prime Sponsor, Committee on Energy, Environment & Technology: Authorizing limited retail telecommunications services for public utility districts that provide only sewer, water, and telecommunications on the effective date of this act. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended by Committee on Technology & Economic Development. Signed by Representatives Lytton, Chair; Frame, Vice Chair; Dolan; Pollet; Springer and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Condotta and Wilcox.

MINORITY recommendation: Without recommendation. Signed by Representatives Nealey and Stokesbary.

Referred to Committee on Rules for second reading.

February 26, 2018

SSB 6066

Prime Sponsor, Committee on Transportation: Exempting certain tow truck operators using the telephone call functionality of a wireless communications device from traffic infractions. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 46.61.672 and 2017 c 334 s 1 are each amended to read as follows:

(1) A person who uses a personal electronic device while driving a motor vehicle on a public highway is guilty of

a traffic infraction and must pay a fine as provided in RCW 46.63.110(3).

(2) Subsection (1) of this section does not apply to:

(a) A driver who is using a personal electronic device to contact emergency services;

(b) The use of a system by a transit system employee for time-sensitive relay communication between the transit system employee and the transit system's dispatch services;

(c) An individual employed as a commercial motor vehicle driver who uses a personal electronic device within the scope of such individual's employment if such use is permitted under 49 U.S.C. Sec. 31136 as it existed on July 23, 2017; and

(d) A person operating an authorized emergency vehicle.

(3) The state preempts the field of regulating the use of personal electronic devices in motor vehicles while driving, and this section supersedes any local laws, ordinances, orders, rules, or regulations enacted by any political subdivision or municipality to regulate the use of a personal electronic device by the operator of a motor vehicle.

(4) A second or subsequent offense under this section is subject to two times the penalty amount under RCW 46.63.110.

(5) For purposes of this section:

(a) "Driving" means to operate a motor vehicle on a public highway, including while temporarily stationary because of traffic, a traffic control device, or other momentary delays. "Driving" does not include when the vehicle has pulled over to the side of, or off of, an active roadway and has stopped in a location where it can safely remain stationary.

(b) "Personal electronic device" means any portable electronic device that is capable of wireless communication or electronic data retrieval and is not manufactured primarily for hands-free use in a motor vehicle. "Personal electronic device" includes, but is not limited to, a cell phone, tablet, laptop, two-way messaging device, or electronic game. "Personal electronic device" does not include two-way radio, citizens band radio, or amateur radio equipment.

(c) "Use" or "uses" means:

(i) Holding a personal electronic device in either hand or both hands;

(ii) Using your hand or finger to compose, send, read, view, access, browse, transmit, save, or retrieve email, text messages, instant messages, photographs, or other electronic data; however, this does not preclude the minimal use of a finger to activate, deactivate, or initiate a function of the device; or

(iii) Watching video on a personal electronic device.

NEW SECTION. **Sec. 2.** (1) The traffic safety commission must review available information on the safety record of tow trucks in the state related to the use or possible use of the telephone call functionality of a wireless communications device by its operator while the tow truck is being driven on a public highway.

(2) By December 1, 2018, the traffic safety commission must report to the transportation committees of the legislature on its findings and the implications of these findings for the possible use of the telephone call functionality of a wireless communications device by the operator of a tow truck permitted under chapter 46.55 RCW while the operator is driving the tow truck on a public highway and responding to a request for towing services."

Correct the title.

Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Harmsworth, Ranking Minority Member; Chapman; Gregerson; Hayes; Irwin; Kloba; Lovick; McBride; Morris; Ortiz-Self; Pellicciotti; Riccelli; Rodne; Stambaugh; Tarleton; Valdez and Van Werven.

MINORITY recommendation: Do not pass. Signed by Representatives Hargrove, Assistant Ranking Minority Member; Orcutt; Pike; Shea and Young.

Referred to Committee on Rules for second reading.

February 26, 2018

ESB 6140

Prime Sponsor, Senator King: Promoting the efficient and effective management of state-managed lands. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass as amended by Committee on Agriculture & Natural Resources. Signed by Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority

Member; Smith, Assistant Ranking Minority Member; Dye; Eslick; Kraft; MacEwen; Macri; Morris; Reeves; Riccelli; Ryu; Sells; Steele; Stonier; Volz and Walsh.

Referred to Committee on Rules for second reading.

February 26, 2018

SSB 6195 Prime Sponsor, Committee on Transportation: Facilitating transportation projects of statewide significance. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Chapman; Gregerson; Kloba; Lovick; McBride; Morris; Ortiz-Self; Pellicciotti; Riccelli; Tarleton and Valdez.

MINORITY recommendation: Do not pass. Signed by Representatives Harmsworth, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Hayes; Irwin; Orcutt; Pike; Rodne; Shea; Stambaugh; Van Werven and Young.

Referred to Committee on Rules for second reading.

February 26, 2018

SB 6218 Prime Sponsor, Senator King: Bringing the state into compliance with the federal FAST act. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Harmsworth, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Chapman; Gregerson; Hayes; Irwin; Kloba; Lovick; McBride; Morris; Orcutt; Ortiz-Self; Pellicciotti; Pike; Riccelli; Rodne; Shea; Stambaugh; Tarleton; Valdez; Van Werven and Young.

Referred to Committee on Rules for second reading.

February 26, 2018

SSB 6251 Prime Sponsor, Committee on Ways & Means: Concerning property tax exemptions for service-connected disabled veterans and senior citizens. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives Lytton, Chair; Frame, Vice Chair; Dolan; Pollet; Springer; Stokesbary and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Condotta and Wilcox.

MINORITY recommendation: Without recommendation. Signed by Representative Nealey.

Referred to Committee on Rules for second reading.

February 26, 2018

ESSB 6329 Prime Sponsor, Committee on Local Government: Clarifying the authority and procedures for contracting by public port districts. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** (1) The legislature finds that unit priced contracting is a decades old, proven practice used at ports for competitively bid maintenance and repair work that is common but unpredictable in its timing and scope. Unit priced contracting is an efficient mechanism to maintain essential services to port customers, often on short notice or in emergency situations.

(2) The legislature also finds that unit priced contracting ensures that necessary work is performed safely and at a competitive rate by qualified contractors, and also saves public money because of additional costs that would be incurred by bidding each work order separately.

(3) The legislature also finds that, in order to avoid litigation and audit risk, statutory clarification is needed regarding the authority for port districts to engage in unit priced contracting.

(4) The legislature also finds that flexibility for small projects produces a more efficient process.

Sec. 2. RCW 53.08.120 and 2009 c 74 s 2 are each amended to read as follows:

(1) All material and work required by a port district not meeting the definition of public work in RCW 39.04.010(4) may be procured in the open market or by contract and all work ordered may be done by contract or day labor.

(2)(a) All such contracts for work meeting the definition of "public work" in RCW 39.04.010(4), the estimated cost of which exceeds three hundred thousand

dollars, shall be awarded using a competitive bid process. The contract must be awarded at public bidding upon notice published in a newspaper of general circulation in the district at least thirteen days before the last date upon which bids will be received, calling for bids upon the work, plans and specifications for which shall then be on file in the office of the commission for public inspection. The same notice may call for bids on such work or material based upon plans and specifications submitted by the bidder. The competitive bidding requirements for purchases or public works may be waived pursuant to RCW 39.04.280 if an exemption contained within that section applies to the purchase or public work.

(b) For all contracts related to work meeting the definition of "public work" in RCW 39.04.010(4) that are estimated at three hundred thousand dollars or less, a port district may let contracts using the small works roster process under RCW 39.04.155 in lieu of advertising for bids. Whenever possible, the managing official shall invite at least one proposal from a minority contractor who shall otherwise qualify under this section.

When awarding such a contract for work, when utilizing proposals from the small works roster, the managing official shall give weight to the contractor submitting the lowest and best proposal, and whenever it would not violate the public interest, such contracts shall be distributed equally among contractors, including minority contractors, on the small works roster.

(c) Any port district may construct any public work, as defined in RCW 39.04.010, by contract without calling for bids whenever the estimated cost of the work or improvement, including cost of materials, supplies, and equipment, will not exceed the sum of forty thousand dollars. A "public works project" means a complete project. The restrictions in this subsection do not permit the division of the project into units of work or classes of work to avoid calling for bids. The port district managing official shall make his or her best effort to reach out to qualified contractors, including certified minority and woman-owned contractors.

(3)(a) A port district may procure public works with a unit priced contract under this section or RCW 39.04.010(2)

for the purpose of completing anticipated types of work based on hourly rates or unit pricing for one or more categories of work or trades.

(b) For the purposes of this section, unit priced contract means a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a port district, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work.

(c) Unit priced contracts must be executed for an initial contract term not to exceed three years, with the port district having the option of extending or renewing the unit priced contract for one additional year.

(d) Invitations for unit priced bids shall include, for purposes of the bid evaluation, estimated quantities of the anticipated types of work or trades, and specify how the port district will issue or release work assignments, work orders, or task authorizations pursuant to a unit priced contract for projects, tasks, or other work based on the hourly rates or unit prices bid by the contractor. Contracts must be awarded to the lowest responsible bidder as per RCW 39.04.010. Whenever possible, the port district must invite at least one proposal from a minority or woman contractor who otherwise qualifies under this section.

(e) Unit priced contractors shall pay prevailing wages for all work that would otherwise be subject to the requirements of chapter 39.12 RCW. Prevailing wages for all work performed pursuant to each work order must be the prevailing wage rates in effect at the beginning date for each contract year. Unit priced contracts shall have prevailing wage rates updated annually. Intents and affidavits for prevailing wages paid shall be submitted annually for all work completed within the previous twelve-month period of the unit priced contract."

Correct the title.

Signed by Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye; Eslick; Kraft; MacEwen; Macri; Morris; Reeves; Riccelli; Ryu; Sells; Steele; Stonier; Volz and Walsh.

Referred to Committee on Rules for second reading.

February 26, 2018

SB 6354 Prime Sponsor, Senator Ericksen: Allowing counties to request ferry capital improvement funds without creating ferry districts. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Harmsworth, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Chapman; Gregerson; Hayes; Irwin; Kloba; Lovick; McBride; Morris; Orcutt; Ortiz-Self; Pellicciotti; Pike; Riccelli; Rodne; Shea; Stambaugh; Tarleton; Valdez; Van Werven and Young.

Referred to Committee on Rules for second reading.

February 26, 2018

SB 6363 Prime Sponsor, Senator Chase: Concerning a rail line over the Milwaukee Road corridor. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 79A.05.115 and 2009 c 338 s 1 are each amended to read as follows:

~~((1))~~ The commission shall develop and maintain a cross-state trail facility with appropriate appurtenances.

~~((2) This section expires July 1, 2019, unless the department of transportation enters into a franchise agreement for a rail line over any of the portions of the Milwaukee Road corridor between Ellensburg and Marengo by July 1, 2019-))~~

Sec. 2. RCW 79A.05.120 and 2009 c 338 s 2 are each amended to read as follows:

(1) To facilitate completion of a cross-state trail under the management of the parks and recreation commission, management and control of lands known as the Milwaukee Road corridor shall be transferred between state agencies as follows on the date a franchise agreement is entered into for a rail line over portions of the Milwaukee Road corridor:

(a) Portions owned by the state between Ellensburg and the Columbia river that are managed by the parks and

recreation commission are transferred to the department of transportation;

(b) Portions owned by the state between the west side of the Columbia river and Royal City Junction and between Warden and Lind that are managed by the department of natural resources are transferred to the department of transportation;

(c) Portions owned by the state between Lind and the Idaho border that are managed by the department of natural resources are transferred to the parks and recreation commission as of June 7, 2006; and

(d) Portions owned by the state between Lind and Marengo are transferred to the department of transportation.

(2) The department of natural resources may, by mutual agreement with the parks and recreation commission, transfer management authority over portions of the Milwaukee Road corridor to the state parks and recreation commission, at any time prior to the department of transportation entering into a franchise agreement.

(3) ~~((This section expires July 1, 2019, and))~~ No transfers shall occur unless the department of transportation enters into a franchise agreement for a rail line over any of the portions of the Milwaukee Road corridor between Ellensburg and Marengo ~~((by July 1, 2019))~~.

Sec. 3. RCW 79A.05.125 and 2009 c 338 s 3 are each amended to read as follows:

(1) The department of transportation shall negotiate one or more franchises with rail carriers to establish and maintain a rail line over portions of the Milwaukee Road corridor owned by the state between Ellensburg and Marengo. The department of transportation may negotiate such a franchise with any qualified rail carrier. Criteria for negotiating the franchise and establishing the right-of-way include:

(a) Assurances that resources from the franchise will be sufficient to compensate the state for use of the property, including completion of a cross-state trail between Easton and the Idaho border;

(b) Types of payment for use of the franchise, including payment for the use of federally granted trust lands in the transportation corridor;

(c) Standards for maintenance of the line;

(d) Provisions ensuring that both the conventional and intermodal rail service needs of local shippers are met. Such accommodations may comprise agreements with the franchisee to offer or maintain adequate service or to provide service by other carriers at commercially reasonable rates;

(e) Provisions requiring the franchisee, upon reasonable request of any other rail operator, to provide rail service and interchange freight over what is commonly known as the Stampede Pass rail line from Cle Elum to Auburn at commercially reasonable rates;

(f) If any part of the franchise agreement is invalidated by actions or rulings of the federal surface transportation board or a court of competent jurisdiction, the remaining portions of the franchise agreement are not affected;

(g) Compliance with environmental standards; and

(h) Provisions for insurance and the coverage of liability.

(2) The franchise may provide for periodic review of financial arrangements under the franchise.

(3) The department of transportation, in consultation with the parks and recreation commission and the senate and house transportation committees, shall negotiate the terms of the franchise, and shall present the agreement to the parks and recreation commission for approval of as to terms and provisions affecting the cross-state trail or affecting the commission.

~~((4) This section expires July 1, 2019, unless the department of transportation enters into a franchise agreement for a rail line over any of the portions of the Milwaukee Road corridor between Ellensburg and Marengo by July 1, 2019-))~~

Sec. 4. RCW 79A.05.130 and 2009 c 338 s 4 are each amended to read as follows:

(1) The cross-state trail account is created in the custody of the state treasurer. Eleven million five hundred thousand dollars is provided to the state parks and recreation commission to acquire, construct, and maintain a cross-state trail. This amount may consist of:

(a) Legislative appropriations intended for trail development; (b) payments for the purchase of federally granted trust lands; and (c) franchise fees derived from use of the rail corridor. The legislature intends that any amounts provided from the transportation fund are to be repaid to the transportation fund from franchise fees.

(2) The department shall deposit franchise fees from use of the rail corridor according to the following priority: (a) To the department of transportation for actual costs incurred in administering the franchise; (b) to the department of natural resources as compensation for use of federally granted trust lands in the rail corridor; (c) to the transportation fund to reimburse any amounts transferred or appropriated from that fund by the legislature for trail development; (d) to the cross-state trail account, not to exceed eleven million five hundred thousand dollars, provided that this amount shall be reduced proportionate with any funds transferred or appropriated by the 1996 legislature or paid from franchise fees for the purchase of federally granted trust lands or for trail development; and (e) the remainder to the essential rail assistance account, created under RCW 47.76.250. Expenditures from the cross-state trail account may be used only for the acquisition, development, operation, and maintenance of the cross-state trail. Only the director of the state parks and recreation commission or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

(3) The commission may acquire land from willing sellers for the cross-state trail, but not by eminent domain.

(4) The commission shall adopt rules describing the cross-state trail.

~~((5) This section expires July 1, 2019, unless the department of transportation enters into a franchise agreement for a rail line over any of the portions of the Milwaukee Road corridor between Ellensburg and Marengo by July 1, 2019-))~~

Sec. 5. RCW 79.73.010 and 2003 c 334 s 456 are each amended to read as follows:

Except as provided in chapter 79A.05 RCW, the portion of the Milwaukee Road

corridor from the west end of the bridge structure over the Columbia river, which point is located in section 34, township 16 north, range 23 east, W.M., to the Idaho border purchased by the state shall be under the management and control of the department."

Correct the title.

Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Harmsworth, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Chapman; Gregerson; Hayes; Irwin; Kloba; Lovick; McBride; Morris; Orcutt; Ortiz-Self; Pellicciotti; Pike; Riccelli; Rodne; Shea; Stambaugh; Tarleton; Valdez; Van Werven and Young.

Referred to Committee on Rules for second reading.

February 26, 2018

SB 6367 Prime Sponsor, Senator Honeyford: Concerning publicly owned industrial wastewater treatment facilities. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass. Signed by Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Dye; Eslick; Kraft; MacEwen; Macri; Morris; Reeves; Riccelli; Ryu; Sells; Steele; Stonier; Volz and Walsh.

Referred to Committee on Rules for second reading.

February 26, 2018

SB 6371 Prime Sponsor, Senator Mullet: Concerning facilities financing by the housing finance commission. Reported by Committee on Capital Budget

MAJORITY recommendation: Do pass. Signed by Representatives Tharinger, Chair; Doglio, Vice Chair; Peterson, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Eslick; Macri; Morris; Reeves; Riccelli; Ryu; Sells; Steele and Stonier.

MINORITY recommendation: Do not pass. Signed by Representatives Dye; Kraft; MacEwen; Volz and Walsh.

Referred to Committee on Rules for second reading.

February 26, 2018

SB 6414 Prime Sponsor, Senator Billig: Concerning population-based representation on the governing body of public transportation benefit areas. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Chapman; Gregerson; Kloba; Lovick; McBride; Morris; Ortiz-Self; Pellicciotti; Riccelli; Tarleton and Valdez.

MINORITY recommendation: Do not pass. Signed by Representatives Harmsworth, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Hayes; Irwin; Orcutt; Pike; Rodne; Shea; Stambaugh; Van Werven and Young.

Referred to Committee on Rules for second reading.

February 26, 2018

SSB 6437 Prime Sponsor, Committee on Transportation: Addressing the disposal of recreational vehicles abandoned on public property. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

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

(1) Registered tow truck operators have continuing problems involving the disposal of recreational vehicles that have been impounded and abandoned pursuant to chapter 46.55 RCW;

(2) Traditional methods of disposal are no longer adequate to meet the increasing problem of abandoned recreational vehicles in Washington state;

(3) Abandoned recreational vehicles continue to be a hazard to the health and safety of citizens, business owners, and the environment; and

(4) Adequate funding is necessary to resolve the problem of abandoned recreational vehicles in a manner that is environmentally friendly and economically sound so that registered tow truck operators may be successful in their duties of public impounding, transporting, and storing unauthorized vehicles.

NEW SECTION. **Sec. 2.** A new section is added to chapter 46.55 RCW to read as follows:

(1) A registered tow truck operator may transport an abandoned recreational vehicle under section 5 of this act without being licensed as a hulk hauler.

The transport of an abandoned recreational vehicle by a registered tow truck operator under this chapter must be completed by utilizing a reasonable, direct, and safe route on the date of transport.

(2) A registered tow truck operator must provide a written record of the delivery to a licensed dismantler or authorized disposal site for each abandoned recreational vehicle by use of an abandoned vehicle report or junk vehicle affidavit to be sent to the department. A copy of the report must be maintained in the vehicle transaction file. Completion of the report relieves the registered tow truck operator from any civil or criminal liability for the disposal of a properly processed abandoned recreational vehicle.

Sec. 3. RCW 46.79.110 and 2001 c 64 s 12 are each amended to read as follows:

Nothing contained in this chapter shall be construed to prohibit: Any individual not engaged in business as a hulk hauler or scrap processor from towing any vehicle owned by him or her to any vehicle wrecker or scrap processor, or a registered tow truck operator from transporting an abandoned recreational vehicle under section 5 of this act in compliance with this chapter.

NEW SECTION. Sec. 4. A new section is added to chapter 46.17 RCW to read as follows:

(1) Before accepting an application for a registration for a recreational vehicle, the department, county auditor, or other agent, or subagent appointed by the director, shall require an applicant to pay a six-dollar fee in addition to any other fees and taxes required by law.

(2) The abandoned recreational disposal fee must be deposited into the abandoned recreational vehicle disposal account created in section 6 of this act.

(3) For the purposes of this section, "recreational vehicle" means a camper, motor home, or travel trailer.

NEW SECTION. Sec. 5. (1) A registered tow truck operator, as defined in RCW 46.55.010, vehicle wrecker, as defined in RCW 46.80.010, or scrap processor, as defined in RCW 46.79.010, and scrap metal businesses, as defined in RCW 19.290.010, may apply to the department on a form prescribed by the department for cost reimbursement for the transport,

storage, dismantling, and disposal of abandoned recreational vehicles from public property.

(2) The department may only use funds under section 6 of this act for cost reimbursement for the transport, storage, dismantling, and disposal of abandoned recreational vehicles.

(3) After consulting with the 2017 stakeholder group, the department may develop rules including, but not limited to, towing, storage, dismantling, and disposal rates, application form and contents, and cost reimbursement and the reimbursement process, to implement this section.

(4) The department shall convene a stakeholder work group every two years, with the first meeting to be held within twelve months of rule adoption, to make recommendations on rule amendments.

(5) An "abandoned recreational vehicle" means a camper, motorhome, or travel trailer that has been impounded from public property, abandoned pursuant to chapter 46.55 RCW, and received no bids at auction, or declared an abandoned junk vehicle by a law enforcement officer, pursuant to chapter 46.55 RCW, while on public property.

NEW SECTION. Sec. 6. A new section is added to chapter 46.68 RCW to read as follows:

(1) The abandoned recreational vehicle disposal account is created in the state treasury. All receipts from the fee imposed in section 4 of this act must be deposited into the account. The account may receive fund transfers and appropriations from the general fund, as well as gifts, grants, and endowments from public or private sources, in trust or otherwise, for the use and benefit of the purposes of this chapter and expend any income according to the terms of the gifts, grants, or endowments, provided that those terms do not conflict with any provisions of this section or any guidelines developed to prioritize reimbursement of removal projects associated with this act.

(2) Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only by the department to reimburse registered tow truck operators and licensed dismantlers for up to one hundred percent of the total reasonable and auditable administrative costs for transport,

dismantling, and disposal of abandoned recreational vehicles under section 5 of this act when the last registered owner is unknown after a reasonable search effort. The department may not authorize reimbursements that total more than ten thousand dollars per vehicle for which cost reimbursements are requested. Compliance with RCW 46.55.100 is considered a reasonable effort to locate the last registered owner of the abandoned recreational vehicle. Any funds received by the registered tow truck operators or licensed dismantlers through collection efforts from the last owner of record shall be turned over to the department for vehicles reimbursed under section 5 of this act.

(3) Funds in the account resulting from transfers from the general fund must be used to reimburse one hundred percent of eligible costs up to a limit of ten thousand dollars per vehicle for which cost reimbursements are requested.

(4) In each fiscal biennium, beginning in the 2019-2021 fiscal biennium, up to fifteen percent of the expenditures from the account may be used for administrative expenses of the department in implementing this chapter.

Sec. 7. RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to

implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of

licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the electric vehicle charging infrastructure account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees'

retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the

Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 8. RCW 46.80.020 and 2003 c 53 s 253 are each amended to read as follows:

(1)(a) Except as provided in (b) of this subsection, it is unlawful for a person to engage in the business of wrecking vehicles without having first applied for and received a license.

(b) As defined in chapter 70.95 RCW, a solid waste disposal site that is compliant with all applicable regulations may wreck a nonmotorized abandoned recreational vehicle, as defined in section 5 of this act.

(2)(a) Except as provided in (b) of this subsection, a person or firm engaged in the unlawful activity described in

this section is guilty of a gross misdemeanor.

(b) A second or subsequent offense is a class C felony punishable according to chapter 9A.20 RCW.

NEW SECTION. Sec. 9. Section 4 of this act applies to vehicle registrations that are due or become due on or after May 1, 2019.

NEW SECTION. Sec. 10. The director of licensing may take necessary steps to ensure that this act is implemented on its effective date.

NEW SECTION. Sec. 11. Section 5 of this act constitutes a new chapter in Title 46 RCW.

NEW SECTION. Sec. 12. This act takes effect May 1, 2019."

Correct the title.

Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Harmsworth, Ranking Minority Member; Chapman; Gregerson; Hayes; Irwin; Kloba; Lovick; McBride; Morris; Ortiz-Self; Pellicciotti; Riccelli; Stambaugh; Tarleton and Valdez.

MINORITY recommendation: Do not pass. Signed by Representatives Hargrove, Assistant Ranking Minority Member; Orcutt; Pike; Rodne; Shea and Van Werven.

MINORITY recommendation: Without recommendation. Signed by Representative Young.

Referred to Committee on Rules for second reading.

February 26, 2018

SSB 6438 Prime Sponsor, Committee on Transportation: Clarifying the collection process for existing vehicle service transactions. Reported by Committee on Transportation

MAJORITY recommendation: Do pass. Signed by Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Harmsworth, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Chapman; Gregerson; Hayes; Irwin; Kloba; Lovick; McBride; Morris; Orcutt; Ortiz-Self; Pellicciotti; Pike; Riccelli; Rodne; Shea; Stambaugh; Tarleton; Valdez; Van Werven and Young.

Referred to Committee on Rules for second reading.

There being no objection, the bills listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

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

MOTION

There being no objection, the Committee on Rules was relieved of the following bills and the bills were placed on the second reading calendar:

- HOUSE BILL NO. 2858
- SUBSTITUTE SENATE BILL NO. 5064
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5084
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5108
- SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5180
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5143
- SENATE BILL NO. 5213
- ENGROSSED SENATE BILL NO. 5450
- SUBSTITUTE SENATE BILL NO. 5493
- ENGROSSED SENATE BILL NO. 5518
- SUBSTITUTE SENATE BILL NO. 5596
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5928
- SECOND SUBSTITUTE SENATE BILL NO. 5970
- SENATE BILL NO. 5987
- SUBSTITUTE SENATE BILL NO. 5991
- SUBSTITUTE SENATE BILL NO. 5996
- SENATE BILL NO. 6027
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6037
- SENATE BILL NO. 6058
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6068
- SENATE BILL NO. 6070
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6081
- SENATE BILL NO. 6113
- SENATE BILL NO. 6125
- SUBSTITUTE SENATE BILL NO. 6126
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6137
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6143
- SUBSTITUTE SENATE BILL NO. 6147
- SUBSTITUTE SENATE BILL NO. 6152
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6157
- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6162
- SENATE BILL NO. 6163
- SUBSTITUTE SENATE BILL NO. 6175
- SENATE BILL NO. 6180
- SENATE BILL NO. 6190
- SENATE BILL NO. 6205
- SENATE BILL NO. 6240
- SENATE BILL NO. 6264
- SUBSTITUTE SENATE BILL NO. 6273
- SUBSTITUTE SENATE BILL NO. 6294
- SENATE BILL NO. 6298

- SENATE BILL NO. 6311
- SUBSTITUTE SENATE BILL NO. 6313
- SUBSTITUTE SENATE BILL NO. 6318
- SENATE BILL NO. 6319
- SENATE BILL NO. 6368
- SUBSTITUTE SENATE BILL NO. 6388
- SUBSTITUTE SENATE BILL NO. 6399
- SENATE BILL NO. 6408
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6434
- SENATE BILL NO. 6462
- SUBSTITUTE SENATE BILL NO. 6473
- SUBSTITUTE SENATE BILL NO. 6475
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- ENGROSSED SUBSTITUTE SENATE BILL NO. 6550
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- SENATE BILL NO. 6563
- SENATE BILL NO. 6582

There being no objection, the House adjourned until 9:00 a.m., February 27, 2018, the 51st Day of the Regular Session.

FRANK CHOPP, Speaker

BERNARD DEAN, Chief Clerk

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