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

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Sons of the American Revolution Color Guard. The Speaker (Representative Lovick presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Representative Bob McCaslin of the 4th Legislative District.

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 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. 2278
- ENGROSSED SENATE BILL NO. 6140

The Speaker assumed the chair.

**SIGNED BY THE SPEAKER**

The Speaker signed the following bills:

- SUBSTITUTE HOUSE BILL NO. 1209
- ENGROSSED HOUSE BILL NO. 1237
- SECOND SUBSTITUTE HOUSE BILL NO. 1377
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1439
- HOUSE BILL NO. 1452
- SUBSTITUTE HOUSE BILL NO. 1524
- SUBSTITUTE HOUSE BILL NO. 1539
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1561
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1783
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1889
- SECOND SUBSTITUTE HOUSE BILL NO. 2015
- ENGROSSED HOUSE BILL NO. 2097
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2143
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2177
- SUBSTITUTE HOUSE BILL NO. 2276
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 2285
- SUBSTITUTE HOUSE BILL NO. 2322
- SUBSTITUTE HOUSE BILL NO. 2367
- THIRD SUBSTITUTE HOUSE BILL NO. 2382
- SUBSTITUTE HOUSE BILL NO. 2424
- SUBSTITUTE HOUSE BILL NO. 2561
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2578
- SUBSTITUTE HOUSE BILL NO. 2627
- SUBSTITUTE HOUSE BILL NO. 2651
- SUBSTITUTE HOUSE BILL NO. 2664
- SUBSTITUTE HOUSE BILL NO. 2667
- SUBSTITUTE HOUSE BILL NO. 2685
- SUBSTITUTE HOUSE BILL NO. 2692
- HOUSE BILL NO. 2709
- HOUSE BILL NO. 2733
- ENGROSSED HOUSE BILL NO. 2759
- ENGROSSED HOUSE BILL NO. 2777
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2779
- HOUSE BILL NO. 2816
- SUBSTITUTE HOUSE BILL NO. 2824
- HOUSE BILL NO. 2892
- SUBSTITUTE HOUSE BILL NO. 2892
- SUBSTITUTE HOUSE BILL NO. 2921

The Speaker called upon Representative Lovick to preside.

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

**MESSAGES FROM THE SENATE**

March 7, 2018

MR. SPEAKER:

The Senate has passed:

- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2367
- SUBSTITUTE HOUSE BILL NO. 2382
- SUBSTITUTE HOUSE BILL NO. 2424
- SUBSTITUTE HOUSE BILL NO. 2561
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2578
- SUBSTITUTE HOUSE BILL NO. 2627
- SUBSTITUTE HOUSE BILL NO. 2651
- SUBSTITUTE HOUSE BILL NO. 2664
- SUBSTITUTE HOUSE BILL NO. 2667
- SUBSTITUTE HOUSE BILL NO. 2685
- SUBSTITUTE HOUSE BILL NO. 2692
- HOUSE BILL NO. 2709
- HOUSE BILL NO. 2733
- ENGROSSED HOUSE BILL NO. 2759
- ENGROSSED HOUSE BILL NO. 2777
- ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2779
- HOUSE BILL NO. 2816
- SUBSTITUTE HOUSE BILL NO. 2824
- HOUSE BILL NO. 2892
- SUBSTITUTE HOUSE BILL NO. 2892
- SUBSTITUTE HOUSE BILL NO. 2921

and the same are herewith transmitted,

Brad Hendrickson, Secretary

March 7, 2018

MR. SPEAKER:

The Senate has passed:

- HOUSE BILL NO. 2271

and the same is herewith transmitted,
Mr. Speaker:

We of your Conference Committee, to whom was referred SENATE BILL NO. 6032, making supplemental operating appropriations, have had the same under consideration and we recommend that:

All previous amendments not be adopted and that the attached striking amendment (H-5179.2/18) be adopted and that the bill do pass as recommended by the Conference Committee:

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)) $35,641,000

General Fund—State Appropriation (FY 2019) ....................... (($39,205,000)) $37,586,000

(Motor Vehicle Account—State Appropriation .................. $2,011,000))

Pension Funding Stabilization Account—State Appropriation ............. $4,280,000

TOTAL APPROPRIATION ...... $78,858,000 $77,507,000

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)) $25,056,000

General Fund—State Appropriation (FY 2019) ....................... (($29,451,000)) $28,548,000

(Motor Vehicle Account—State Appropriation .................. $1,903,000))

Pension Funding Stabilization Account—State Appropriation ............. $2,941,000

TOTAL APPROPRIATION ...... $57,723,000 $56,545,000

The appropriations in this section are subject to the following conditions and limitations:
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
General Fund—State Appropriation (FY 2019) ......................... $29,000
Performance Audits of Government—State Appropriation............. ($8,619,000)

$8,341,000
TOTAL APPROPRIATION........ $8,783,000
$8,505,000

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

(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) $32,000 of the performance audits of government account—state appropriation is provided solely for implementation of Second Engrossed Substitute House Bill No. 1508 (student meals and nutrition). If the bill is not
enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(8) $132,000 of the performance audits of government appropriation is provided solely for implementation of Substitute Senate Bill No. 5251 (tourism and seafood processing). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(9) $16,000 of the performance audits of government appropriation is 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 amount provided in this subsection shall lapse.

(10) $14,000 of the performance audits of government appropriation is 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 amount provided in this subsection shall lapse.

(11) $13,000 of the performance audits of government appropriation is 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 amount provided in this subsection shall lapse.

(12) $22,000 of the performance audits of government appropriation 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.

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

The appropriation in this section is subject to the following conditions and limitations: The agency is directed to use (in part) moneys in the savings incentive account for one-time relocation, furniture, equipment, and tenant improvements costs to move to the 1063 building.

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)

$10,320,000

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

$10,802,000

Pension Funding Stabilization Account-State

Appropriation.....................$825,000

TOTAL APPROPRIATION........$21,947,000

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)

$293,000

State Health Care Authority Administrative Account-State

Appropriation.....................$406,000

Department of Retirement Systems Expense

Account-State Appropriation..................($5,110,000)

$5,106,000

Pension Funding Stabilization Account-State

Appropriation......................$28,000

TOTAL APPROPRIATION........$6,121,000

$6,121,000

The appropriations in this section are subject to the following conditions and limitations: The office shall provide actuarial support to the Washington state actuarial analysis for this purpose.
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)
$4,649,000
General Fund—State Appropriation (FY 2019) .................. ($5,455,000)
$5,161,000
Pension Funding Stabilization Account—State
Appropriation.................. $568,000
TOTAL APPROPRIATION...... $10,391,000

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)
$4,261,000
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)
$7,712,000
General Fund—State Appropriation (FY 2019) .................. ($8,368,000)
$8,025,000
Pension Funding Stabilization Account—State
Appropriation.................. $671,000
TOTAL APPROPRIATION...... $16,408,000

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) .................. ($1,622,000)
$1,652,000
General Fund—State Appropriation (FY 2019) .................. ($1,714,000)
$1,652,000
Pension Funding Stabilization Account—State
Appropriation.................. $128,000
TOTAL APPROPRIATION...... $3,402,000

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) .................. ($2,410,000)
$1,247,000
General Fund—State Appropriation (FY 2019) .................. ($2,336,000)
$1,203,000
Pension Funding Stabilization Account—State
Appropriation.................. $130,000
TOTAL APPROPRIATION...... $2,580,000

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) .................. ($10,077,000)
$17,342,000
General Fund—State Appropriation (FY 2019) .................. ($10,066,000)
$18,066,000
Pension Funding Stabilization Account—State
Appropriation.................. $1,477,000
TOTAL APPROPRIATION...... $36,885,000
Sec. 113. 2017 3rd sp.s.c 1 s 114 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund–State Appropriation (FY 2018)</td>
<td>$55,112,000</td>
</tr>
<tr>
<td>General Fund–State Appropriation (FY 2019)</td>
<td>$58,597,000</td>
</tr>
<tr>
<td>General Fund–Federal Appropriation</td>
<td>$2,174,000</td>
</tr>
<tr>
<td>General Fund–Private/Local Appropriation</td>
<td>$676,000</td>
</tr>
<tr>
<td>Judicial Information Systems Account–State Appropriation</td>
<td>$61,089,000</td>
</tr>
<tr>
<td>Judicial Stabilization Trust Account–State Appropriation</td>
<td>$6,691,000</td>
</tr>
<tr>
<td>Pension Funding Stabilization Account–State Appropriation</td>
<td>$4,580,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$188,919,000</td>
</tr>
</tbody>
</table>

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.

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

(6)(a) $10,390,000 of the judicial information systems account—state appropriation is provided solely for other judicial branch information technology projects, including:

(i) The superior court case management system;

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

(iii) The appellate court case management system; and

(iv) 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) $811,000 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).

(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 (E2SHB 1140) (incapacitated persons/rights).

(10) $120,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for staff to support the superior court judges association as provided in the agreement between the association and the office.

(11) $2,265,000 of the judicial information systems account—state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades.

(12) $602,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for state costs 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.

(13) $1,900,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for grants to counties and cities for the impacts from Engrossed Second Substitute House Bill No. 1783 (legal financial obligations). Funding must be divided equally between counties and cities and distributed as grants to mitigate demonstrated costs and revenue losses from the legislation. It is the legislature's intent that grants will continue only through the 2019-2021 fiscal biennium as follows: (a) Funding in fiscal year 2020 must be distributed in the same proportion and basis as fiscal year 2019; and (b) funding for fiscal year 2021 must be divided eighty-five percent to counties and fifteen percent to cities and distributed based on demonstrated revenue losses from the legislation. 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) .................. ($42,129,000)
$42,129,000

General Fund—State Appropriation (FY 2019) .................. ($44,448,000)
$44,448,000

Judicial Stabilization Trust Account—State
Appropriation ............... ($3,714,000)
$3,714,000

Pension Funding Stabilization Account—State
Appropriation............. $278,000
TOTAL APPROPRIATION..... $3,992,000
$3,992,000

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 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 an increase in the rate for contracted social workers.

(7) $960,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for vendor rate increase of two percent beginning July 1, 2018, and two percent beginning January 1, 2019, for contracted attorneys providing indigent legal defense services in parents representation, civil commitment, and appellate criminal defense.

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) .................. ($14,833,000)
$14,833,000

General Fund—State Appropriation (FY 2019) .................. ($17,230,000)
$17,230,000

Judicial Stabilization Trust Account—State
Appropriation ............... $1,463,000

Pension Funding Stabilization Account—State
Appropriation .................$44,000
TOTAL APPROPRIATION ..... $32,508,000
$32,508,000

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 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) $338,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the addition of five contract attorneys beginning January 1, 2019, to further implement the civil legal aid reinvestment plan.

(4) $300,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the office to automate, deploy, and host a plain language family law forms document assembly system.

(5) $125,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for a contract with the international families justice coalition to expand private capacity to provide legal services for indigent foreign nationals in contested domestic relations and family law cases. Moneys may not be expended from this appropriation for private legal representation of clients in domestic relations and family law cases.

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) .................. $6,221,000

General Fund—State Appropriation (FY 2019) .................. $7,328,000

Economic Development Strategic Reserve Account—State Appropriation ................ $4,000,000

Pension Funding Stabilization Account—State Appropriation ................. $676,000

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))
$901,000

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

Pension Funding Stabilization Account-State
   Appropriation................. $54,000
   TOTAL APPROPRIATION..... $1,782,000
                                  $1,852,000

The appropriations in this section are subject to the following conditions and limitations: $70,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of the complete Washington program, a program coordinated by the office of the lieutenant governor with the purpose of connecting prior learning with postsecondary degree completion.

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))
$2,697,000

General Fund-State Appropriation (FY 2019) ........................ ((($2,872,000))
$3,965,000

Pension Funding Stabilization Account-State
   Appropriation................. $260,000
   TOTAL APPROPRIATION..... $5,698,000
                                  $6,922,000

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

(1) $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.

(2) $875,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed Substitute House Bill No. 2938 (campaign finance). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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))
$15,708,000

General Fund-State Appropriation (FY 2019) ........................ ((($13,465,000))
$13,742,000

General Fund-Federal Appropriation.........................((($7,801,000))
$7,793,000

Public Records Efficiency, Preservation, and Access Account-State
   Appropriation.................((($9,223,000))
                              $9,219,000

Charitable Organization Education Account-State
   Appropriation............... $673,000

Local Government Archives Account-State
   Appropriation................((($10,942,000))
                              $10,942,000

Election Account-Federal Appropriation...................$4,387,000

Washington State Heritage Center Account-State
   Appropriation.................((($10,383,000))
                              $10,626,000

Pension Funding Stabilization Account-State
   Appropriation...............$959,000
   TOTAL APPROPRIATION......$74,049,000
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) $35,000 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 humanities Washington speaker's bureau community conversations to expand programming in underserved areas of the state.

(7) $285,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for implementation of House Bill No. 2406 (election security practices). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(8) $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.

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)

$252,000

Pension Funding Stabilization Account—State

Appropriation............... $26,000

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

$521,000

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)

$19,371,000

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))

$10,906,000

Performance Audit of Government Account—State Appropriation............((($3,019,000))

$3,017,000

TOTAL APPROPRIATION........ $13,903,000

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;

(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 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)) $217,000

Pension Funding Stabilization Account—State

Appropriation ..................$30,000
TOTAL APPROPRIATION ..........$460,000

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) .........................((($7,868,000)) $7,868,000

General Fund—Federal Appropriation ..................((($6,955,000)) $8,300,000

New Motor Vehicle Arbitration Account—State Appropriation ..............((($1,143,000)) $1,143,000

Legal Services Revolving Account—State Appropriation ..................((($245,290,000)) $251,030,000

Tobacco Prevention and Control Account—State Appropriation ............$273,000

Medicaid Fraud Penalty Account—State Appropriation ..................((($3,526,000)) $3,511,000

Public Service Revolving Account—State Appropriation ..................((($2,373,000)) $2,723,000

Child Rescue Fund—State Appropriation ..................((($550,000)) $500,000

Local Government Archives Account—State Appropriation .............$660,000

Pension Funding Stabilization Account—State

Appropriation ..................$1,606,000
TOTAL APPROPRIATION ..........$289,559,000

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) $26,000 of the legal services revolving account—state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 2578 (housing options). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(15) $119,000 of the legal services revolving account—state appropriation is provided solely for implementation of chapter 1, Laws of 2018 (ESSB 6091).

(16) $96,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6029 (student loan bill of rights). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(17) $48,000 of the legal services revolving account—state appropriation is provided solely for implementation of Engrossed Substitute House Bill No. 2938 (campaign finance). If the bill is not
enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(18) $116,000 of the legal services revolving account—state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1439 (higher education student protection). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(19) $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.

(20) $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.

(21) $350,000 of the public service revolving account—state appropriation is provided solely for additional expert witness assistance for the public counsel unit.

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) $1,555,000

General Fund—State Appropriation (FY 2019) ...................... ($1,576,000) $1,775,000

Pension Funding Stabilization Account—State Appropriation ................ $169,000

TOTAL APPROPRIATION ........ $2,182,000 $3,499,000

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) $46,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the 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) $108,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the caseload forecast council to prepare and submit to the legislature prior to each legislative session a general disproportionality report. The general disproportionality report must contain the following information:

(a) A table of percentages based on the total number of adult felony sentences in each crime category, distributed by race and ethnicity;

(b) A table of percentages based on the total number of adult felony sentences reduced to misdemeanors in each crime category, distributed by race and ethnicity;

(c) A table of percentages of Washington state's general adult at-risk population, between the ages of eighteen and fifty-four, distributed by race and ethnicity;

(d) A complete list of felony offenses in each crime forecasting category; and

(e) A discussion of limitations in the data presented in (a) and (c) of this subsection.

(4) $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) $64,290,000

General Fund—State Appropriation (FY 2019) ...................... ($65,634,000) $77,359,000
<table>
<thead>
<tr>
<th>Account/State</th>
<th>Appropriation</th>
<th>State Appropriation</th>
<th>TOTAL APPROPRIATION</th>
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<td>General Fund—Federal Appropriation</td>
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<td>$295,855,000</td>
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<td>General Fund—Private/Local Appropriation</td>
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<td>Public Works Assistance Account—State Appropriation</td>
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<td>Drinking Water Assistance Administrative Account—State Appropriation</td>
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<td>Lead Paint Account—State Appropriation</td>
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<td>Building Code Council Account—State Appropriation</td>
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<td>Life Sciences Discovery Account—State</td>
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<td>TOTAL APPROPRIATION</td>
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</table>

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 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 a grant to resolve 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) (($2,642,000)) $2,642,000 of the economic development strategic reserve account-state appropriation ((())) and $2,960,000 of the general fund-state appropriation for fiscal year 2019 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 $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 (ESHB 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 the department to contract with a private, nonprofit organization to provide developmental disability ombuds services.

(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 implementation of chapter 290, Laws of 2017 (ESHB 1109) (victims of sexual assault).

(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 through 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 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) $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 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

(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)(a) $500,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for a contract to study and report on independent contractor employment in Washington state. The contractor shall provide to the department an interim report to include a substantive update by November 1, 2018. The contractor report shall be provided to the department by June 1, 2019. 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.

(48) $1,070,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the department to expand the small business export assistance program and ensure that at least one new employee is located outside the city of Seattle for purposes of assisting rural businesses with export strategies; and for continuing the economic gardening program.

(49) $1,500,000 of the statewide tourism marketing account—state appropriation is provided solely for implementation of Engrossed Fourth Substitute Senate Bill No. 5251 (tourism marketing). Of the amount appropriated, $198,000 is provided solely for expenditures of the department that are related to implementation of the statewide tourism marketing program and operation of the authority. If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(50) $96,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Substitute Senate Bill No. 6175 (common interest ownership). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(51) $1,576,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for administration and pass-through funding to assist Whatcom, Snohomish, King, Pierce, Kitsap, Thurston, and Clark counties with the implementation of chapter 16, Laws of 2017 3rd sp.s. (E2SSB 5254).

(52) $50,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the city of Issaquah to host a regional or national sports medicine conference.

(53) $149,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the department to fund a pilot project in Clark county
increase access to local workforce training. Funding must be used to contract with Partners in Careers to complete an assessment of basic literacy skills in 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 WorkSource system and engagement in on-the-job training and industry specific training in high demand fields.

(54) $11,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for a grant to the city of Port Angeles for the cost of analyzing biochar samples for evidence of dioxins, PAHs, and flame retardants and any other chemical compounds through a certified laboratory. Analysis results must be shared with local interest groups.

(55) $20,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the office of homeless youth prevention and protection programs to conduct a survey of homeless youth services and informational gaps, especially in nonurban areas, with an emphasis on providing nonurban school districts with adequate informational resources related to homeless youth and youth in crisis services available in their community.

(56) $20,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Substitute Senate Bill No. 6081 (net metering) or Substitute House Bill No. 2993 (energy). If neither bill is enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(57) $150,000 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 have the goal of creating a sustainable organized response to gang activity utilizing evidence-based resources.

(58) $125,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for a grant to the Seattle science foundation to develop a comprehensive 3D spinal cord atlas with the goal of providing clinicians and researchers with a digital map of the spinal cord.

(59) $250,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the department to contract with the Washington state microenterprise association to assist people with limited incomes in nonmetro areas of the state to start and sustain small businesses and embrace the effects of globalization.

(60) $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.

(61) $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.

(62) $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.

(63) (a) $300,000 of the general fund—state appropriation for fiscal year 2019 and $300,000 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 $300,000 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.

(64)(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.

(65) $1,000,000 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.

(66) $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.

(67) $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.

(68) $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.

(69) $1,000,000 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.

(70) $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 department of commerce. The department must submit a report to the appropriate committees of the legislature by October 1, 2019. The report must contain, at a minimum:

(a) An analysis of arrests and bookings for individuals served in the pilot program;

(b) An analysis of connections to behavioral health services made for individuals who were served by the pilot program;

(c) An analysis of impacts on housing stability for individuals served by the pilot program; and

(d) The number of individuals served by the pilot program who were connected
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Higher Education Personnel Services Account—State

Appropriation .............. $1,497,000

Performance Audits of Government Account—State

Appropriation ................ ($621,000)

$620,000

Statewide Information Technology System Development

Revolving Account—State

Appropriation ................ ($6,503,000)

$10,022,000

OFM Central Services—State

Appropriation ................ ($19,237,000)

$19,280,000

Pension Funding Stabilization Account—State

Appropriation ................ $2,448,000

TOTAL APPROPRIATION .... $100,938,000

$107,919,000

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 of 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) $1,000,000 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 after the approval of the director of the office of financial management.

(14) The office of financial management must purchase a workiva software product that will produce the comprehensive annual financial report and other fiscal reports within existing resources.

(15) The office of financial management must procure GovDelivery, a software as a service, that enables government organizations to connect with citizens within existing resources.

(16) $75,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of chapter 192, Laws of 2017 (SB 5849).

(17) $192,000 of the general fund—state appropriation for fiscal year 2018 and $288,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the office of financial management to contract with an entity or entities with expertise in public finance, commercial, and public banking to:

(a) Evaluate the benefits and risks of establishing and operating a state-chartered, public cooperative bank in the state of Washington, specifically including the business and operational issues raised by the 2017 infrastructure and public depository task force; and

(b) Develop a business plan for a public cooperative bank based on the federal home loan bank model whose members may only be the state and/or political subdivisions. The purpose of this bank is to assist the potential members of the bank to manage cash and investments more efficiently to increase yield while maintaining liquidity, and to establish a sustainable funding source of ready capital for infrastructure and economic development in the state of Washington. The business plan shall include, but is not limited to:

(i) Identification of potential members of the bank;

(ii) The capital structure that would be necessary;

(iii) Potential products the bank might offer;

(iv) Projections of earnings;

(v) Recommendations on corporate governance, accountability, and assurances;

(vi) Legal, constitutional, and regulatory issues;
(vii) If needed, how to obtain a federal master account and join the federal reserve;

(viii) Information technology security and cybersecurity;

(ix) Opportunities for collaborating with other financial institutions;

(x) Impacts on the state's debt limit;

(xi) In the event of failure, the risk to taxpayers, including any impact on Washington's bond rating and reputation;

(xii) Potential effects on the budgets and existing state agencies programs; and

(xiii) Other items necessary to establish a state-chartered, public cooperative bank modeled after the federal home loan bank or other similar institution.

The office of financial management shall facilitate the timely transmission of information and documents from all appropriate state departments and state agencies to the entity hired to carry out its contract. A status report must be provided to the governor and appropriate committees of the legislature by December 1, 2018, and final report and business plan provided to the appropriate committees of the legislature by June 30, 2019. The contract is exempt from the competitive procurement requirements in chapter 39.26 RCW.

(18) $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 a report to the appropriate committees of the legislature by January 1, 2019, 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.

(19) $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.

(20) (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.

(21) $52,000 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 to the office of financial management for staffing and support to prepare for the 2020 census.

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)

$41,152,000

The appropriation in this section is subject to the following conditions and limitations: $250,000 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)

$28,031,000

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.

Sec. 132. 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).................($255,000)

Pension Funding Stabilization Account—State

Appropriation............$26,000

TOTAL APPROPRIATION............$281,000

The 2018 constitutional amendment distributing the proceeds of the Washington State Lottery to local government, education, and governmental purposes, in part, is amended to read as follows:
Sec. 133. 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) 

...................... ($268,000) 

General Fund—State Appropriation (FY 2019) 

...................... ($254,000) 

Pension Funding Stabilization Account—State 

Appropriation................ $26,000 

TOTAL APPROPRIATION........ $269,000 

Sec. 134. 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) 

...................... $57,902,000 

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

(1) $110,000 of the appropriation in this section is provided solely for implementation of Substitute Senate Bill No. 6340 (plan 1 retirement benefit increases). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(2) $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.

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

Sec. 135. 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) 

...................... $129,925,000 

General Fund—State Appropriation (FY 2019) 

...................... ($138,496,000) 

...................... $135,392,000 

Timber Tax Distribution Account—State 

Appropriation............ ($6,722,000) 

...................... $6,765,000 

Waste Reduction/Recycling/Litter Control—State 

Appropriation............ ($157,000) 

...................... $156,000 

State Toxics Control Account—State 

Appropriation............ ($112,000) 

...................... $111,000 

Business License Account—State 

Appropriation............ ($28,211,000) 

...................... $16,640,000 

Performance Audits of Government Account—State 

Appropriation............ $4,640,000 

Pension Funding Stabilization Account—State 

Appropriation............ $13,488,000 

Financial Services Regulation Account—State 

Appropriations............ $5,000,000 

TOTAL APPROPRIATION..... $324,342,000 

...................... $312,117,000 

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.
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.

$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.

$30,000 of the general fund—state appropriation for fiscal year 2018 and $120,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the department to make publicly available an online searchable database of all taxes and tax rates in the state for each taxing district. The information must be aggregated by type of tax and accessible by entering a physical address for each residency or business. In addition to searching by physical address for each residence or business, searches must be accommodated by navigating through a map of the state as a whole and down to the level of each taxing district. The database must also provide tax rate calculators on the searchable database to allow taxpayers to calculate their potential taxes. Calculators must be provided at a minimum for property, sales and use, business and occupation, vehicle, and other business taxes and must be specific to the rate for the taxing district in which the taxpayer resides. The calculator may only be used for educational purposes and does not have a legal effect on taxes due.

To facilitate the department's efforts in creating and maintaining the searchable database of each tax rate for all taxing districts in the state, each taxing district must report its tax rates to the department by September 30, 2018. In addition, every taxing district must report any changes to its tax rates within thirty days of an enactment of a different rate.

At a minimum the following taxes and rates must be included in the database and broken down to the taxing district or jurisdiction level:

(i) State and local sales and use taxes;
(ii) State and local regular and excess property taxes;
(iii) State and local business taxes including, but not limited to, business and occupation taxes, public utility taxes, unemployment compensation taxes, and industrial insurance premiums;
(iv) State and local real estate excise taxes; and
(v) State and local motor vehicle taxes and fees.

The database must also contain information, or links to information, on additional selective sales taxes, selective business taxes, and in-lieu of property taxes.

The database created under this section must be accessible by June 30, 2019, and able to be accessed by and accessed from the state expenditure information web site created under RCW 44.48.150.

$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).

$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.

$96,000 of the general fund—state appropriation for fiscal year 2019 is
provided solely for the implementation of Engrossed Fourth Substitute Senate Bill No. 5251 (tourism marketing). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 136. 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)

$1,565,000

General Fund—State Appropriation (FY 2019) .................. $(1,438,000)

$2,254,000

Pension Funding Stabilization Account—State

Appropriation .................. $162,000

TOTAL APPROPRIATION ...... $3,981,000

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).

(3) $29,000 of the insurance commissioners regulatory account—state appropriation is provided solely for implementation of Senate Bill No. 6059 (insurer annual disclosures). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(4) $40,000 of the insurance commissioners regulatory account—state appropriation is provided solely for implementation of Substitute Senate Bill No. 6219 (reproductive health coverage). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(5) $39,000 of the insurance commissioners regulatory account—state appropriation is provided solely for implementation of Senate Bill No. 5912 (tomosynthesis/mammography). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(6) $29,000 of the insurance commissioners regulatory account—state appropriation is provided solely for implementation of Engrossed Substitute Senate Bill No. 6241 (school employees’ benefits). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(7) $212,000 of the insurance commissioners regulatory account—state appropriation is provided solely for implementation of Substitute House Bill No. 2322 (insurers/risk mitigation). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.
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)
$48,907,000

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
Dedicated Marijuana Fund—State Appropriation
(FY 2019)............... ($9,596,000)
$10,585,000
Liquor Revolving Account—State Appropriation........... ($69,756,000)
$69,756,000
General Fund—Federal Appropriation.................. ($2,912,000)
$2,907,000
General Fund—State Appropriation (FY 2018)............... ($372,000)
$367,000
General Fund—State Appropriation (FY 2019)............... ($393,000)
$349,000
General Fund—Private/Local Appropriation............... $50,000
Pension Funding Stabilization Account—State
Appropriation................ $78,000
TOTAL APPROPRIATION.............. $93,201,000
$94,459,000

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.

(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) $175,000 of the dedicated marijuana fund—state appropriation for fiscal year 2019 is provided solely for implementation of Second Substitute House Bill No. 2334 (cannabinoid additives). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(7) $20,000 of the liquor revolving account—state appropriation is provided solely for implementation of Engrossed Substitute Senate Bill No. 6346 (sale of wine/microbrewery). If the bill is not
enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(8)(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)

$16,463,000

Public Service Revolving Account—State Appropriation............($40,248,000)

$40,252,000

Pipeline Safety Account—State Appropriation...............$3,412,000

Pipeline Safety Account—Federal Appropriation...............($3,072,000)

$3,069,000

TOTAL APPROPRIATION........$63,196,000

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.

(4) $27,000 of the public service revolving account—state appropriation is provided solely for implementing the provisions of Engrossed Substitute Senate Bill No. 6081 (distributed generation) or Substitute House Bill No. 2995 (energy). If neither bill is enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(5) The commission must begin a long-term study on the universal service program to the appropriate committees of the legislature on the need for future program funding and recommendations on potential funding mechanisms to improve availability of communications services, including broadband service, in unserved and underserved areas. A preliminary report providing a framework for the how the commission will approach the study is due January 1, 2019.

(6) Sufficient funding is provided in this section for the commission to convene a task force to make recommendations and report to the legislature regarding the most effective method of regulation of digital application-based micro-movers and the small goods movers that utilize their digital application. The report is due to the legislature by December 15, 2018.

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) ................. ($27,040,000)

General Fund—State Appropriation (FY 2019) ................. ($28,992,000)

General Fund—Federal Appropriation ........... ($117,160,000)

Enhanced 911 Account—State Appropriation ........... ($53,466,000)

Disaster Response Account—State Appropriation .......... ($27,007,000)

Disaster Response Account—Federal Appropriation .......... ($118,587,000)

Military Department Rent and Lease Account—State Appropriation ............... $615,000

Worker and Community Right-to-Know Account—State Appropriation ........... ($2,337,000)

Oil Spill Prevention Account—State Appropriation .......... ($1,027,000)

Pension Funding Stabilization Account—State Appropriation ........... $1,243,000

Military Department Active Service Account—State Appropriation .. $200,000

TOTAL APPROPRIATION ...... $300,939,000

$352,674,000

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, July 31st, and October 31st 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 of the enhanced 911 account—state appropriation is 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) Skagit, Cowlitz, Island, and Whatcom counties for replacing and upgrading the 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). Grants may also be used to reimburse costs incurred in prior biennia for replacing and upgrading equipment for 911 services.

(7) $784,000 of the disaster response account—state appropriation is provided solely for fire suppression training 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) $190,000 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.

(12) $1,582,000 of the general fund—state appropriation for fiscal year 2019 and $2,618,000 of the enhanced 911 account—state appropriation are provided solely for the department to complete the internet protocol based next generation 911 network project while maintaining financial assistance to counties.

(13) $200,000 of the military department active state service account—state appropriation is provided solely for emergency response training and planning of national guard members with funding provided from Engrossed Second Substitute Senate Bill No. 6269 (oil transportation safety). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(14) $150,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the emergency management division of the military department to conduct an update to the October 2005 report to the state emergency response commission regarding statewide response to chemical, biological, radiological, nuclear, and explosive materials.

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)

$1,962,000

General Fund–State Appropriation (FY 2019) .......................($2,251,000)

$2,139,000

Higher Education Personnel Services Account–State
Appropriation............ (($1,327,000))
$1,325,000

Personnel Service Account—State
Appropriation ............ ((($4,032,000))
$4,031,000

Pension Funding Stabilization Account—State
Appropriation............. $228,000

TOTAL APPROPRIATION..... $9,686,000
$9,685,000

The appropriation in this section is subject to the following conditions and limitations: $5,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Second Substitute Senate Bill No. 6245 (spoken language interpreters). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 144. 2017 3rd sp.s. c 1 s 148 (uncodified) is amended to read as follows:

FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS

Volunteer Firefighters' and Reserve Officers' Administrative Account—State
Appropriation ............ ((($1,216,000))
$1,217,000

The appropriation in this section is subject to the following conditions and limitations: $256,000 of the volunteer firefighters' and reserve officers' relief and pension administrative account—state appropriation is provided solely to the pension and benefit tracking system project and are subject to the conditions, limitations, and review provided in section 724 of this act.

Sec. 145. 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............. ((($3,247,000))
$3,244,000

Sec. 146. 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) ............ ((($4,365,000))
$4,365,000

General Fund—State Appropriation (FY 2019) ............ ((($4,528,000))
$4,528,000

General Fund—Private/Local Appropriation ................ $102,000

Building Code Council Account—State
Appropriation............. ((($1,056,000))
$1,479,000

TOTAL APPROPRIATION .... $9,331,000
$10,474,000

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

(1) ((($4,031,000)) $4,028,000 of the general fund—state appropriation for fiscal year 2018 and ((($4,082,000)) $4,048,000 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) $14,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Substitute Senate Bill No. 6081 (net metering) or Substitute House Bill No. 2995 (energy). If neither bill is enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(8) $13,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Senate Bill No. 5450 (mass timber for building). If the bill is enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(9) $130,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for activities to resolve issues related to the ferry county memorial public hospital district energy savings performance contract. The department of enterprise services must redouble its activities to enforce performance from the energy savings performance contractor, identify the work necessary to address the deficiencies of the heating, ventilation, and air conditioning system (HVAC), and any other actions to make the hospital district whole under the contract. The department must provide monthly status reports to the director of the office of financial management and the legislature on steps, timelines, and activities to repair the HVAC system and secure contractor performance. In the May 2018 report, the department must identify
steps that may be taken to improve its master contract to remove contractors for performance failures from its master contract or to add other contract remedies to prevent similar events. No moneys may be expended from the appropriations in this section for department of enterprise services costs, except for costs related to actual litigation with the energy savings performance contractor or its insurer. Moneys may be used for litigation or actual repair and replacement costs incurred by the hospital associated with the fulfillment of the contract.

(10) During the 2017–2019 fiscal biennium, the department shall allow individuals to access the top of the capitol dome under approved supervision and guidelines developed by the department.

(11) $349,000 of the building code council account—state appropriation is provided solely for the state building code council. If Engrossed Second Substitute House Bill No. 1622 (state building code council) is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 147. 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) $1,571,000
General Fund—State Appropriation (FY 2019) ......................... ($1,633,000) $1,646,000
General Fund—Federal Appropriation .......................... ($2,228,000) $2,226,000
General Fund—Private/Local Appropriation .................. $264,000
Pension Funding Stabilization Account—State Appropriation.......... $136,000
TOTAL APPROPRIATION ........ $5,732,000 $5,843,000

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. 148. 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 ........ ($10,136,000) $18,578,000
Broadband Access Account—State Appropriation ................ $500,000
TOTAL APPROPRIATION ...................................... $19,511,000 $19,453,000

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) ($108,000) $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.

(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.

(10) $500,000 of the broadband access account—state appropriation is provided
solely for the department to create the governor's office on broadband access as provided in Engrossed Second Substitute Senate Bill No. 5935 (broadband and telecommunication service). Of the amount provided, the department must fund at least one staff person to focus on rural unserved and underserved communities, including tribes. If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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 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.

(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) 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.

(5) 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 each program 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.

(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 within and between subprograms as needed to fund actual expenditures through the end of fiscal year 2018.

(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 Appropriation (FY 2018) ................. ($(244,002,000))
$345,901,000

General Fund—Federal Appropriation ............... ($(265,365,000))
$279,131,000

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

$636,643,000

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) $9,474,000 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 subsection 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 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.

(23) $658,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the department to operate emergent placement contracts. The department shall not include the costs to operate emergent placement contracts in the calculations for family foster home maintenance payments.

(24) The appropriations in this section include sufficient funding for the implementation of Second Substitute Senate Bill No. 6453 (kinship caregiver legal support).

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) $91,247,000

General Fund—State Appropriation (FY 2019) ......................... ($97,122,000) $93,660,000

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

Pension Funding Stabilization Account—State Appropriation .............$8,721,000

TOTAL APPROPRIATION ......$198,553,000 $199,273,000

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 (SSODA). 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, 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, 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 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 and $532,000 of the general fund—state appropriation for fiscal year 2019 are 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) $107,000 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 the department to provide 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 the implementation of
Engrossed Second Substitute Senate Bill No. 6160 (exclusive adult jurisdiction). 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) .................. $(291,457,000)
  General Fund—State Appropriation (FY 2019) .................. $(381,760,000)
  General Fund—Federal Appropriation .................. $(481,439,000)
  General Fund—Private/Local Appropriation .................. $(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 .... $1,847,502,000
  $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) ($2,520,000) $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 2018 and $1,023,000 of the general fund—federal appropriation are provided
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.

(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 users 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.

((431)) (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.

((440)) (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 ((431)) (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.

((445)) (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 to fund phase in intensive mental health services for high needs youth consistent with the settlement agreement in T.R. v. Dreyfus and Porter.

((444)) (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.

((443)) (n) $2,309,000 of the general fund—state appropriation for fiscal year 2018((, $2,309,000 of the general fund—state appropriation for fiscal year 2019,)) and ($2,061,000) $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.

(((((q)) $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.

(((p)) $1,466,000 of the general fund-state appropriation for fiscal year 2018 ((and $7,144,000 of the general fund-state appropriation for fiscal year 2019 are)) and ((32,375,000)) $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 these 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)) $1,123,000 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)) $4,983,000 of the general fund-state appropriation for fiscal year 2018((and $6,744,000 of the general fund-state appropriation for fiscal year 2019 are)) and ((25,265,000)))) $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)) 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 ((((((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.

(((s) $11,605,000 of the general fund—state appropriation for fiscal year 2018 ($11,605,000 of the general fund—state appropriation for fiscal year 2019,) 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.

(((t) $200,000 of the general fund—state appropriation for fiscal year 2018 ($(1,296,000 of the general fund—state appropriation for fiscal year 2019 are)) is provided solely for clubhouse programs. (Of this amount, $100,000 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.

(((u) $212,000 of the general fund—state appropriation for fiscal year 2018 ($(213,000 of the general fund—state appropriation for fiscal year 2018 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.

(((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)
$259,313,000

General Fund-Federal Appropriation .................. ($148,093,000)
$181,793,000

General Fund-Private/Local Appropriation .................. ($52,630,000)
$61,282,000

Pension Funding Stabilization Account—State Appropriation .................. $34,746,000

TOTAL APPROPRIATION .. $765,482,000
$867,348,000

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 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. 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) ((228,637,000)) $20,883,000 of the general fund–state appropriation for fiscal year 2018 and ((228,647,000)) $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) ((16,261,000)) $3,928,000 of the general fund–state appropriation for fiscal year 2018 and ((16,261,000)) $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 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. 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.

(1) $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 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) $12,190,000 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 in collaboration with the hospital staffing committees. 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, the staffing committees, 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 and hospital staffing committees 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. These reports must include an update from the hospital staffing committees.

(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.

(p) $20,000 of the general fund—state appropriation for fiscal year 2019 and $8,000 of the general fund—federal appropriation are provided solely to implement Substitute Senate Bill No. 6237 (personal needs allowance) or Substitute House Bill No. 2651 (personal needs allowance). If neither bill is enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(q) $46,601,000 of the general fund—state appropriation for fiscal year 2018 is provided solely for the department to pay fines, plaintiff's attorney fees, and increased court monitor costs for failing to meet court ordered timelines for competency restoration and evaluations under Trueblood v. Department of Social and Health Services.

(r) $1,148,000 of the general fund—state appropriation for fiscal year 2019 is 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 state hospitals. The department must 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 must report to the office of financial management on expenditure levels and outcomes achieved at the close of each fiscal year.

(3) SPECIAL PROJECTS

General Fund—State Appropriation (FY 2018) .................. ($544,000) $486,000

($504,000)

General Fund—State Appropriation (FY 2019) .................. ($281,000) $3,148,000

Pension Funding Stabilization Account—State

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 development, 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 on 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) $9,265,000

General Fund—State Appropriation (FY 2019) .................. ($9,543,000) $2,979,000

General Fund—Federal Appropriation .................. ($12,046,000) $8,310,000

General Fund—Private/Local Appropriation .................. ($502,000) $251,000

Pension Funding Stabilization Account—State

Appropriation.............................. $526,000

TOTAL APPROPRIATION........ $32,266,000 $21,331,000

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(1)(a) 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)$601,589,000

General Fund—State Appropriation (FY 2019) .........................($662,252,000)$663,644,000

General Fund—Federal Appropriation ..................($1,301,629,000)$1,302,369,000

General Fund—Private/Local Appropriation ..................($334,000)$2,407,000

Pension Funding Stabilization Account—State Appropriation ..................$6,872,000

TOTAL APPROPRIATION .... $2,577,163,000 $2,576,881,000

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) 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 $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 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.

(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.

(1) $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.

(p) $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) $83,000 of the general fund-state appropriation for fiscal year 2019 and $751,000 of the general fund-federal appropriation are provided solely for the development of an information technology solution that is flexible enough to accommodate all service providers impacted by the requirements for electronic visit verification outlined in the 21st century cures act.

(u) $75,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for job training at the support education empowerment disability solutions program.

(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) $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.

(y) $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 Engrossed Substitute Senate Bill No. 6199 (consumer directed employer organizations). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(z) 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(57) of this act.

(aa) $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) ..........................$99,622,000
General Fund-State Appropriation (FY 2019)...................($106,818,000) ..........................$105,704,000
General Fund-Federal Appropriation.........................($195,757,000) ..........................$202,562,000
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 ..........................$447,370,000

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, 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) $325,000 of the general fund—state appropriation for fiscal year 2019 and $325,000 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) $2,288,000 of the general fund—state appropriation for fiscal year 2018, $5,496,000 of the general fund—state appropriation for fiscal year 2019, and $7,784,000 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 villages 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;

(I) One member from the aging and long term support administration within the department of social and health services; and

(J) Two members who are family members or guardians of current residential habilitation center residents.

(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.
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.

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.

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.

Purchases 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.

A land swap of equal value between the charitable, educational, penal, and reform institutions land on the Fircrest campus and other state-owned property.

A combination of the options outlined within (I) and (II) of this subsection (g)(ii)(I).

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.

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.

Options for transferring individuals who have been residing long

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.

$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.

$121,000 of the general fund—state appropriation for fiscal year 2018, $41,000 of the general fund—state appropriation for fiscal year 2019, and $161,000 of the general fund—federal appropriation are provided solely for the replacement of items destroyed by fire at the laundry facility at Fircrest, and for the transportation of laundry from Fircrest to Rainier.

PROGRAM SUPPORT

General Fund—State Appropriation (FY 2018)..................($2,469,000)

$2,351,000

General Fund—State Appropriation (FY 2019)..................($2,531,000)

$2,400,000

General Fund—Federal Appropriation..................($2,946,000)

$2,982,000
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 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 member 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 be included 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 psychiatric 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 shall also 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 health care 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) $217,000 of the general fund—state appropriation for fiscal year 2019 and $1,949,000 of the general fund—federal appropriation are provided solely for the development of an information technology solution that is flexible enough to accommodate all service providers impacted by the requirements for electronic visit verification outlined in the 21st century cures act.

(29) $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.

(30) $1,813,000 of the general fund—private/local appropriation and $674,000 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.

(31) $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.

(32) $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.

(33) $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 Engrossed Substitute Senate Bill No. 6199 (consumer directed employer organizations). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(34) $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 a schedule of 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.

(35) $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).........................($335,085,000)

$362,611,000

General Fund—State Appropriation (FY 2019).........................($415,638,000)

$373,055,000

General Fund—Federal Appropriation.......................($1,421,095,000)

$1,443,711,000

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.....$2,243,340,000

$2,219,185,000

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

(1) (a) ($115,022,000) $125,399,000 of the general fund—state appropriation for fiscal year 2018, ($125,036,000) $124,458,000 of the general fund—state appropriation for fiscal year 2019, $836,761,000 of the general fund—federal appropriation, ($amend) $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) $260,135,000 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 (l)(b), $8,975,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for the department to increase the grant standard.

(c) ($168,005,000) $158,444,000 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.

(d)(i) ($501,608,000) $477,054,000 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 in to 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 solely for child care center providers.

(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) $170,292,000 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 fiscal and policy committees of the legislature detailing the specific actions taken to implement this subsection.

(i) An overview of federal rules related to maintenance of effort, excess maintenance of effort, participation rates for temporary assistance for needy families, 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) ($1,848,000) $856,000 of the general fund—state appropriation for fiscal year 2018, ($2,451,000) $1,848,000 of the general fund—state appropriation for fiscal year 2019, and ($2,451,000) $16,267,000 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).

(11) $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 implementation of Engrossed Second 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 are 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) $5,000,000 of the general fund-federal appropriation is provided solely for the resources to initiate successful employment program. The department shall submit a preliminary report of its findings of the impact of this program on increasing employment to the appropriate committees of the legislature no later than January 1, 2019, with a final report submitted no later than June 30, 2019.

(15) $121,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute Senate Bill No. 5683 (Pacific Islander health care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(16) $51,000 of the general fund-state appropriation for fiscal year 2019 and $21,000 of the general fund-federal appropriation are provided solely to implement Second Substitute House Bill No. 1513 (youth voter registration information). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(17) $22,000 of the general fund-state appropriation for fiscal year 2019 and $43,000 of the general fund-federal appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 6037 (uniform parentage act). 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) $301,240,000

General Fund—Federal Appropriation ....................... ($575,249,000) $10,101,000

General Fund—Private/Local Appropriation ....................... ($20,211,000) $438,000

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)) 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.

(4) $3,500,000 of the general fund—federal appropriation (from the substance abuse prevention and treatment federal block grant) is provided solely for the continued funding of existing county drug and alcohol use prevention programs.

(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.
$2,755,000

leveloped in $1,125,000 and $386,000 of
and $250,000 of

in their provider network specialized expertise in the

network specialized expertise in the

behavioral health organizations (BHO) to

behavioral health organizations (BHO) to

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.

outpatient 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.

$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 era)
is provided solely to maintain increased
prevention and treatment services
provided by tribes to children and youth.

$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 era)
is provided solely to maintain increased
residential treatment services for children and
youth.

$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 era)
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.

$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 era)
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.

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.

$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.

$435,000 of the general
fund—federal appropriation is
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.

$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.

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 programs 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)
$14,443,000
General Fund—Federal Appropriation .......... ($97,328,000)

$109,730,000

Pension Funding Stabilization Account—State Appropriation........... $2,024,000

TOTAL APPROPRIATION....... $127,830,000

$140,087,000

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(57) 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)

$47,157,000

Pension Funding Stabilization Account—State Appropriation........... $4,858,000

TOTAL APPROPRIATION....... $91,661,000

$98,217,000

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 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.

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) ...................... $82,245,000
General Fund—State Appropriation (FY 2019) ...................... $42,783,000
General Fund—Federal Appropriation ...................... $57,081,000
TOTAL APPROPRIATION....... $182,109,000

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).

(3) Within the amounts appropriated in this section, the department must extend master property insurance to all buildings owned by the department valued over $250,000 and to all locations leased by the department with contents valued over $250,000.

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 2019) ................. (($2,116,911,000))
$2,084,494,000
General Fund-Federal Appropriation .... ($11,823,330,000)
$11,823,330,000
General Fund-Private/Local Appropriation .... ($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 ................... ($28,154,000)
$28,154,000
Medicaid Fraud Penalty Account State Appropriation ................... ($28,154,000)
$28,154,000

General Fund—State Appropriation (FY 2018) ................. (($2,116,911,000))
$2,084,494,000
General Fund-Federal Appropriation .... ($11,823,330,000)
$11,823,330,000
General Fund-Private/Local Appropriation .... ($204,427,000)

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

(a) ($256,645,000) $268,117,000 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) $113,395,000 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 (heading) 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 (vi) 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 on 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. 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.

(d) (($1,540,849,000)) $1,505,087,000 of the general fund–state appropriation for fiscal year 2018 and (($1,535,537,000)) $1,538,030,000 of the general fund–state appropriation for fiscal year 2019 are provided solely for medicaid services and the medicaid program. However, 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) 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 identify and reduce 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.
(e) 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 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.

(f) 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) 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.

(h) 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).

(i) 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 providers and medical malpractice insurance carriers.
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.

((±±±±±) [j] 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.

((±±±±±) [k] 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.

((±±±±±) [l] 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.

((±±±±±) [m] 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.

((±±±±±) [n] $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.

((±±±±±) [o] 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.

((±±±±±) [p] $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 B 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 or 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.

((±±±±±) [q] 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 ($12,185,000) $361,000 of the general fund-state appropriation for fiscal year 2019 are provided solely for state grants for the participating hospitals. 

((44)) (r) 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.

((44)) (s) 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.

((44)) (t) The authority shall submit reports to the governor and the legislature by September 15, 2018, and no later than September 15, 2019. These reports shall 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.

((44)) (u) 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.

(((zzz)) (v)) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit.

(((zzz)) (w)) 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.

(((zzz)) (x)) 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.

(((zzz)) (y)) $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.

(((zzz)) (z)) 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.

(((zzz)) (aa)) Within the amounts appropriated in this section, the authority shall reimburse for primary care services provided by naturopathic physicians.

(((zzz)) (bb)) 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.

(((zzz)) (cc)) 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.

(((zzz)) (dd)) 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.

(((zzz)) (ee)) $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.

(((zzz)) (ff)) $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.

(((zzz)) (gg)) $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 for 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.

(((zzz)) (hh)) $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.

(((((iii))) ii)) Sufficient amounts are appropriated in this section for the authority to provide a collaborative care benefit beginning July 1, 2017.

(((((iii))) iii)) 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.

(((((iii))) kk)) 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.

(((((iii))) ii)) 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.

(((((iii))) mm)) 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.

(((nn))) 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.

(((oo))) $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.

((pp)) 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.

((qq)) 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.

((rr)) $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.

((ss)) $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
The authority shall evaluate adding a tele-psychiatry 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.

$339,000 of the general fund-state appropriation for fiscal year 2017, $37,000 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.

$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 management program and pain management call center to advance primary care provider knowledge of complex pain management issues, including opioid addiction.

$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).

$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).

$347,000 of the general fund-state appropriation for fiscal year 2018, $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).

$839,000 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.

$69,000 of the general fund-state appropriation for fiscal year 2018, $60,000 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.

$267,000 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 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.

(ccc) $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.

(ddd) $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 primary care provider rates for pediatric care services that are currently reimbursed solely at the existing medical assistance rates that are applicable for the child's medical assistance eligibility group. 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 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, and how utilization has changed within each category, and how these rate increases have impacted access to care.

(eee) $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 15, 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.

(fff) $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 meet the criteria in (hhh)(i) through (iv) of this subsection. 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 fifty percent of the hospital's fee-for-service rates. The authority must discontinue this rate increase after June 30, 2019, and return
to the payment levels and methodology for these hospitals that were in place as of January 1, 2018. Hospitals participating in the certified public expenditures program may not receive increased reimbursement for inpatient services. Hospitals qualifying for this rate increase must:

(i) Be certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013;

(ii) Have had less than one hundred fifty acute care licensed beds in fiscal year 2011;

(iii) Have a level III adult trauma service designation from the department of health as of January 1, 2014; and

(iv) Be owned and operated by the state or a political subdivision.

(ggg) $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.

(hhh) $1,006,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Substitute Senate Bill No. 5683 (Pacific Islander health care). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(iii) $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.

(jjj) $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).

(kkk) $358,000 of the general fund—state appropriation and $1,123,000 of the general fund—federal appropriation for fiscal year 2019 are provided solely for implementation of Engrossed Second Substitute Senate Bill No. 5179 (hearing instrument coverage). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(lll) $335,000 of the general fund—state appropriation for fiscal year 2019 and $50,000 of general fund—federal appropriation are provided solely for implementation of Substitute Senate Bill No. 6452 (child mental health consult). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(mmm) (i) $200,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the authority to assist the governor by convening and providing administrative, analytical, and communication support to the governor's Indian health council, including procuring technical assistance from the American Indian health commission for Washington state, to:

(A) Address current or proposed policies or actions that have tribal implications and are not able to be resolved or addressed at the agency level;

(B) Facilitate training for state agency leadership, staff, and legislators on the Indian health system and tribal sovereignty; and

(C) Provide oversight of contracting and performance of service coordination organizations or service contracting entities as defined in RCW 70.320.010 in order to address their impacts on services to American Indians and Alaska Natives and relationships with Indian health care providers.

(ii) The council shall include:

(A) One tribal liaison from each of the authorities; the department of children, youth, and families; the department of commerce; the department of corrections; the department of health; the department of social and health
services; the office of the insurance commissioner; the office of the superintendent of public instruction; and the Washington health benefit exchange;

(B) One individual from each tribe in Washington state, designated by the tribal legislative body, who is either the tribe’s American Indian health commission for Washington state delegate or an individual specifically designated for this role, or his or her designee;

(C) The chief executive officer of the Indian health service Portland area office and each service unit in Washington state or his or her designee;

(D) The chief executive officer of each urban Indian health program in Washington state or his or her designee who may be the urban Indian health program’s American Indian health commission for Washington state delegate;

(E) The executive director of the American Indian health commission for Washington state or his or her designee;

(F) The executive director of the northwest Portland area Indian health board or his or her designee;

(G) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives, or his or her designee;

(H) One member from each of the two largest caucuses of the senate, appointed by the president of the senate, or his or her designee; and

(I) Two individuals representing the governor’s office.

(iii) The council will meet at least three times per year when the legislature is not in session, with one meeting to be hosted by the authority and the other two meetings to be hosted by tribes or, if no tribe is able to host, then by a member state agency. The members representing the tribes, the Indian health service Portland area office and service units, the urban Indian health programs, the American Indian health commission for Washington state, and the northwest Portland area Indian health board shall be paid per diem and travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(iv) By December 1, 2018, the council, with assistance from the authority, will submit a report to the governor and the appropriate legislative committees with recommendations to raise the health status of American Indians and Alaska Natives throughout Washington state to at least the levels set forth in the goals contained within the federal health people 2020 initiative or successor objectives, including draft legislation and fiscal budgets for:

(A) Increasing savings to the state general fund resulting from the one hundred percent federal medical assistance percentage applicable to services received through an Indian health service facility, whether operated by the Indian health service or by an Indian tribe or tribal organization pursuant to 42 U.S.C. Sec. 1396d; realized by the state for services which are received through an Indian health service facility whether operated by the Indian health service or by an Indian tribe or tribal organization pursuant to 42 U.S.C. Sec. 1396(b);

(B) Appropriating such increased savings for an Indian health improvement reinvestment account to be expended solely for improving health outcomes and access to quality and culturally appropriate health care for American Indians and Alaska Natives;

(C) Developing model performance measures and risk adjustment methodologies for medicaid managed care value-based purchasing that account for the Indian health delivery system;

(D) Improving population health through tribally determined practices and resources such as the American Indian health commission for Washington state's "pulling together for wellness" framework;

(E) Developing written and technical assistance to support the incorporation of cultural awareness and of strategies to address historical trauma and intergenerational trauma in treatment planning for services covered by medicaid and other services provided by the state;

(F) Expanding tribal representation on state agency boards, committees (including the emergency management council), and nongovernmental entities to whom the state delegates activities or tasks that directly impact the Indian health delivery system; and
(G) Other strategies to improve population health and increase access to quality health care for American Indians and Alaska Natives.

(nnn) $139,000 of the general fund—state appropriation and $139,000 of the general fund—federal appropriation for fiscal year 2019 are provided solely for implementation of Substitute Senate Bill No. 6549 (ABCD dental). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(ooo) $500,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for a community hospital located in Toppenish to convert fifteen existing acute care beds to long-term psychiatric beds.

(2) PUBLIC EMPLOYEES’ BENEFITS BOARD AND EMPLOYEE BENEFITS PROGRAMS

State Health Care Authority Administration Account—State Appropriation...((($42,061,000)) $34,481,000

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 coverage of 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 of the health care authority administration 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.

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 part VII of this act, with interest.

(4) HEALTH BENEFIT EXCHANGE

General Fund—State Appropriation (FY 2018) $5,184,000

General Fund—State Appropriation (FY 2019) $5,651,000

General Fund—Federal Appropriation $53,892,000

Health Benefit Exchange Account—State Appropriation $59,385,000

TOTAL APPROPRIATION $124,112,000

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) $271,000 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.
(d) $196,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for implementation of Substitute Senate Bill No. 5693 (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) | $542,049,000 |
| General Fund–Federal Appropriation | $919,359,000 |
| 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** | **$1,516,230,000** |

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 subsection.

(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 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 exclude 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 non-forensic 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 Rvers 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 club house programs. The authority shall ensure that $400,000 is used for the biennium for support of the Spokane club house program and the remaining funds must be used for support of new club house programs. The authority must develop options and cost estimates for implementation of club house 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 authority 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 for maintaining increased prevention and treatment services provided by tribes and federally recognized American Indian organizations 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) $23,090,000 of the general fund—state appropriation for fiscal year 2019 and $46,222,000 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 region 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 available for behavioral health. The authority 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, 2020. Twenty percent of the general fund—state appropriation amounts for each behavioral health organization must 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.

(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 authority 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) $14,500,000 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 $5,175 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 the 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—federal appropriation 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) $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 authority to develop a plan to seek private, federal, or other grant funding in order to reduce the need for state general funds. The authority 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.

(xx) 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.

(yy) $2,000,000 of the general fund—state appropriation for fiscal year 2019 and $2,000,000 of the general fund—federal appropriation are provided solely for the health care authority to implement a process that increases access to children’s long-term inpatient program (CLIP) by increasing bed capacity through current and new providers of services.

(zz) $727,000 of the general fund—state appropriation for fiscal year 2019 and $1,005,000 of the general fund—federal appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 6491 (outpatient behavioral health). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

Sec. 214. 2017 3rd sp.s. c l s 214 (uncodified) is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund—State Appropriation (FY 2018) ...................($2,317,000) $2,224,000

General Fund—State Appropriation (FY 2019) ...................($2,359,000) $2,293,000

General Fund—Federal Appropriation ................................ ($2,427,000) $2,422,000

Pension Funding Stabilization Account—State

Appropriation .....................$190,000

TOTAL APPROPRIATION .........$7,103,000

$7,129,000

The appropriations in this section are subject to the following conditions and limitations: $21,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Senate Bill No. 6471 (model sexual harassment policies). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

Sec. 215. 2017 3rd sp.s. c l 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

<table>
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<th>Account</th>
<th>State Appropriation</th>
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<tr>
<td>Accident Account</td>
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<tr>
<td>Medical Aid Account</td>
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<td>TOTAL APPROPRIATION</td>
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### Total Appropriation

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<th>State Appropriation</th>
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<tbody>
<tr>
<td>TOTAL APPROPRIATION</td>
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</table>

### Appropriations

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 $1,546,000 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 fiscal year 2018, and seven 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. $792,000 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 15011) (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 $842,000 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. Of the amounts appropriated in this subsection, $907,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for the training in (a) of this subsection.

(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) $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.

(19) $176,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 1022 (crime victim participation). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(20) $50,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the Washington association of sheriffs and police chiefs to convene a work group to develop strategies for identification and intervention against potential perpetrators of mass shootings, with an emphasis on school safety, and report on recommendations for their prevention.

(a) The work group includes, but is not limited to, representatives of the superintendent of public instruction, the school safety center advisory committee, state colleges and universities, local law enforcement, the Washington state patrol, the attorney general, mental health experts, victims of mass shootings, and the American civil liberties union of Washington.

(b) The work group shall assess and make recommendations regarding:

(i) Strategies to identify persons who may commit mass shootings associated with K-12 schools and colleges and universities;

(ii) A survey of services around the state available for those experiencing a mental health crisis;

(iii) A survey of state and federal laws related to intervening against potential perpetrators or confiscating their firearms;

(iv) Strategies used by other states or recommended nationally to address the problem of mass shootings.

(c) The work group shall submit a report, which may include findings, recommendations, and proposed legislation, to the appropriate committees of the legislature by December 1, 2018. The report shall consider the following strategies:

(i) Promoting to the public the availability of extreme risk protection orders as a means of avoiding mass shootings;

(ii) A rapid response interdisciplinary team composed of law enforcement, mental health experts, and other appropriate parties who could be mobilized to intervene and prevent a potential crisis at a school or institution of higher learning; and

(iii) Whether reasonable restrictions should be imposed on the access to firearms by those suffering from a mental illness that are consistent with the individual right to bear arms.

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)

$6,513,000

General Fund-State Appropriation (FY 2019) .................. ($8,897,000)

$9,285,000

General Fund-Federal Appropriation .................................. $11,876,000

Asbestos Account-State Appropriation ............................. ($527,000)
$526,000

Electrical License Account—State Appropriation ............ ($52,100,000)

$53,776,000

Farm Labor Contractor Account—State Appropriation ............ $28,000

$53,776,000

Worker and Community Right-to-Know Account—State Appropriation ............ ($993,000)

$53,776,000

Public Works Administration Account—State Appropriation ............ ($6,303,000)

$53,776,000

Manufactured Home Installation Training Account—State Appropriation ............ ($378,000)

$53,776,000

Pressure Systems Safety Account—State Appropriation ............ ($4,442,000)

$53,776,000

Construction Registration Inspection Account—State Appropriation ............ ($19,128,000)

$53,776,000

Pension Funding Stabilization Account—State Appropriation ............ $1,435,000

$53,776,000

TOTAL APPROPRIATION ...... $788,096,000

$797,426,000

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

((1)) (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).

((2)) (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.

((3)) (3) $5,802,000 of the accident account—state appropriation and $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.

((4)) (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.

((5)) (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) $250,000 of the medical aid account—state appropriation and $250,000 of the accident account—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.

(7) $1,272,000 of the public works administration account—state appropriation is provided solely to implement Engrossed Second Substitute House Bill No. 1673 (responsible bidder criteria). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(8) $185,000 of the accident account—state appropriation and $185,000 of the medical aid account—state appropriation are provided solely to implement Substitute House Bill No. 1723 (Hanford/occupational disease). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(9) $422,000 of the medical aid account—state appropriation is provided solely to implement Second Substitute Senate Bill No. 6245 (spoken language interpreters). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(10) $51,000 of the accident account—state appropriation and $50,000 of the medical aid account—state appropriation are provided solely for the implementation of Substitute House Bill No. 1022 (crime victim participation). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

Sec. 218. 2017 3rd sp.s. c 1 s 218 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

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

(a) The department of veterans affairs 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 is directed to 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 must 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.

(b) Each year, there is fluctuation in the revenue collected to support the operation of the state veteran homes. When the department has foreknowledge that revenue will decrease, such as from a loss of census or from the elimination of a program, the legislature expects the department to make reasonable efforts to reduce expenditures in a commensurate manner and to demonstrate that it has made such efforts. In response to any request by the department for general fund—state appropriation to backfill a
loss of revenue, the legislature shall consider the department’s efforts in reducing its expenditures in light of known or anticipated decreases to revenues.

(2) HEADQUARTERS

| General Fund—State Appropriation (FY 2018) | ($2,004,000) | $1,913,000 |
| General Fund—State Appropriation (FY 2019) | ($2,007,000) | $1,907,000 |
| Charitable, Educational, Penal, and Reformatory Institutions Account—State Appropriation | $10,000 |
| Pension Funding Stabilization Account—State Appropriation | $185,000 |
| **TOTAL APPROPRIATION** | **$4,011,000** | **$4,015,000** |

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) FIELD SERVICES

| General Fund—State Appropriation (FY 2018) | ($6,220,000) | $6,077,000 |
| General Fund—State Appropriation (FY 2019) | ($6,278,000) | $6,126,000 |
| General Fund—Federal Appropriation | ($3,751,000) | $3,747,000 |
| General Fund—Private/Local Appropriation | ($4,792,000) | $4,794,000 |
| Veteran Estate Management Account—Private/Local Appropriation | ($666,000) | $664,000 |
| Pension Funding Stabilization Account—State Appropriation | $1,462,000 |
| **TOTAL APPROPRIATION** | **$21,714,000** | **$21,851,000** |

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.
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)

$70,667,000

General Fund—State Appropriation (FY 2019) .................. ($72,148,000)

$78,618,000

General Fund—Federal Appropriation .......................... ($550,186,000)

$550,114,000

General Fund—Private/Local Appropriation ............ ($185,189,000)

$186,257,000

Hospital Data Collection Account—State Appropriation .............. ($348,000)

$347,000

Health Professions Account—State Appropriation ............ ($129,629,000)

$132,578,000

Aquatic Lands Enhancement Account—State Appropriation .......... $629,000

Emergency Medical Services and Trauma Care Systems

Trust Account—State Appropriation .......................... ($237,024,000)

$355,872,000

Safe Drinking Water Account—State Appropriation ............ ($24,678,000)

$5,667,000

Drinking Water Assistance Account—Federal

Appropriation ............ ($116,016,000)

$15,990,000

Waterworks Operator Certification—State Appropriation .... ($1,671,000)

$1,836,000

Drinking Water Assistance Administrative Account—State

Appropriation ............ ($372,000)

$371,000

Site Closure Account—State Appropriation ............ ($168,000)

$168,000

Biotoxin Account—State Appropriation .......................... ($1,968,000)

$1,968,000

State Toxics Control Account—State Appropriation ............ ($4,249,000)

$4,249,000

Medicaid Fraud Penalty Account—State Appropriation ............ ($1,098,000)

$1,098,000

Medical Test Site Licensure Account—State Appropriation ........ ($2,591,000)

$2,591,000

Youth Tobacco and Vapour 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)

$9,764,000

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)

$343,000

Medical Aid Account—State Appropriation ............... ($53,000)

Suicide-Safer Homes Project Account—State Appropriation ........ $50,000

TOTAL APPROPRIATION .... $1,080,983,000

$1,093,417,000

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
(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 (ESSH 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 ([$240,000]) $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 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 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, 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)) $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.

(32) The appropriations in this section include sufficient funding for the implementation of chapter 294, laws of 2017 (SSB 5835) (health outcomes/pregnancy).

(33) $670,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for a collaboration between local public health, accountable communities of health, and health care providers to reduce preventable hospitalizations. This one-year initiative will take place in the Tacoma/Pierce county local health jurisdiction.

(34) $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.
(35) $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.

(36) 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.

(37) $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;

(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.

(38) $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.

(39) $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.

(40) $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.

(41) $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.

(43) $19,000 of the health professions account–state appropriation is provided solely to implement Substitute Senate Bill No. 6273 (state charity care). If this bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(44) $200,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for a grant to the Benton-Franklin local health jurisdiction to expand its youth suicide prevention activities and to serve as a case study to identify best practice materials, training, intervention practices, and promotional strategies that can be replicated in other local health jurisdictions. The amounts appropriated must be used for the following activities:

(a) Prior to September 1, 2018, the Benton-Franklin local health jurisdiction must document the materials, training, intervention practices, and promotional strategies for youth suicide prevention that are available within Benton county and Franklin county.

(b) Prior to October 1, 2018, the Benton-Franklin local health jurisdiction must host a summit about the issue of youth suicide prevention. The summit must include attendees from schools, health care organizations, nonprofit organizations, and other relevant organizations from Benton county and Franklin county. The summit may also include attendees from other areas of the state who have unique knowledge and expertise with the issue of youth suicide prevention. Prior to the summit, the Benton-Franklin local health jurisdiction must share the result of the work described in (a) of this subsection with all attendees. During the summit, the Benton-Franklin local health jurisdiction must survey the attendees to determine best practices for educational materials, training, intervention practices, and promotional strategies.

(c) Prior to November 1, 2018, the Benton-Franklin local health jurisdiction must complete a plan for expanding youth suicide prevention that is based primarily on the survey of attendees described in (b) of this subsection. For each investment, the plan must describe the amount of funding utilized, as well as the expected results. The plan must be shared with the office of financial management, and the
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appropriate fiscal and policy committees
of the legislature, by November 10, 2018.
(d) Prior to June 15, 2019, the BentonFranklin local health jurisdiction must
complete a final report summarizing the
work completed to satisfy (a) through (c)
of this subsection. The final report must
include a description of outcomes that
can be measured and linked to the
expansion of youth suicide prevention
activities funded by this subsection. The
final report will serve as a guide for
further expansion of youth suicide
prevention in Benton-Franklin, or within
other local health jurisdictions. The
final report must be shared with the
office of financial management, and the
appropriate fiscal and policy committees
of the legislature, by June 30, 2019.
(45) $300,000 of the general fund—
state appropriation for fiscal year 2019,
$626,000
of
the
emergency
medical
services
account
appropriation,
and
$70,000 of the health profession account
appropriation are provided solely for the
department to establish a statewide
electronic emergency medical services
data system for licensed ambulances and
aid services to report and furnish
patient
encounter
data,
for
the
distribution of health care supplies
through the hub and spoke community-based
public
health
programs,
and
for
knowledge-based identity verification
for the prescription monitoring program.
The secretary shall be responsible for
coordinating the statewide response to
the opioid epidemic.
(46) $375,000 of the general fund—
state appropriation for fiscal year 2019
is provided solely for the department to
contract with a private or nonprofit
business or organization with experience
using
evidence-based
practices
and
promising
practices
for
global
strategies to reduce health disparities
and address root social determinants of
health for underserved communities in
rural Washington state; with experience
in working with underserved populations
who face barriers to basic health and
economic resources, including lack of
access
to
preventative
care,
contributing to mismanagement of chronic
disease and shortened lifespan; and with
expertise regarding Washington state's
global health institutions to bring
strategies that have proven effective in
developing
countries
to
underserved
communities in the United States. The
program
should
engage
marginalized

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communities in order to identify barriers
and social determinants that most impact
health, including access to housing and
food and economic stability and be able
to identify, train, and provide tools to
community leaders. The department must
report to the legislature by December 1,
2019, regarding identified barriers and
any recommendations for interventions.
(47) $160,000 of the medicaid fraud
penalty account—state appropriation is
provided solely for additional staffing
to coordinate the integration of the
prescription monitoring program data
into electronic health systems pursuant
to chapter 297, Laws of 2017 (ESHB 1427)
(opioid treatment programs).
(48) $25,000 of the general fund—state
appropriation for fiscal year 2019 is
provided solely to implement Engrossed
Second Substitute Senate Bill No. 6529
(pesticide application safety). If this
bill is not enacted by June 30, 2018, the
amount provided in this subsection shall
lapse.
(49)
$791,000
of
the
health
professions account—state appropriation
is provided solely to implement House
Bill No. 2313 (chiropractic quality
assurance commission). If this bill is
not enacted by June 30, 2018, the amount
provided in this subsection shall lapse.
Sec. 220.
(uncodified)
follows:

2017 3rd sp.s. c 1 s 220
is amended to read as

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) 

$60,866,000

General Fund—State Appropriation (FY 2019) ................. ($64,219,000) 

$61,152,000

General Fund—Federal Appropriation .................. $400,000

Pension Funding Stabilization Account—State Appropriation............. $7,602,000

TOTAL APPROPRIATION...... $128,711,000 

$130,020,000

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.

(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.
$51,000 of the general fund–state appropriation for fiscal year 2018 is provided solely for the implementation of Substitute House Bill No. 2638 (graduated reentry program). If the bill is not enacted by June 30, 2018, the amount in this subsection shall lapse.

(2) CORRECTIONAL OPERATIONS

General Fund–State Appropriation (FY 2018) .................. ($499,134,000)

General Fund–State Appropriation (FY 2019) .................. ($515,165,000)

General Fund–Federal Appropriation ............................ $818,000

Washington Auto Theft Prevention Authority Account–State Appropriation ........... ($4,588,000)

Pension Funding Stabilization Account–State
Appropriation ........ $62,831,000

TOTAL APPROPRIATION... $1,082,536,000

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 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 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
The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5934 (concerning convicted persons).

(iii) 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.

(i) $240,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to install a body scanner at the Washington corrections center for women as a pilot project to reduce strip searches. The department must collect data on its change in practices, the benefits or issues with utilizing body scanners in the prison, and provide a report to the legislature and the appropriate fiscal committees of the legislature by October 15, 2019.

(j) $240,000 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.

(3) COMMUNITY SUPERVISION

General Fund-State Appropriation (FY 2018) .................................................($181,670,000)

$179,455,000

General Fund-State Appropriation (FY 2019) .................................................($183,607,000)

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).

(e) The appropriations in this section include sufficient funding for the implementation of Senate Bill No. 5934 (concerning convicted persons).

$1,742,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 2638 (graduated reentry program). If the bill is not enacted by June 30, 2018, the amount in this subsection shall lapse.

(4) CORRECTIONAL INDUSTRIES

General Fund—State Appropriation (FY 2018) .................. (($5,985,000)) $6,278,000

General Fund—State Appropriation (FY 2019) .................. (($6,085,000)) $5,959,000

Pension Funding Stabilization Account—State Appropriation ................ $4,434,000

TOTAL APPROPRIATION ......... $111,596,000 $113,843,000

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) $72,000 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.

(6) OFFENDER CHANGE

General Fund—State Appropriation (FY 2018) ................. (($55,170,000)) $52,685,000

General Fund—State Appropriation (FY 2019) ................. (($56,426,000)) $56,724,000

Pension Funding Stabilization Account—State Appropriation ....... $4,434,000

TOTAL APPROPRIATION ......... $111,596,000 $113,843,000

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).

(d) $334,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the implementation of Substitute House Bill No. 2638 (graduated reentry program). If the bill is not enacted by June 30, 2018, the amount in this subsection shall lapse.

(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)  
$146,621,000

TOTAL APPROPRIATION...... $290,892,000

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) .................. ($22,478,000)  
$24,454,000

General Fund-State Appropriation (FY 2019) .................. ($22,526,000)  
$25,565,000

General Fund-Federal Appropriation .......................... ($25,274,000)  
$25,274,000

General Fund-Private/Local Appropriation ..................... $60,000

Pension Funding Stabilization Account-State Appropriation .......... $173,000

TOTAL APPROPRIATION...... $30,339,000

$30,526,000

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)  
$209,332,000

General Fund-Federal Appropriation .......................... ($35,426,000)  
$35,405,000

Unemployment Compensation Administration Account-Federal Appropriation .......................... ($270,643,000)  
$269,350,000

Administrative Contingency Account-State Appropriation .......................... ($20,386,000)  
$20,407,000

Employment Service Administrative Account-State Appropriation .................. ($53,555,000)  
$53,804,000

Family and Medical Leave Insurance Account-State Appropriation .................. $82,000,000

TOTAL APPROPRIATION...... $679,003,000

$670,333,000

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) $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.

(5) $530,000 of the unemployment compensation administration account—federal appropriation is provided solely for the implementation of Substitute House Bill No. 2703 (ed. employee comp. claims). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(6) $222,000 of the unemployment compensation administration account—federal appropriation is provided solely for the implementation of Engrossed House Bill No. 2957 (nonnative finfish escape). 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)

$361,756,000

General Fund—Federal Appropriation .................. ($236,770,000)

$246,625,000

General Fund—Private/Local Appropriation .................. $1,477,000

Domestic Violence Prevention Account—State Appropriation .................. $1,002,000

Pension Funding Stabilization Account—State Appropriation ............... $13,976,000

TOTAL APPROPRIATION ...... $605,716,000

$624,836,000

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 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
The department must submit an analysis of the strategies and associated outcomes no later than October 1, 2018.

(o) ($2,600,000 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) $848,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the department to operate emergent placement contracts. The department shall not include the costs to operate emergent placement contracts in the calculations for family foster home maintenance payments.

(v) The appropriations in this section include sufficient funding for the implementation of Second Substitute Senate Bill No. 5853 (kinship caregiver legal support).

(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) $692,000 of the general fund—state appropriation for fiscal year 2019 and $487,000 of the general fund—federal appropriation are provided solely for the department to implement an enhanced rate add-on for providers who increase bed capacity for behavioral rehabilitation services as measured against the provider's average bed capacity as of the first six months of fiscal year 2018. The department must report to the legislature no later than January 1, 2019, on the effect of this enhanced rate add-on on increasing behavioral rehabilitation services bed capacity and rates of placement.

(y) $100,000 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.
(z) $87,000 of the general fund—state appropriation for fiscal year 2019 and $38,000 of the general fund—state appropriation are provided solely for implementation of Substitute Senate Bill No. 6222 (extended foster care eligibility). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(aa) $533,000 of the general fund—state appropriation for fiscal year 2019 is provided solely to expand performance-based contracts for family support and related services through network administrators, pursuant to Engrossed Senate Bill No. 6407 (H-5083.2).

(bb) (i) The department of children, youth, and families in collaboration with the office of the superintendent of public instruction, the department of commerce office of homeless youth prevention and protection programs, and the student achievement council must convene a work group with aligned nongovernmental agencies, including a statewide nonprofit coalition that is representative of communities of color and low-income communities focused on educational equity, to create a plan for children and youth in foster care and children and youth experiencing homelessness to facilitate educational equity with their general student population peers and to close the disparities between racial and ethnic groups by 2027. The work group must:

(A) Review the educational outcomes of children and youth in foster care and children and youth experiencing homelessness, including:

(I) Kindergarten readiness, early grade reading, school stability, high school completion, postsecondary enrollment, and postsecondary completion; and

(II) Disaggregated data by race and ethnicity;

(B) Consider the outcomes, needs, and services for children and youth in foster care and children and youth experiencing homelessness, and the specific needs of children and youth of color and those with special education needs;

(C) Map current education support services, including eligibility, service levels, service providers, outcomes, service coordination, data sharing, and overall successes and challenges;

(D) Engage stakeholders in participating in the analysis and development of recommendations, including foster youth and children and youth experiencing homelessness, foster parents and relative caregivers, birth parents, caseworkers, school districts and educators, early learning providers, postsecondary education advocates, and federally recognized tribes;

(E) Make recommendations for an optimal continuum of education support services to foster and homeless children and youth from preschool to postsecondary education that would provide for shared and sustainable accountability to reach the goal of educational parity, including recommendations to:

(I) Align indicators and outcomes across organizations and programs;

(II) Improve racial and ethnic equity in educational outcomes;

(III) Ensure access to consistent and accurate annual educational outcomes data;

(IV) Address system barriers such as data sharing;

(V) Detail options for governance and oversight to ensure educational services are continually available to foster and homeless children and youth regardless of status;

(VI) Detail a support structure that will ensure that educational records, educational needs, individualized education programs, credits, and other records will follow children and youth when they transition from district to district or another educational program or facility;

(VII) Explore the option of creating a specific statewide school district that supports the needs of and tracks the educational progress of children and youth in foster care and children and youth experiencing homelessness;

(VIII) Identify where opportunities exist to align policy, practices, and supports for students experiencing homelessness and foster students; and

(IX) Outline which recommendations can be implemented using existing resources and regulations and which require policy, administrative, and resource adjustments.

(ii) The work group should seek to develop an optimal continuum of services...
using research-based program strategies and to provide for prevention, early intervention, and seamless transitions.

(iii) Nothing in this subsection (1)(bb) permits disclosure of confidential information protected from disclosure under federal or state law, including but not limited to information protected under chapter 13.50 RCW. Confidential information received by the work group retains its confidentiality and may not be further disseminated except as allowed under federal and state law.

(iv) By December 17, 2018, the work group must provide a report to the legislature on its analysis as described under this subsection (1)(bb), the recommended plan, and any legislative and administrative changes needed to facilitate educational equity for children and youth in foster care and children and youth experiencing homelessness with their general student population peers by 2027.

(2) EARLY LEARNING PROGRAM

General Fund—State Appropriation (FY 2019) ................. (\$126,721,000)

\$126,846,000

General Fund—Federal Appropriation .......................... (\$148,179,000)

\$149,289,000

Education Legacy Trust Account—State Appropriation, ........ (\$14,192,000)

\$14,190,000

Home Visiting Services Account—State Appropriation ....... (\$3,191,000)

\$5,489,000

Home Visiting Services Account—Federal Appropriation ...... (\$11,708,000)

\$11,706,000

WA Opportunity Pathways Account—State Appropriation ........ $40,000,000

Pension Funding Stabilization Account—State Appropriation........ $468,000

TOTAL APPROPRIATION.. $343,991,000

\$347,988,000

(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;

(IV) Providing nurse consultation services to licensed providers;

(V) Allowing working connections child care consumers who are full-time community or technical college students to attend college full-time and not have to meet work requirements; and

(VI) Meeting new or expanded federal mandates.
(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) $78,090,000 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.

(iii) Beginning July 1, 2018, and annually thereafter, 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.

(iv) 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 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.

(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) $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. The department shall ensure that contracted providers pursue receipt of federal funding associated with the early support for infants and toddlers program. Priority for services shall be given to children referred from the department.

(h) $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) 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 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 implementation of chapter 162, Laws of 2017 (SSB 5357) (outdoor early learning programs).
provided solely for the department, in
4

(3) PROGRAM SUPPORT

(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) $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.

(w) $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.

(x) $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).

(y) $150,000 of the general fund—state appropriation for fiscal year 2019 is provided solely to implement Engrossed Second Substitute House Bill No. 2779 (children mental health services). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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.

(d) $1,000,000 of the general fund—state appropriation for fiscal year 2019 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 after the approval of the director of the office of financial management.

(e) $111,000 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.

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)

General Fund—State Appropriation (FY 2019) ..................($507,000)

General Fund—Federal Appropriation 

General Fund—Private/Local Appropriation ..............($960,000)

Pension Funding Stabilization Account—State Appropriation ...............$46,000

TOTAL APPROPRIATION ........ $1,984,000

$2,020,000

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) ..................($19,877,000)

$19,735,000
General Fund—State Appropriation (FY 2019) .............. ($21,411,000)
$22,505,000

General Fund—Federal Appropriation ....................... ($106,575,000)
$106,467,000

General Fund—Private/Local Appropriation ............. ($23,028,000)
$23,008,000

Reclamation Account—State Appropriation .......... ($4,106,000)
$4,101,000

Flood Control Assistance Account—State Appropriation .......... ($2,175,000)
$4,173,000

State Emergency Water Projects Revolving Account—State Appropriation .......... $40,000

Waste Reduction/Recycling/Litter Control—State Appropriation ........ ($13,736,000)
$14,787,000

State Drought Preparedness Account—State Appropriation ........ $204,000

State and Local Improvements Revolving Account—State Appropriation .......... $14,787,000

Supply Facilities—State Appropriation .......... $184,000

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)
$1,869,000

Water Rights Processing Account—State Appropriation .......... $39,000

State Toxics Control Account—State Appropriation ........ ($44,119,000)
$44,403,000

Underground Storage Tank Account—State Appropriation .......... ($2,337,000)
$3,661,000

Biosolids Permit Account—State Appropriation .......... ($2,207,000)
$2,203,000

Environmental Legacy Stewardship Account—State Appropriation .......... ($41,258,000)
$41,421,000

Hazardous Waste Assistance Account—State Appropriation .......... ($6,466,000)
$6,593,000

Radioactive Mixed Waste Account—State Appropriation .......... ($13,175,000)
$18,425,000

Air Pollution Control Account—State Appropriation .......... ($1,437,000)
$3,477,000

Oil Spill Prevention Account—State Appropriation .......... ($1,437,000)
$9,744,000

Air Operating Permit Account—State Appropriation .......... ($1,281,000)
$3,816,000

Freshwater Aquatic Weeds Account—State Appropriation .......... ($1,460,000)
$1,459,000

Oil Spill Response Account—State Appropriation .......... $7,076,000

Dedicated Marijuana Account—State Appropriation (FY 2019) .......... $98,000

Pension Funding Stabilization Account—State Appropriation ........ $149,327,000
Appropriation............. $2,924,000
Water Pollution Control Revolving Administration

Account-State Appropriation
.............................................. ($2,611,000)

$3,595,000

TOTAL APPROPRIATION...... $492,774,000

$502,388,000

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.

(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.

(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.

(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) $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.

(7) $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.

(8) $42,000 of the general fund—state appropriation for fiscal year 2018 and $102,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementation of Executive Order No. 12-07, Washington's response to ocean acidification.

(9) $81,000 of the oil spill prevention account—state appropriation is provided solely for rule-making and other implementation costs of chapter 239, Laws of 2017 (short line railroad).

(10) $73,000 of the state toxics control account—state appropriation is provided solely for implementing the provisions of Engrossed Substitute Senate Bill No. 6413 (firefighting/toxic chemicals). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.
(11) $1,143,000 of the oil spill prevention account—state appropriation is provided solely for implementing the provisions of Engrossed Second Substitute Senate Bill No. 6269 (strengthening oil transportation safety). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(12) $190,000 of the general fund—state appropriation for fiscal year 2018, $1,707,000 of the general fund—state appropriation for fiscal year 2019, and $2,000,000 of the flood control assistance account—state appropriation are provided solely for the implementation of chapter 1, Laws of 2018 (ESSB 6091) (water availability).

(13) $11,000 of the state toxics control account—state appropriation and $17,000 of the air pollution control account—state appropriation are provided solely for the implementation of Substitute Senate Bill No. 6055 (apple maggot/outdoor burning). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(14) $14,000 of the state toxics control account—state appropriation and $13,000 of the water quality permit account—state appropriation are provided solely for the implementation of Engrossed House Bill No. 2957 (nomnative finfish escape). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(15) (a) $625,000 of the general fund—state appropriation for fiscal year 2019 is provided solely to address water use in violation of chapter 90.03 or 90.44 RCW in priority watersheds. The legislature recognizes that water use in violation of chapter 90.03 or 90.44 RCW in priority watersheds can impair existing instream flows and senior water rights and supports actions taken by the department to reduce water use in violation of chapter 90.03 or 90.44 RCW. 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 water use in violation of chapter 90.03 or 90.44 RCW 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.

(16) $187,000 of the state toxics 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.

(17) $98,000 of the dedicated marijuana account—state appropriation for fiscal year 2019 is provided solely for the department to begin conducting research into appropriate protocols and accreditation standards for marijuana testing laboratories. By January 15, 2019, the department must report to the appropriate committees of the legislature with preliminary recommendations regarding laboratory accreditation standards that should be applied to marijuana testing laboratories.

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) .................. $8,993,000

General Fund—State Appropriation (FY 2019) .................. $10,328,000

General Fund—Federal Appropriation .......................... $6,977,000

Winter Recreation Program Account—State Appropriation ...... $3,292,000

ORV and Nonhighway Vehicle Account—State Appropriation .... $392,000

Snowmobile Account—State Appropriation .................. $5,632,000

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 .......................... $124,299,000

Parks Renewal and Stewardship Account—Private/Local Appropriation .......................... $420,000

Pension Funding Stabilization Account—State Appropriation ........... $1,498,000

TOTAL APPROPRIATION...... $162,248,000

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.

(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 other 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.

(5) $100,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the commission to carry out forest health related activities at the Squilchuck state park.

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)

General Fund—State Appropriation (FY 2019) .................. ($1,401,000)

General Fund—Federal Appropriation .......................... ($3,646,000)  

General Fund—Private/Local Appropriation .................. $24,000

Aquatic Lands Enhancement Account—State Appropriation ....... ($495,000)

$494,000

Firearms Range Account—State Appropriation .................. $377,000

Recreation Resources Account—State Appropriation ........... ($3,615,000)

$3,610,000

NOVA Program Account—State Appropriation ................. ($1,054,000)

$1,052,000

Pension Funding Stabilization Account—State Appropriation ........... $80,000

TOTAL APPROPRIATION .................. $11,710,000

$11,823,000

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)
$2,245,000
Pension Funding Stabilization Account—State Appropriation .......... $255,000
TOTAL APPROPRIATION........ $4,693,000
$4,690,000

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) .................. ($2,318,000)
$7,074,000
General Fund—State Appropriation (FY 2019) .................. ($2,375,000)
$7,329,000
General Fund—Federal Appropriation ............................ $2,301,000
Public Works Assistance Account—State Appropriation .......... ($2,620,000)
$7,619,000
State Toxics Control Account—State Appropriation ............... $1,000,000
Pension Funding Stabilization Account—State Appropriation .......... $254,000
TOTAL APPROPRIATION........ $25,577,000

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 (ina) and $100,000 of the general fund—state appropriation for fiscal year 2019 are 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 June 30, 2019.

(3) (($275,000)) $275,000 of the general fund—state appropriation for fiscal year 2018 and ($275,000) $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.

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) .................. ($467,920,000)
$45,121,000

General Fund-State Appropriation (FY 2019) .................. ($468,883,000)
$47,569,000

General Fund-Federal Appropriation .................. ($118,809,000)
$130,365,000

General Fund-Private/Local Appropriation .................. ($63,920,000)
$63,918,000

ORV and Nonhighway Vehicle Account-State Appropriation .......... ($437,000)
$699,000

Aquatic Lands Enhancement Account-State Appropriation .......... ($10,460,000)
$10,423,000

Recreational Fisheries Enhancement Account-State Appropriation .......... ($3,084,000)
$3,118,000

Warm Water Game Fish Account-State Appropriation .......... ($2,773,000)
$2,660,000

Eastern Washington Pheasant Enhancement Account-State Appropriation .......... $675,000

State Wildlife Account-State Appropriation .......... ($118,033,000)
$117,751,000

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)
$3,573,000

Wildlife Rehabilitation Account-State Appropriation .......... $361,000

Ballast Water and Biofouling Management Account-State Appropriation .......... $10,000

Hydraulic Project Approval Account-State Appropriation .......... ($690,000)
$29,000

Environmental Legacy Stewardship Account-State Appropriation .......... ($2,763,000)
$2,763,000

Regional Fisheries Enhancement Account-Salmonid Recovery Account-Federal Appropriation .......... $5,001,000

Oil Spill Prevention Account-State Appropriation .......... ($1,122,000)
$1,120,000

Pension Funding Stabilization Account-State Appropriation .......... $5,178,000

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)
$1,656,000

TOTAL APPROPRIATION .......... $428,145,000
$446,581,000

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

(1) $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) $1,109,000 of the general fund–state appropriation for fiscal year 2018 and ($1,098,000) $1,109,000 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 ($422,000) $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 and biofouling 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.

(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) $580,000 of the general fund--state appropriation for fiscal year 2019 is provided solely for the implementation of chapter 1, Laws of 2018 (ESSB 6091) (water availability).

(14) $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 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.

(15) $837,000 of the general fund--state appropriation for fiscal year 2019 is appropriated for the department to increase hatchery production of key prey species fish throughout the Puget Sound, coast, and Columbia River. The department shall work with the governor, federal partners, tribal co-managers, the hatchery scientific review group, and other interested parties to develop a biennial hatchery production plan by December 31, 2018, that will: (a) Identify, within hatchery standards and endangered species act constraints, hatchery programs and specific facilities to contribute to the dietary needs of orca whales; (b) consider prey species preferences and migratory patterns of orca whales; and (c) include adaptive management provisions to ensure the conservation and enhancement of wild stocks. The final plan will be reviewed by the hatchery scientific review group and submitted to the appropriate committees of the legislature by December 31, 2018.

(16) $115,000 of the general fund--state appropriation for fiscal year 2019 is provided solely for an interagency agreement with the office of financial management for facilitation services and support the governor's efforts to develop a long-term action plan for orca whale recovery.

(17) $55,000 of the state wildlife account--state appropriation is provided solely for implementing the provisions of Engrossed Substitute Senate Bill No. 6127 (halibut fishery). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(18) $65,000 of the general fund--state appropriation for fiscal year 2019 is provided solely for the implementation of Engrossed House Bill No. 2957 (nonnative finfish escape). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(19) $183,000 of the general fund--state appropriation for fiscal year 2019 is provided solely for the department to evaluate translocation as a management tool to advance the recovery of wolves using the state environmental policy act (SEPA) process. The department shall provide a report to the legislature outlining the results of the SEPA process no later than December 31, 2019.

(20) $373,000 of the general fund--state appropriation for fiscal year 2018 and $417,000 of the general fund--state appropriation for fiscal year 2019 are provided solely for the department to complete the third and final phase of the Puget Sound steelhead research project.

(21) $100,000 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 department to add a veterinarian, microbiologist, and make
laboratory upgrades to ensure the hatchery program complies with recent changes in water quality and health laws.

(22) $400,000 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 restoration costs that are a result of wildfire damage.

(23) $300,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the department to implement and enforce chapter 2, Laws of 2016 (Initiative Measure No. 1401).

(24) The department must ensure the following actions occur prior to initiating construction of the Buckmire slough project:

(a) The department shall engage with hunters and other stakeholders to consider alternative project designs that balance the multiple recreational uses and species habitat needs at the wildlife area;

(b) The department shall quantify potential habitat and recreational hunting loss associated with the project, and will work with stakeholders and interested members of the public to develop strategies for mitigating those losses; and

(c) Where necessary, the department shall make 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 required by the funding entity.

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) $74,728,000

General Fund—State Appropriation (FY 2019) ................. ($48,264,000) $49,316,000

General Fund—Federal Appropriation .......................... ($27,328,000) $36,496,000

General Fund—Private/Local Appropriation ................. ($2,372,000) $3,230,000

Forest Development Account—State Appropriation .......... ($16,613,000) $50,122,000

ORV and Nonhighway Vehicle Account—State Appropriation .... ($8,449,000) $7,843,000

Surveys and Maps Account—State Appropriation .......... ($3,162,000) $2,479,000

Aquatic Lands Enhancement Account—State Appropriation ... ($13,262,000) $16,188,000

Resources Management Cost Account—State Appropriation .... $121,520,000

Surface Mining Reclamation Account—State Appropriation ... (($4,122,000) $12,789,000

Disaster Response Account—State Appropriation ............ $23,076,000

Forest and Fish Support Account—State Appropriation ........ ($12,789,000) $12,789,000

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) $10,709,000

Forest Practices Application Account—State Appropriation .... ($2,158,000) $1,896,000

Air Pollution Control Account—State Appropriation .......... ($872,000) $870,000
NOVA Program Account—State Appropriation .......... ($733,000)

$733,000

Pension Funding Stabilization Account—State Appropriation .......... $3,239,000

Derelict Vessel Removal Account—State Appropriation .......... ($1,945,000)

$1,945,000

Community Forest Trust Account—State Appropriation ........... $52,000

Agricultural College Trust Management Account—State Appropriation .......... ($3,055,000)

$3,055,000

TOTAL APPROPRIATION...... $389,756,000

$425,040,000

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) $44,455,000 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 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 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.

(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) $160,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementing the provisions of Engrossed Substitute Senate Bill No. 6189 (wildland-urban interface). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(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 amount 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) $37,000 of the aquatic lands enhancement account—state appropriation and $37,000 of the resources management cost account—state appropriation are provided solely for the implementation of Engrossed House Bill No. 2957 (nonnative finfish escape). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(24) $25,000 of the general fund—state appropriation for fiscal year 2019 is provided solely to enhance the department’s efforts to develop and submit a proposed amendment to the 1997 Washington state trust lands habitat conservation plan for a marbled murrelet long-term conservation strategy. In meeting the department’s legal and fiduciary obligations to beneficiaries of state lands and state forestlands, the proposed amendment shall be consistent with the requirements of the 1997 state lands habitat conservation plan, the associated implementation agreement and incidental take permit, and the federal endangered species act.

(25) $198,000 of the natural resources conservation areas stewardship account—state appropriation is provided solely for weed control and maintenance of public access at natural areas.

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) $16,888,000

General Fund—State Appropriation (FY 2019) ......................($17,525,000) $17,465,000

General Fund—Federal Appropriation ............................($31,424,000) $32,134,000

General Fund—Private/Local Appropriation .......................$193,000

Aquatic Lands Enhancement Account—State Appropriation ......($2,565,000)
$2,563,000
State Toxics Control Account—State Appropriation ................. ($5,534,000)
$6,066,000
Water Quality Permit Account—State Appropriation .................. $73,000
Pension Funding Stabilization Account—State Appropriation.............. $1,041,000
TOTAL APPROPRIATION....... $74,595,000
$76,423,000

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

(1) $6,108,445 of the general fund—state appropriation for fiscal year 2018 and $6,102,905 of the general fund—state appropriation for fiscal year 2019 are provided solely for implementing the food assistance program as defined in RCW 43.23.290.

(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 that are 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) $132,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the department to fund an aquaculture coordinator. The aquaculture coordinator will work with shellfish growers and federal, state, and local governments to improve the efficiency and effectiveness of shellfish farm permitting. Many of those improvements will come directly from the shellfish interagency permitting team recommendations.

(4) $14,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementing Substitute Senate Bill No. 6055 (apple maggot/outdoor burning). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(5) $2,000 of the general fund—state appropriation for fiscal year 2018 and $18,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of chapter 1, Laws of 2018 (ESSB 6091) (water availability).

(6) $144,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the implementation of Second Engrossed Substitute House Bill No. 1508 (student meals and nutrition). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(7) $1,000 of the general fund—state appropriation for fiscal year 2018 and $6,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the implementation of Engrossed House Bill No. 2957 (nonnative finfish escape). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.

(8) $100,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the industrial hemp research pilot program. Expenditures shall be prioritized for processing licenses and expanding the industrial hemp market.

(9) $534,000 of the state toxics control account—state appropriation is provided solely for a monitoring program to study the impacts of the use of imidacloprid as a means to control burrowing shrimp and related costs. Department costs include, but are not limited to, oversight and participation on a technical advisory committee, technical assistance, planning, and reporting activities. The department may also use the funding provided in this subsection, as needed, for payments to Washington State University, the United States department of agriculture, and outside consultants for their participation in the monitoring program and technical advisory committee. The department must report to the appropriate committees of the legislature by June 1.
2019, on the progress of the monitoring program.

(10) $80,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the department to provide to the sheriff's departments of Ferry county and Stevens county to cooperate with the department and the department of fish and wildlife on wolf management activities. Of the amount provided in this subsection, $40,000 is for the Ferry county sheriff's department and $40,000 is for the Stevens county sheriff's department.

Sec. 310. 2017 3rd sp.s. c 1 s 310 (uncodified) is amended to read as follows:

FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM

<table>
<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollution Liability Insurance Agency</td>
<td></td>
</tr>
<tr>
<td>Underground Storage Tank Revolving Account</td>
<td>($10,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$90,000</td>
</tr>
<tr>
<td>Pollution Liability Insurance Program Trust</td>
<td></td>
</tr>
<tr>
<td>Account</td>
<td>$(1,332,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$1,340,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$1,340,000</td>
</tr>
</tbody>
</table>

Sec. 311. 2017 3rd sp.s. c 1 s 311 (uncodified) is amended to read as follows:

FOR THE PUGET SOUND PARTNERSHIP

<table>
<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund-State Appropriation (FY 2018)</td>
<td>($2,022,000)</td>
</tr>
<tr>
<td></td>
<td>$2,783,000</td>
</tr>
<tr>
<td>General Fund-State Appropriation (FY 2019)</td>
<td>($2,669,000)</td>
</tr>
<tr>
<td></td>
<td>$2,526,000</td>
</tr>
<tr>
<td>General Fund-Federal Appropriation</td>
<td>($19,102,000)</td>
</tr>
<tr>
<td></td>
<td>$10,334,000</td>
</tr>
<tr>
<td>Aquatic Lands Enhancement Account</td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>($1,420,000)</td>
</tr>
<tr>
<td></td>
<td>$1,419,000</td>
</tr>
<tr>
<td>State Toxics Control Account</td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>$721,000</td>
</tr>
<tr>
<td>Pension Funding Stabilization Account-State</td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>$277,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$15,333,000</td>
</tr>
<tr>
<td></td>
<td>$18,060,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund-State Appropriation (FY 2018)</td>
<td>($1,450,000)</td>
</tr>
<tr>
<td></td>
<td>$1,688,000</td>
</tr>
<tr>
<td>General Fund-State Appropriation (FY 2019)</td>
<td>($1,310,000)</td>
</tr>
<tr>
<td></td>
<td>$2,145,000</td>
</tr>
<tr>
<td>Architects' License Account</td>
<td>($995,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$1,203,000</td>
</tr>
<tr>
<td>Professional Engineers' Account</td>
<td>($3,922,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$3,926,000</td>
</tr>
<tr>
<td>Real Estate Commission Account</td>
<td>($11,045,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$11,547,000</td>
</tr>
<tr>
<td>Uniform Commercial Code Account</td>
<td>($3,448,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$3,469,000</td>
</tr>
<tr>
<td>Real Estate Education Program Account</td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>$276,000</td>
</tr>
<tr>
<td>Real Estate Appraiser Commission Account</td>
<td></td>
</tr>
<tr>
<td>Appropriation</td>
<td>$1,870,000</td>
</tr>
<tr>
<td>Business and Professions Account</td>
<td>($19,302,000)</td>
</tr>
<tr>
<td>Appropriation</td>
<td>$21,985,000</td>
</tr>
</tbody>
</table>
Real Estate Research Account—State Appropriation $415,000
Landscape Architects’ License Account—State Appropriation $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

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 appropriation for fiscal year 2018 and $11,000 of the general fund 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 appropriation for fiscal year 2018 and $32,000 of the general fund 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).

(6) $60,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to implement Senate Bill No. 6298 (domestic violence harassment/firearms). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(7) $265,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1439 (higher education student protection). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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
General Fund—State Appropriation (FY 2019) $45,986,000
General Fund—Federal Appropriation $16,260,000

Death Investigations Account—State Appropriation $7,087,000
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
Fire Service Training Account—State Appropriation $11,126,000

(6) $60,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to implement Senate Bill No. 6298 (domestic violence harassment/firearms). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(7) $265,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1439 (higher education student protection). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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
General Fund—State Appropriation (FY 2019) $45,986,000
General Fund—Federal Appropriation $16,260,000

Death Investigations Account—State Appropriation $7,087,000
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
Fire Service Training Account—State Appropriation $11,126,000

(6) $60,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to implement Senate Bill No. 6298 (domestic violence harassment/firearms). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(7) $265,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1439 (higher education student protection). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.
Aquatic Invasive Species Management Account—State
Appropriation .................. $54,000

Pension Funding Stabilization Account—State
Appropriation .................. $3,295,000

State Toxics Control Account—State
Appropriation .................. $548,000

Fingerprint Identification Account—State
Appropriation .................. $15,745,000

Dedicated Marijuana Account—State
Appropriation for FY 2019 .................. $2,803,000

TOTAL APPROPRIATION...... $158,426,000 $169,488,000

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) $495,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the costs related to the 1995 king air maintenance. By June 30, 2019, the state patrol is directed to sell the 1983 king air and proceeds generated from the sale of the 1983 king air must be deposited into the state patrol highway account.

(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) $100,000 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) $500,000 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.

PART V
EDUCATION

Sec. 501. 2017 3rd sp.s. c 1 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

General Fund-State Appropriation (FY 2018) ......................... (($49,844,000)) $46,525,000

General Fund-State Appropriation (FY 2019) ......................... (($47,888,000)) $58,392,000

General Fund-Federal Appropriation ........................................ ($83,422,000)

General Fund-Private/Local Appropriation .............................. ($8,049,000)

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)) $515,000

Performance Audits of Government Account-State Appropriation ............ $211,000

Pension Funding Stabilization Account-State Appropriation ................. $2,126,000

TOTAL APPROPRIATION ......................................................... $200,337,000

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

(1) (($10,437,000)) $9,612,000 of the general fund-state appropriation for fiscal year 2018 and (($11,112,000)) $10,236,000 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 of the general fund—state appropriation for fiscal year 2018 and $3,741,000 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); and

(c) $1,000,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the office of the superintendent of public instruction to review the use of local revenues for compliance with enrichment requirements, including the preballot approval of enrichment levy spending plans approved by the superintendent of public instruction, and any supplemental contracts entered into under RCW 28A.400.200.

(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 $3,762,000 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 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) $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) 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).

(e) $250,000 of the general fund-state appropriation for fiscal year 2019 is provided solely to procure or develop professional development for paraeducator subject matter certificates, in English language learner and special education, and must align courses with general paraeducator certificate professional development, including any necessary changes or edits to general paraeducator certificate online modules.

(5) $266,000 of the general fund-state appropriation for fiscal year 2018 and (5$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) $202,000 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 ($1,028,000) $1,028,000 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 ($513,000) $515,000 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 of the general fund–state appropriation for fiscal year 2019 are provided solely for implementation of the K-12 dual language grant program established in RCW 28A.630.095 and $500,000 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) (44) $40,000 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 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 implementation of chapter 180, Laws of 2017 (2SSB 5258) (Washington Aim program).

(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 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.

(49) $97,000 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 services). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(50) $40,000 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.

(51) $676,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of 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.

(52) $230,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed 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.

(53) Within amounts appropriated in this section, the office of the
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.

(54) $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.

(55) $100,000 of the general fund-
state appropriation for fiscal year 2019
is provided solely to the office of the
superintendent of public instruction for
programs to combat bias. The office of
the superintendent of public instruction
must 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.

(56) $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). The office of the superintendent of
public instruction must submit a report
to the appropriate policy and fiscal
committees of the legislature by June 30,
2019, outlining accomplishments and
deliverables achieved in fiscal year
2019.

(57) 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 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.

(58) $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.

(59) $100,000 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 eight 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.

(60) $120,000 of the general fund-
state appropriation for fiscal year 2019
is provided solely for implementation of
Second Substitute Senate Bill No. 6162
dyslexia). If the bill is not enacted by
June 30, 2018, the amount provided in
this subsection shall lapse.

(61) Within the amounts appropriated
in this section the office of the
superintendent of public instruction
shall 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.

(62) $240,000 of the general fund-
state appropriation for fiscal year 2019
is provided solely for the office of
native education to increase services to
tribes, including but not limited to,
providing assistance to tribes and school
districts to implement Since Time Immemorial, applying to become tribal compact schools, convening the Washington state native American education advisory committee, and extending professional learning opportunities to provide instruction in tribal history, culture, and government.

(63) $10,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the civic education travel grant program pursuant to RCW 28A.300.480.

(64) Within the amounts appropriated in this section, the office of the superintendent of public instruction may develop recommendations to amend long-standing provisos within Part V of the omnibus operating budget. The office of the superintendent of public instruction shall submit recommendations, to include rationale why each proposed change should be made, to the office of financial management and the fiscal committees of the legislature by July 1, 2018.

(65) Within the amounts appropriated in this section, the office of the superintendent of public instruction shall coordinate with school districts and educational service districts that contract for transportation bus services and report the following information to the appropriate fiscal committees of the legislature by December 1, 2018:

(a) The number of transportation contract employees by job category;

(b) The total cost of the transportation contract, including the amount held by the school district or educational service district for administration of the contract;

(c) Information about the retirement benefit for transportation contract employees, including the name of the provider, the aggregate amount provided, and the amounts provided by employees;

(d) Information about the total health care benefit provided to transportation contract employees, including the name of the provider and the summary of benefits; and

(e) A copy of the transportation contract.

(66) Within the amounts appropriated in this section, the office of the superintendent of public instruction shall:

(a) Make recommendations on the best methods to provide and fund vocational funding enhancement for career and technical education and career-connected learning through alternative learning experience courses;

(b) Solicit and incorporate input received from the online learning advisory committee in making its report recommendations; and

(c) Submit a report of recommendations to the education and fiscal committees of the legislature by December 15, 2018.

(67) $900,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the office of the superintendent of public instruction to leverage federal funding from the e-rate program operated by the universal service administrative company, under the federal communications commission. Funding is provided to enable more student access to digital learning.

(68) $4,000,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the office of the superintendent of public instruction to provide grants to school districts and educational service districts for science teacher training in the next generation science standards including training in the climate science standards. At a minimum, school districts shall ensure that teachers in one grade level in each elementary, middle, and high school participate in this science training. Of the amount appropriated $1,000,000 is provided solely for community based nonprofits to partner with public schools for next generation science standards.

(69) $722,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Substitute House Bill No. 2685 (high
school preapprenticeships). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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) .............. ($7,112,955,000)

$7,142,294,000

Education Legacy Trust Account—State Appropriation ........ ($345,730,000)

$595,730,000

TOTAL APPROPRIATION... $14,941,671,000

$14,977,358,000

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) For 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 state basic education allocations, local maintenance and operation levy, and local effort assistance provided under the law as it existed on January 1, 2017. For the purposes of this section, the local levy is limited to the lesser of the voter-approved levy as of January 1, 2017, or the maximum levy allowed under the law as of 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:

<table>
<thead>
<tr>
<th>Grade</th>
<th>RCW 28A.150.2</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>K</td>
<td></td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>27.0</td>
<td>27.0</td>
</tr>
<tr>
<td>s 5-6</td>
<td></td>
<td>27.0</td>
<td>27.0</td>
</tr>
<tr>
<td>s 7-8</td>
<td></td>
<td>28.5</td>
<td>28.5</td>
</tr>
<tr>
<td>s 9-12</td>
<td></td>
<td>28.7</td>
<td>28.7</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Grade</th>
<th>RCW 28A.150.2</th>
<th>2017-18</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>K</td>
<td></td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>17.0</td>
<td>17.0</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>27.0</td>
<td>27.0</td>
</tr>
<tr>
<td>s 5-6</td>
<td></td>
<td>27.0</td>
<td>27.0</td>
</tr>
<tr>
<td>s 7-8</td>
<td></td>
<td>28.5</td>
<td>28.5</td>
</tr>
<tr>
<td>s 9-12</td>
<td></td>
<td>28.7</td>
<td>28.7</td>
</tr>
</tbody>
</table>

(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 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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Career and Technical Education</th>
<th>Skill Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>3.07</td>
<td>3.41</td>
</tr>
<tr>
<td>2018-19</td>
<td>3.07</td>
<td>3.41</td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th>Prototypical School Building:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary School</td>
<td>1.253</td>
</tr>
<tr>
<td>Middle School</td>
<td>1.353</td>
</tr>
<tr>
<td>High School</td>
<td>1.880</td>
</tr>
</tbody>
</table>

(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) 23.65 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) 24.67 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:

<table>
<thead>
<tr>
<th>Component</th>
<th>2017-18 School Year</th>
<th>2018-19 School Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>$130.7</td>
<td>($132.85)</td>
</tr>
<tr>
<td>Utilities and Insurance</td>
<td>$355.3</td>
<td>($360.98)</td>
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<tr>
<td>Curriculum and Textbooks</td>
<td>$140.3</td>
<td>($142.64)</td>
</tr>
<tr>
<td>Other Supplies and Library</td>
<td>$298.0</td>
<td>($302.82)</td>
</tr>
<tr>
<td>Facilities Maintenance</td>
<td>$176.0</td>
<td>($178.83)</td>
</tr>
<tr>
<td>Security and Central Office</td>
<td>$121.9</td>
<td>($123.89)</td>
</tr>
<tr>
<td>Total Basic EDUCATION</td>
<td>$1,244</td>
<td>($1,264.0)</td>
</tr>
<tr>
<td>MSOC/STUDENT FTE</td>
<td>$1,267.80</td>
<td></td>
</tr>
</tbody>
</table>

(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 $1,499.98 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 $1,499.98 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:

<table>
<thead>
<tr>
<th>MSOC Component</th>
<th>2017-18 School Year</th>
<th>2018-19 School Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>$37.60</td>
<td>$38.31</td>
</tr>
<tr>
<td>Curriculum and Textbooks</td>
<td>$41.02</td>
<td>$41.80</td>
</tr>
<tr>
<td>Other Supplies and Library Materials</td>
<td>$85.46</td>
<td>$87.08</td>
</tr>
<tr>
<td>Instructional Professional Development for Certified and Classified Staff</td>
<td>$6.83</td>
<td>$6.97</td>
</tr>
<tr>
<td><strong>TOTAL GRADE 9-12 BASIC EDUCATION MSOC/STUDENT FTE</strong></td>
<td><strong>$170.9</strong></td>
<td><strong>$174.16</strong></td>
</tr>
</tbody>
</table>
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 high schools under this subsection to receive 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 annual average 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 annual average 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) 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 (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 RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 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)) (13) 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 $65,216.05

Certificated $79,127.50
Administrative $96,805.00

Classified Staff $39,975.50
$46,784.33

(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

(b) "LEAP Document 2" means the school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as
developed by the legislative evaluation and accountability program committee on
June 22, 2017, at 1:14 hours.

(c) "LEAP Document 3" means the school district regionalization factors for
certificated instructional, certificated administrative, and classified staff, as
developed by the legislative evaluation and accountability program committee on
(June 22, 2017, at 1:14 hours) March 6, 2018, at 8:24 hours.

(3) Incremental fringe benefit factors are applied to salary adjustments at a
rate of 22.85 percent for school year 2017-18 and (23.40) 23.01 percent for
school year 2018-19 for certificated instructional and certificated administrative staff and 21.10 percent
for school year 2017-18 and (21.14) 21.17 percent for the 2018-19 school year for
classified staff.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary
allocation schedule for certificated instructional staff is established for
basic education salary allocations for the 2017-18 school year:

Table Of Total Base Salaries For
Certificated Instructional Staff

For School Year 2017-18

*** Education Experience ***

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th>MA</th>
<th>BA</th>
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</thead>
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<td>7, 8 9 0 4 6 4, 8 0</td>
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<td></td>
</tr>
<tr>
<td>7 9 4 0 7 2 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(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 l 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)
$2,029,841,000

Dedicated McCleary Penalty Account—State

Appropriation............. $84,020,000
TOTAL APPROPRIATION..... $1,576,622,000
$2,320,010,000

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%) 23.01 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%) 21.17 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. Changes for pupil transportation are determined by the superintendent of public instruction pursuant to RCW 28A.160.192, and impact compensation factors in sections 502, 503, and 504 of this act.

(c) The appropriations in this section include no salary adjustments for substitute teachers.

(4) (4) 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 ($240.00) $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.

(5) (5) $699,437,000 of the general fund—state appropriation in fiscal year 2019 and $84,020,000 of the dedicated McCleary penalty account—state appropriation are 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), regionalization factors as provided in RCW 28A.150.412(2)(b), and professional learning day delay, each as amended by
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) .............. ($518,512,000)

General Fund—State Appropriation (FY 2019) .............. ($519,533,000)

TOTAL APPROPRIATION.... $1,038,045,000

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)

$8,371,000
General Fund—Federal Appropriation ........................................ $537,178,000

TOTAL APPROPRIATION ........................................ $551,400,000

$552,660,000

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

(1) $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)) (a) Elimination of breakfast copays for eligible public school students and lunch copays for eligible public school students in grades kindergarten through third grade who are eligible for reduced-price lunch;

((2)) (b) 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)) (c) 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)) (d) Assistance to school districts in initiating and expanding school breakfast programs.

(2) 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.

(3) 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 participated in the program;

(b) The average annual participation rate in the program;

(c) Participation rates by geographic distribution; and

(e) The annual federal funding of the program in Washington.

(4) $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.

(5) $1,200,000 of the general fund—state appropriation for fiscal year 2019 are for one-time start-up allocation grants to each high needs school implementing a breakfast after the bell program under section 3 of Second Engrossed Substitute House Bill No. 1508 (student meals and nutrition). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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)

$965,613,000

General Fund—State Appropriation (FY 2019) .................. ($989,284,000)

$1,001,806,000

General Fund—Federal Appropriation ............................... ($470,673,000)

$485,054,000

Education Legacy Trust Account—State Appropriation ............. $54,694,000

Dedicated McCleary Penalty Account—State Appropriation ......... $21,180,000

Pension Funding Stabilization Account—State Appropriation ....... $20,000

TOTAL APPROPRIATION ........................................ $2,528,367,000
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), except that the calculation of the base allocation also includes allocations provided under section 502 (2) and (4) of this act; and RCW 28A.150.415, 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, ($31,024,000) $35,952,000 of the general fund–state appropriation for fiscal year 2019, and ($31,087,000) $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) $21,180,000 of the dedicated McCleary penalty account—state 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).

Sec. 508. 2017 3rd sp.s. c l s 508 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS

General Fund—State Appropriation (FY 2018) ..................($8,534,000) $8,549,000

General Fund—State Appropriation (FY 2019) ..................($8,558,000) $9,468,000

TOTAL APPROPRIATION ........$17,092,000 $18,017,000

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)**

General Fund—State Appropriation (FY 2018) .................. (449,808,000)

$451,423,000

General Fund—State Appropriation (FY 2019) .................. (454,876,000)

$425,973,000

**TOTAL APPROPRIATION** ...... $904,684,000

$877,396,000

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)**

General Fund—State Appropriation (FY 2018) .................. (13,565,000)

$13,895,000

General Fund—State Appropriation (FY 2019) .................. (13,689,000)

$14,096,000

**TOTAL APPROPRIATION**...... $27,254,000

$27,991,000

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) $21,447,000

General Fund—State Appropriation (FY 2019) .................. ($24,306,000) $24,226,000

TOTAL APPROPRIATION........ $45,571,000 $45,673,000

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) 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 ......................... ($93,320,000) $94,811,000

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) $134,384,000

General Fund—State Appropriation (FY 2019) .................. ($155,464,000) $154,111,000

General Fund—Federal Appropriation .......................... ($93,320,000) $94,811,000

General Fund—Private/Local Appropriation .................. ($1,451,000) $1,450,000

Education Legacy Trust Account—State Appropriation ........ ($1,618,000) $1,618,000

Pension Funding Stabilization Account—State Appropriation .................. $765,000

TOTAL APPROPRIATION...... $386,595,000 $387,139,000

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

(1) (a) $30,421,000 of the general fund—state appropriation for fiscal year 2018, $26,975,000 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.


(ii) By November 1, 2018, the superintendent must review the fiscal note and report to the legislature on which actions detailed in the fiscal note...
were taken by the superintendent to achieve the savings estimated and the actual savings achieved. For those actions provided in the fiscal note that were not taken and for which no savings were achieved, the superintendent must explain why those actions were not taken.

(iii) By November 1, 2018, the superintendent must submit a detailed plan on how the superintendent will achieve all of the savings estimated in the fiscal note for the 2019-2021 biennium.

(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 of the general fund-state appropriation for fiscal year 2018 and $62,674,000 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, to reflect the portion of the instructional school year they are certified.

(a) For national board certified teachers, a bonus of $5,296 per teacher in the 2017-18 school year and a bonus of ($5,281) $5,397 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 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 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.

(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 to implement chapter 18, Laws of 2013 2nd sp. sess. (Engrossed Substitute Senate Bill No. 5946) (strengthening student educational outcomes).

(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. (Substitute Senate Bill No. 6424) (biliteracy public–private partnership).

(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; 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 even numbered calendar 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.

(25) $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.

(26) Sufficient amounts are appropriated in this section for the office of the superintendent of public instruction to create a process and provide assistance to school districts in planning for future implementation of the summer knowledge improvement program grants.

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) $151,517,000

General Fund—State Appropriation (FY 2019) ..................($157,744,000) $158,812,000

General Fund—Federal Appropriation ................................($92,244,000) $97,244,000

Pension Funding Stabilization Account—State Appropriation..............$4,000

TOTAL APPROPRIATION ...... $397,936,000 $407,577,000

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.

(6) $495,000 of the general fund—state appropriation in fiscal year 2018 and $198,000 of the general fund—state appropriation in fiscal year 2019 are provided solely for the central provision of assessments as provided in RCW 28A.180.090, and is in addition to the withholding amounts specified in subsection (3) of this section.

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) $323,386,000

General Fund—State Appropriation (FY 2019) ....................... ($355,633,000) $348,202,000

General Fund—Federal Appropriation ........................... ($505,487,000) $519,487,000

TOTAL APPROPRIATION .... $1,187,353,000 $1,191,075,000

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

<table>
<thead>
<tr>
<th>Per Annual Average Full-Time Equivalent Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>BasicEducation Program</td>
</tr>
<tr>
<td>SchoolYear</td>
</tr>
<tr>
<td>General Apportionment (a)</td>
</tr>
<tr>
<td>Pupil Transportation (b)</td>
</tr>
<tr>
<td>Special Education Programs</td>
</tr>
<tr>
<td>Institutional Education Programs</td>
</tr>
<tr>
<td>Programs for Highly Capable Students</td>
</tr>
<tr>
<td>Transiton Bilingual Programs</td>
</tr>
<tr>
<td>Learning Assistance Program</td>
</tr>
</tbody>
</table>

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)

$55,569,000

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

(1) 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.

(2) $2,378,000 of the Washington opportunity pathways account—state 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), regionalization factors as provided in RCW 28A.150.412(2)(b), and the professional learning day delay, each as amended by Engrossed Second Substitute Senate Bill No. 6362 (basic education).

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)

$862,000

Charter Schools Oversight Account—State

Appropriation ............ ($1,858,000)
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)
$629,169,000

General Fund—State Appropriation (FY 2019) ................. ($668,368,000)
$637,311,000

Community/Technical College Capital Projects

Account—State Appropriation ............ ($23,911,000)
$21,618,000

Education Legacy Trust Account—State Appropriation ........... ($138,314,000)
$134,501,000

Pension Funding Stabilization Account—State Appropriation........... $67,897,000

TOTAL APPROPRIATION.... $1,493,195,000
$1,490,496,000

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 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 website; 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 of the general fund—state appropriation for fiscal year 2018 and $18,960,000 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 (ESHB 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 education). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(24) $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.

(25) (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.

(26) $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.

(27) $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.

(28) $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 state board to continue the feasibility study for a potential new community and technical college in the Graham, Washington area.
that was first authorized by section 605, chapter 4, Laws of 2015 3rd sp. sess. The feasibility study shall be accomplished by continuing to expand enrollment and classes at the Graham-Kapowsin high school and gathering data, such as enrollment numbers, future class interest, and student profile data, from students who participate. The feasibility study shall specifically address the intent of pursuing the establishment of a community college in the Graham, Washington area and the state board of community and technical colleges shall report to the legislature the findings of the feasibility study by June 30, 2019.

(29) $42,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Senate Bill No. 5028 (Native American curriculum). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(30) $300,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for Cascadia community college to convene a task force with the University of Washington-Bothell and the representatives from the Canyon Park biomedical industry cluster to (a) identify workforce development needs of the area’s biomedical cluster and (b) engage in the city of Bothell’s master planning process to ensure that the retention and expansion of this industry cluster and its workforce are adequately represented in the process.

(31) $50,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the state board to identify at least two high school equivalency tests that are at least as rigorous as the 2013 general educational test in that sixty percent of high school seniors can pass the test. At least one of the two test options must not require computer proficiency and at least one of the test options must be low cost to the student. At least one of the test options must be fairly normed to the actual academic ability of current high school seniors such that at least sixty percent of high school seniors can pass the high school equivalency test. The state board must identify at least one test option that is appropriate for students who have been in the workforce, need a high school diploma for employment reasons, have been incarcerated, or were in the military. The state board must communicate the availability of the two test options to public and private test administrators. The state board must report to the legislature the number of students who have received a high school equivalency certificate during the prior month of each year by posting this information on a public page on its website. The board must also post on a public page on its website a norming study for every high school equivalency test confirming that the test is within the actual academic ability of recent high school seniors. The norming study must be similar in scope and methods to the norming studies of the 2002 and 2007 GED tests.

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)

$310,920,000

General Fund—State Appropriation (FY 2019) ..................($353,811,000)

$325,781,000

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)

$33,051,000

Economic Development Strategic Reserve Account—State Appropriation ..........($3,035,000)

$3,034,000

Pension Funding Stabilization Account—State Appropriation ..........$51,068,000

Biotoxin Account—State Appropriation ............................($597,000)

$596,000

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 ............... $7,942,000
Geoduck Aquaculture Research Account—State Appropriation........ $200,000

TOTAL APPROPRIATION...... $741,579,000

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) $38,807,000 of the general fund—state appropriation for fiscal year 2018 and $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) $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) $7,400,000 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

(14) ($3,200,000) $500,000 of the general fund-state appropriation for fiscal year 2018 and $2,700,000 of the general fund-state appropriation for fiscal year 2019 are 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) To ensure transparency and accountability, in the 2017-2019 fiscal biennium the University of Washington shall comply with any and all financial and accountability audits by the Washington state auditor including any and all audits of university services offered to the general public, including those offered through any public-private partnership, business venture, affiliation, or joint venture with a public or private entity, except the government of the United States. The university shall comply with all state auditor requests for the university's financial and business information including the university's governance and financial participation in these public-private partnerships, business ventures, affiliations, or joint ventures with a public or private entity. In any instance in which the university declines to produce the information to the state auditor, the university will provide the state auditor a brief summary of the documents withheld and a citation of the legal or contractual provision that prevents disclosure. The summaries must be compiled into a report by the state auditor and provided on a quarterly basis to the legislature.

(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) $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.

(32) $3,000,000 of the general fund—state appropriation for fiscal year 2018 and $6,000,000 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.

(33) $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.

(34) $135,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for Washington MESA to continue the First Nations MESA program in the Yakima Valley.

(35) $150,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Substitute Senate Bill No. 6514 (higher education behavioral health). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(36) $10,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed House Bill No. 2957 (nonnative finfish escape). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(37) $81,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Senate Bill No. 5028 (Native American curriculum). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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)
$200,567,000

General Fund—State Appropriation (FY 2019) ..................($227,266,000)
$212,381,000

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...... $477,658,000

$478,994,000

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 5100) (financial literacy seminars).

(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.30.004.

(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) (9) $27,586,000 of the general fund—state appropriation for fiscal year 2018 and (9) $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.

(12) $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.

(13) 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.

(14) $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).

(15) $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 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.

(16) $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 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) 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.

(18) $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).

(19) $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 education). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(20) $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.

(21) $500,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the joint center
for deployment and research in earth abundant materials.

(22) $75,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the Washington State University tree fruit research and extension center in Wenatchee to create a plan for expansion of graduate research in the greater Wenatchee Valley. This plan may include proposals for new research programs, new or expanded facilities, and other elements necessary to facilitate expansion of graduate research in the greater Wenatchee Valley.

(23) $15,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Senate Bill No. 5028 (Native American curriculum). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(24) $20,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the office of clean technology at Washington State University to convene a sustainable aviation biofuels work group to further the development of sustainable aviation fuel as a productive industry in Washington. The work group must include members from the legislature and sectors involved in sustainable aviation biofuels research, development, production, and utilization. The work group must provide recommendations to the governor and the appropriate committees of the legislature before December 1, 2019.

(25) $17,000 of the general fund—state appropriation for fiscal year 2018 and $33,000 of the general fund—state appropriation for fiscal year 2019 are provided solely for the William D. Ruckelshaus center to provide meeting facilitation and related services for the legislative task force on legislative records as specified in section 925(4) of this act.

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) ............... ($50,364,000)

$50,213,000

General Fund—State Appropriation (FY 2019) ............... ($51,985,000)

$52,015,000

Education Legacy Trust Account—State Appropriation ............... $16,598,000

TOTAL APPROPRIATION .......... $118,647,000

$118,826,000

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) ($9,881,000) $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.

(9) $20,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Senate Bill No. 5028 (Native American curriculum). 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))

$50,646,000

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...... $121,855,000

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) $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, science, technology, engineering, and math. The program is expected to serve approximately 500 students per year.

(9) $130,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for Central Washington University to partner with the office of the lieutenant governor, and employers and labor representatives from the building and construction trades to create a bachelor’s degree program for individuals who have completed or are completing certain registered apprenticeship programs. The program shall be inclusive of prior learning, specifically tailored to experience gained through apprenticeships and work in the building and construction trades, and use an affordable online delivery model. The program's financial model must be designed to make this degree program self-sustaining without state support.
(10) $23,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Senate Bill No. 5028 (Native American curriculum). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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)

$26,608,000

General Fund—State Appropriation (FY 2019) ............... ($27,146,000)

$28,126,000

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

$60,266,000

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

(1) ($3,397,000) $3,377,000 of the general fund—state appropriation for fiscal year 2018 and ($3,482,000) $3,445,000 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 ($41,000) $44,000 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?
(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 ($42,000) $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).

(13) Within amounts appropriated in this section, the college is encouraged to increase the number of tenure-track positions created and hired.

(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) $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 study of single payer and universal coverage health care systems. The institute may seek support from the office of the state actuary. The institute shall provide a report to the appropriate committees of the legislature by December 1, 2018. The study shall:

(a) Summarize the parameters used to define universal coverage, single payer, and other innovative systems;

(b) Compare the characteristics of up to ten universal or single payer models available in the United States or elsewhere; and

(c) Summarize any available research literature that examines the effect of models detailed in (b) of this subsection on outcomes such as overall cost, quality of care, health outcomes, or the uninsured rate. If possible, the institute shall conduct meta-analyses to address this subsection.

(16) $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.

(17) $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.

(18) $150,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the Washington state institute for public policy 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.

(19) $37,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1561 (open educational resources). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(20) $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).

(21)(a) $100,000 of the general fund—state appropriation for fiscal year 2019
is provided solely for the Washington state institute for public policy shall conduct a statewide study on the needs of dually involved females. To the extent possible, the study must review available data for the following purposes:

(i) Understanding the prevalence and demographics of the dually involved female population and their families;

(ii) Tracking outcomes for this population including, but not limited to, academic, social, and vocational achievement; and

(iii) Surveying other states’ systems that address and treat the needs of this population.

(b) To the extent possible, the data should be disaggregated by race and ethnicity, gender, sexual orientation and gender identity, county of residence, and other relevant variables.

(c) The study should include a cost-benefit analysis of programs for dually involved females that would show evidence of avoidance of costs associated with public welfare programs or would demonstrate higher educational attainment.

(d) By July 1, 2019, the Washington state institute for public policy shall submit its study findings to the legislative fiscal and policy committees with responsibility for child welfare and juvenile justice issues.

(22) $57,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for the Washington state institute of public policy to conduct a review of the available research literature on step therapy protocol usage, including any rigorous evidence concerning positive or negative health outcomes resulting from step therapy protocol usage. The institute must also review any rigorous evidence regarding the effectiveness of exceptions to the use of step therapy in improving health outcomes and reducing adverse events, and provide a summary of step therapy protocol exceptions that have been codified in other states. The institute must submit a report on its findings to the appropriate committees of the senate and house of representatives by December 1, 2018.

(23)(a) $25,000 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 Washington state institute of public policy to review the higher education funding models in ten states with higher education systems that are similar to Washington state, and report to the legislature by November 1, 2018. The review must include a breakdown of:

(i) The method used to determine state funding levels for institutions of higher education;

(ii) The proportion of state funding that comes from the state general fund or that state’s equivalent accounts for salary and benefit increases at institutions of higher education;

(iii) The manner in which salary and benefit increases are determined at or on behalf of employees at institutions of higher education;

(iv) The total proportion of state funding that comes from the state general fund or that state’s equivalent accounts for institutions of higher education.

(b) The office of financial management in consultation with the state board for community and technical colleges and the council of presidents, may use information in the report to present funding options to the legislature. The legislature shall consider any options that are made available by the office of financial management under this subsection when making future decisions about funding for salaries and benefits during the 2019-2021 biennium.

(24) $124,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6029 (student loan bill of rights). If the bill is not enacted by June 30, 2018, the amounts provided in this subsection shall lapse.
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

$160,614,000

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 (($16,632,000)) $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) $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.

(12) $24,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Senate Bill No. 5028 (Native American curriculum). If the bill is not enacted
by June 30, 2018, the amount provided in this subsection shall lapse.

(13) $1,306,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for Western Washington University to develop a new program in marine, coastal, and watershed sciences.

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)))

$5,373,000

General Fund-State Appropriation (FY 2019) ...............((($5,791,000)))

$6,704,000

General Fund-Federal Appropriation ...............................((($4,892,000)))

$4,890,000

Pension Funding Stabilization Account—State

Appropriation............... $535,000

TOTAL APPROPRIATION...... $16,323,000

$17,502,000

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) $363,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6029 (student loan bill of rights). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(3) $126,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for the consumer protection unit.

(4) $245,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute Senate Bill No. 6029 (student loan bill of rights). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(5) $15,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of House Bill No. 1499 (student loan disbursement). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(6) $444,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1439 (higher education student protection). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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)))

$238,388,000

General Fund-State Appropriation (FY 2019) ......................((($242,726,000)))

$262,875,000

General Fund-Federal Appropriation ...............................((($11,906,000)))

$11,903,000

General Fund-Private/Local Appropriation .......................$300,000

Education Legacy Trust Account—State Appropriation ..............((($99,955,000)))

$104,291,000

WA Opportunity Pathways Account—State Appropriation ..............((($117,289,000)))

$122,350,000

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........ $715,691,000

$745,053,000

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, 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 $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. The office of student financial assistance and the institutions of higher education shall consider awards made by the opportunity scholarship program to be
state-funded for the purpose of determining the value of an award amount under RCW 28B.118.010.

(8) $2,236,000 of the general fund–state appropriation for fiscal year 2018 and (($2,236,000)) $2,795,000 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, $559,000 of the general fund–state appropriation for fiscal year 2019 is provided solely for implementation of Second Substitute Senate Bill No. 6274 (apprenticeships/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.

(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) $500,000 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) $500,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Substitute Senate Bill No. 6514 (higher education behavioral health). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(14) $100,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1561 (open educational resources). 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)
$1,844,000

General Fund—State Appropriation (FY 2019) .................... ($1,785,000)
$1,994,000

General Fund—Federal Appropriation ............................. ($55,279,000)
$55,275,000

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) $29,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1439 (higher education student protection). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(6) $260,000 of the general fund-state appropriation for fiscal year 2019 is provided solely for implementation of Substitute Senate Bill No. 6544 (future of work task force). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

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)) $116,761,000

General Fund-Federal Appropriation .................. (($171,032,000)) $171,479,000

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

Pension Funding Stabilization Account-State Appropriation ................ $468,000

TOTAL APPROPRIATION ...... $358,085,000

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;

(D) Providing nurse consultation services to licensed providers;

(E) Allowing working connections child care consumers who are full-time community or technical college students to attend college full-time and not have to meet work requirements; and

(F) Meeting new or expanded federal mandates.

(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)) $78,026,000 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. The department shall ensure that contracted providers pursue receipt of federal funding associated with the early support for infants and toddlers program. Priority for services shall be given to children referred from the department of social and health services children's administration.

(8) $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 improvement 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 a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.

(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.
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 the 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 l 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) $6,977,000

General Fund State Appropriation (FY 2019) .................($7,427,000) $7,569,000

General Fund—Private/Local Appropriation ..................$34,000

Pension Funding Stabilization Account—State Appropriation ..............$591,000

TOTAL APPROPRIATION ..............................................$14,437,000 $15,171,000

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 a 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 l 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) .................($10,616,000) $10,293,000

General Fund State Appropriation (FY 2019) .................($11,679,000) $11,564,000
Pension Funding Stabilization Account—State
Appropriation................. $727,000
TOTAL APPROPRIATION...... $22,325,000
$22,552,000

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)
$1,418,000
General Fund-State Appropriation (FY 2019) ......................... ($1,514,000)
$1,572,000
General Fund-Federal Appropriation .......................... ($2,122,000)
$2,122,000
General Fund-Private/Local Appropriation .......................... ($41,000)
$50,000
Pension Funding Stabilization Account—State
Appropriation................. $122,000
TOTAL APPROPRIATION...... $5,151,000
$5,284,000

The appropriations in this section are subject to the following conditions and limitations: $78,000 of the general fund—state appropriation for fiscal year 2018 and $78,000 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) ......................... ($1,497,000)
$1,418,000
General Fund-State Appropriation (FY 2019) ......................... ($1,514,000)
$1,572,000
Pension Funding Stabilization Account—State
Appropriation................. $230,000
TOTAL APPROPRIATION...... $5,108,000
$5,537,000

The appropriations in this section are subject to the following conditions and limitations: $22,000 of the general fund—state appropriation for fiscal year 2018 and $138,000 of the general fund—state appropriation for fiscal year 2019 are provided solely to commemorate the centennial of national women's suffrage.

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)
$1,926,000
General Fund-State Appropriation (FY 2019) ......................... ($2,044,000)
$2,092,000
Pension Funding Stabilization Account—State
Appropriation................. $213,000
TOTAL APPROPRIATION...... $4,035,000
$4,231,000

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)
$1,133,223,000
General Fund-State Appropriation (FY 2019) ......................... ($1,133,223,000)
$1,133,223,000
$1,115,140,000

General Fund–State Appropriation (FY 2019) .......... ($120,024,000)

$1,165,116,000

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.......... $2,287,368,000

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

(f) Steve Sainsbury, claim number 99970236 ............................. $10,000

(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

NEW SECTION. Sec. 704. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT–SCHOOL EMPLOYEES’ INSURANCE ADMINISTRATIVE ACCOUNT

General Fund–State Appropriation (FY 2018) .......... $11,307,000

General Fund–State Appropriation (FY 2019) .......... $17,423,000

TOTAL APPROPRIATION .......... $28,730,000

The appropriation in this section is subject to the following conditions and limitations: The appropriations in this
section, or so much thereof as may be necessary, are provided solely for expenditure into the school employees’ insurance administrative account for start-up costs for the school employees’ benefits program pursuant to chapter 13, Laws of 2017 3rd sp. sess. It is the intent of the legislature that this amount, plus interest as determined by the treasurer, be repaid to the general fund—state during the 2019-2021 fiscal biennium.

Sec. 705. 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:

<table>
<thead>
<tr>
<th>Health District</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2017-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ada County Health District</td>
<td>$121</td>
<td>$121</td>
<td>$242</td>
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<tr>
<td>(Adams County Health District)</td>
<td>,213</td>
<td>,213</td>
<td>,426</td>
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<tr>
<td>Asotin County Health District</td>
<td>$159</td>
<td>$159</td>
<td>$319</td>
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<tr>
<td>(Columbia County Health Department)</td>
<td>,890</td>
<td>,890</td>
<td>,780</td>
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<td>Benton County Health District</td>
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<td>(Cowlitz County Health Department)</td>
<td>14,337</td>
<td>14,337</td>
<td>28,674</td>
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<tr>
<td>Chelan County Health District</td>
<td>$399</td>
<td>$399</td>
<td>$799</td>
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<td>(Douglas Health District)</td>
<td>,634</td>
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<td>,268</td>
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<tr>
<td>Clallam County Health and Human Services Department</td>
<td>$291</td>
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<td>$582</td>
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<td>(Clallam County Health District)</td>
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<td>,401</td>
<td>,802</td>
</tr>
<tr>
<td>Garfield County Health and Human Services Department</td>
<td>$93,</td>
<td>$93,</td>
<td>$186</td>
</tr>
<tr>
<td>(Clarin County Health District)</td>
<td>154</td>
<td>154</td>
<td>308</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Health District</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2017-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia County Health District</td>
<td>$119</td>
<td>$119</td>
<td>$239</td>
</tr>
<tr>
<td>(Columbia County Health Department)</td>
<td>,991</td>
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<td>Cowlitz County Health and Human Services Department</td>
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<td>(Cowlitz County Health Department)</td>
<td>,981</td>
<td>,981</td>
<td>,962</td>
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<tr>
<td>Garfield County Health and Human Services Department</td>
<td>$93,</td>
<td>$93,</td>
<td>$186</td>
</tr>
<tr>
<td>(Clarin County Health District)</td>
<td>154</td>
<td>154</td>
<td>308</td>
</tr>
<tr>
<td>Health District</td>
<td>Grant</td>
<td>$297</td>
<td>$297</td>
</tr>
<tr>
<td>-----------------</td>
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</tr>
<tr>
<td>County</td>
<td>761</td>
<td>761</td>
<td>522</td>
</tr>
<tr>
<td>Health District</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Grays Harbor Health Department)</td>
<td>$335</td>
<td>$335</td>
<td>$671</td>
</tr>
<tr>
<td>Grays Harbor Public Health and Social Services</td>
<td>666</td>
<td>666</td>
<td>332</td>
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<tr>
<td>Island County</td>
<td>255</td>
<td>255</td>
<td>510</td>
</tr>
<tr>
<td>Health Departmen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Jefferson County Health and Human Services)</td>
<td>$184</td>
<td>$184</td>
<td>$368</td>
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<tr>
<td>Jefferson County Public Health</td>
<td>080</td>
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<td>160</td>
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<td>(Seattle-King County Department of Public Health)</td>
<td>$12,476</td>
<td>685,521</td>
<td>685,521</td>
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<tr>
<td>Public Health - Seattle &amp; King County</td>
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<td></td>
</tr>
<tr>
<td>(Bremerton-Kitsap County Health District)</td>
<td>$997</td>
<td>$997</td>
<td>$1,947</td>
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<tr>
<td>Kitsap</td>
<td>476</td>
<td>476</td>
<td>94,952</td>
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<tr>
<td>Public Health District</td>
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</tr>
<tr>
<td>Kittitas County Public Health ((Department))</td>
<td>$198</td>
<td>$198</td>
<td>$397</td>
</tr>
<tr>
<td>Klickitat County Public Health ((Department))</td>
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<td>$153</td>
<td>$307</td>
</tr>
<tr>
<td>Lewis County Public Health and Social Services</td>
<td>$263</td>
<td>$263</td>
<td>$526</td>
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<tr>
<td>Lincoln County Health Department</td>
<td>$113</td>
<td>$113</td>
<td>$227</td>
</tr>
<tr>
<td>Mason County Public Health and Human Services</td>
<td>$227</td>
<td>$227</td>
<td>$454</td>
</tr>
<tr>
<td>Okanogan County Health District ((Department))</td>
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<td>$169</td>
<td>$339</td>
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<tr>
<td>Okanogan</td>
<td>882</td>
<td>882</td>
<td>764</td>
</tr>
<tr>
<td>County</td>
<td>Health Department</td>
<td>$1,0</td>
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</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Pacific County Health and Human Services</td>
<td>Tacom - Pierce</td>
<td>43,169</td>
<td>43,169</td>
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<tr>
<td>San Juan County Health and Community Services</td>
<td>Skagit County Health Department</td>
<td>745</td>
<td>745</td>
</tr>
<tr>
<td>Snohomish Health District</td>
<td></td>
<td>33,291</td>
<td>33,291</td>
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<tr>
<td>Spokane Regional Health District</td>
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<td>77,318</td>
<td>77,318</td>
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<tr>
<td>Whatcom County Health District</td>
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<td>14,301</td>
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<tr>
<td>Yakima County Health District</td>
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<td>52,482</td>
<td>52,482</td>
</tr>
</tbody>
</table>
TOTAL $36,386,000 $36,386,000 $72,772,000

Sec. 706. 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
General Fund—State Appropriation (FY 2019) ....................... $4,000,000
TOTAL APPROPRIATION........ $9,000,000

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 Andy Hill cancer research endowment program.

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)
TOTAL APPROPRIATION........ $3,043,000

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 722 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—HEALTH PROFESSIONS ACCOUNT

Dedicated Marijuana Account—State Appropriation (FY 2019) ....................... $352,000
TOTAL APPROPRIATION........ $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. 709. 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) ....................... ($3,712,000)
General Fund—State Appropriation (FY 2019) ....................... $4,400,000
General Fund—Federal Appropriation............................... $2,431,000
TOTAL APPROPRIATION........ $12,143,000

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 LEAS2-2017, dated March 14, 2017, 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. 710. 2017 3rd sp.s. c 1 s 737 (uncodified) is repealed.

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—JUDICIAL INFORMATION SYSTEMS ACCOUNT

General Fund—State Appropriation (FY 2019) $2,665,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the judicial information systems account.

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—JUDICIAL STABILIZATION TRUST ACCOUNT

General Fund—State Appropriation (FY 2019) $1,600,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for expenditure into the judicial stabilization trust account.

Sec. 713. 2017 3rd sp.s. c 1 s 724 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—INFORMATION TECHNOLOGY INVESTMENT POOL

General Fund—State Appropriation (FY 2018) $6,000,000

General Fund—State Appropriation (FY 2019) $8,226,000

General Fund—Federal Appropriation $16,000

Other Appropriated Funds $103,000

TOTAL APPROPRIATION $15,145,000

(1) The appropriations in this section (§§) are provided solely for expenditure into the information technology investment revolving account created in (§§ section 950 of this act) RCW 43.41.433.

(a) Amounts in the account are provided solely for the following information technology projects:

(i) Department of services for the blind—business management system;

(ii) Secretary of state—modernize elections system;

(iii) Office of the superintendent of public instruction—school financial system redesign;

(iv) Department of social and health services—time, leave, attendance scheduling;

(v) Human rights commission—new case management database;

(vi) Department of health—syringe service data tracking;

(vii) Department of fish and wildlife—enforcement records management;

(viii) Department of fish and wildlife—rebuild WDFW network infrastructure;

(ix) Washington state patrol—dedicated state network;

(x) Office of the superintendent of public instruction—data center migration;

(xl) Office of the superintendent of public instruction—web site upgrade for ADA compliance.

(b) To facilitate the transfer of moneys from other funds and accounts that are associated with projects listed in (a)(i) through (x) of this subsection, the state treasurer must transfer moneys from other funds and accounts to the information technology investment revolving account in accordance with schedules provided by the office of financial management.

(2) Agencies may apply to the office of financial management to receive funding from the information technology investment revolving account.

(3) Agencies must apply to the office of the state chief information officer for approval before proceeding with each stage of a project subject to this section. At each stage, the office of the state chief information officer must certify that the project complies with state information technology and security policy and strategies. Allocations and allotments may be made only during discrete stages of projects, which at a minimum must include a planning stage, procurement stage, and implementation and integration stage. Prior to an allocation or allotment of funds to an agency, the office of financial management, jointly with the office of the chief information officer, must deliver to the legislative fiscal committees the following information for each project receiving an allocation:
(a) 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. If the project affects more than one agency, a technology budget must be prepared for each agency;

(b) The technology implementation plan that includes:

(i) An organizational chart of the project management team that identifies team members and their roles and responsibilities;

(ii) The office of the chief information officer staff assigned to the project;

(iii) An implementation schedule covering activities, critical milestones, and deliverables at each stage of the project for the life of the project at each agency affected by the project; and

(iv) Performance measures used to determine that the project is on time, within budget, and meeting expectations for quality of work product.

(c) A letter from the office of the chief information officer certifying that:

(i) The project is consistent with the state's enterprise architecture and other policies developed by the office of the chief information officer;

(ii) The agency has the organizational capacity, preparedness, and leadership to implement the project successfully;

(iii) The agency has adequately assessed and minimized the risks inherent with the project;

(iv) The project has the management, staffing, and oversight resources needed for the cost, complexity, and risks associated with the project;

(v) The project has implementation schedules and performance measures for timeliness, deliverables, quality, and budget;

(vi) The agency has an adequate risk management plan that also enables the office of the chief information officer to assess, intervene, and take necessary action when performance measures are not being met; and

(vii) For any investment that does not use commercial off-the-shelf or software as a service technology solution, the proposed project represents the best business solution and should not be delayed.

(4) For any project that exceeds two million dollars in total funds to complete, requires more than one biennium to complete, or is financed through financial contracts, bonds, or other indebtedness:

(i) Quality assurance for the project must report independently to the office of the chief information officer;

(ii) The office of the chief information officer must review, and if necessary, revise the proposed project to ensure it is flexible and adaptable to advances in technology;

(iii) The technology budget must specifically identify the uses of any financing proceeds. No more than thirty percent of the financing proceeds may be used for payroll-related costs for state employees assigned to project management, installation, testing, or training;

(iv) The agency must consult with the office of the state treasurer during the competitive procurement process to evaluate early in the process whether products and services to be solicited and the responsive bids from a solicitation may be financed; and

(v) The agency must consult with the contracting division of the department of enterprise services for a review of all contracts and agreements related to the project's information technology procurements.

(5) The office of the chief information officer may suspend or terminate a 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. Once suspension or termination occurs, the agency shall not make additional expenditures on the project without approval of the state chief information officer. If a project is terminated, the office of financial management must terminate the agency's allocation from the information technology investment revolving account and the agency shall return any remaining funds to the account.
to be reallocated to other projects by the office of financial management.

(6) Any cost to administer or implement this section for projects listed in subsection (1) of this section, must be paid from the information technology investment revolving account. For any other information technology project made subject to the conditions, limitations, and review of this section, the cost to implement this section must be paid from the funds for that project.

NEW SECTION. Sec. 714. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:

**FOR THE DEPARTMENT OF NATURAL RESOURCES—FOREST FIRE PROTECTION ASSESSMENT ACCOUNT**

Forest Fire Protection Assessment Account—State Appropriation (FY 2019) .... $1,690,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for the department of natural resources to increase fire response capability, including upgrading information technology systems and equipment for wildfire and forest health data, training department and fire service personnel, adding fire management staff, and replacing aviation fuel trucks and fire engines.

Sec. 715. 2017 3rd sp.s. c 1 s 718 (uncodified) is amended to read as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT—OUTDOOR EDUCATION AND RECREATION ACCOUNT**

General Fund—State Appropriation (FY 2018) ...................... $750,000

General Fund—State Appropriation (FY 2019) ...................... $750,000

TOTAL APPROPRIATION ........ $1,500,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the outdoor education and recreation account for the state parks and recreation commission's outdoor education and recreation program purposes identified in RCW 79A.05.351. Of the amounts appropriated, $500,000 is provided solely to partner with organizations that employ at least one veteran.

Sec. 716. 2017 3rd sp.s. c 1 s 718 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—CONTRIBUTIONS TO RETIREMENT SYSTEMS**

The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and firefighters' retirement system:

General Fund—State Appropriation (FY 2018) .................... $70,050,000

General Fund—State Appropriation (FY 2019) .................... ($73,150,000)

$73,650,000

TOTAL APPROPRIATION ....... $147,400,000

$143,700,000

The appropriations in this subsection (1) are subject to the following conditions and limitations: $3,000,000 of the general fund—state appropriation for fiscal year 2019 is provided solely for implementation of Substitute Senate Bill No. 6214 (industrial insurance for PTSD). If the bill is not enacted by June 30, 2018, the amount provided in this subsection shall lapse.

(2) There is appropriated for contributions to the judicial retirement system:

General Fund—State Appropriation (FY 2018) ...................... $8,700,000

General Fund—State Appropriation (FY 2019) ...................... $8,400,000

TOTAL APPROPRIATION ...... $17,100,000

(3) There is appropriated for contributions to the judges' retirement system:

General Fund—State Appropriation (FY 2018) ...................... $500,000

General Fund—State Appropriation (FY 2019) ...................... $500,000
TOTAL APPROPRIATION........$1,000,000

NEW SECTION. Sec. 717. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows: FOR THE GAMBLING COMMISSION

General Fund–State Appropriation (FY 2019) .........................$50,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is for the gambling commission to contract for a study to analyze the scope of services available for pathological or problem gamblers and their families in the state. The commission will set the parameters of the study which may include, but not be limited to: (1) The availability of prevention programs and services offered within the state; (2) the availability of treatment programs and services offered for individuals with gambling-related problems and their families; and (3) strengths and deficits in problem gambling programs and services. Distribution of these funds is contingent upon securing additional funding for the study from the commission and other governmental or private sources to provide at least one dollar in matching funds for each dollar in state funds received by the commission. The gambling commission shall submit results of the study and any policy recommendations to the legislative committees of jurisdiction by February 15, 2019.

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–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.

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..............($77,467,000) $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 $503,969,000

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 l 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, (($120,000,000)) $226,654,000 and this amount for fiscal year 2019, (($130,000,000)) $194,000,000 ................. (($250,000,000)) $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 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 $20,549,000

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), the lesser of the amount determined by the treasurer for full repayment of the $82,000,000 transferred from the general

$82,000,000 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
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
State Toxics Control Account: For
transfer to the 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
dedicated McCleary penalty 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

General Fund: For transfer to the disaster response
account for fiscal year 2018.................$58,535,000
Oil Spill Response Account: For
transfer to the oil spill prevention account: $1,748,000 for fiscal
year 2018 and $2,973,000 for fiscal year 2019.................$4,721,000
General Fund: For transfer to the Washington internet crimes against children account for fiscal
year 2018.................$1,500,000
Funeral and Cemetery Account: For
transfer to the skeletal human remains assistance account for fiscal
year 2018.................$15,000
General Fund: For transfer to the statewide tourism marketing account for fiscal year 2019
.................$1,500,000
Public Works Administration Account: For
transfer to the state general fund for fiscal year 2018.................$1,500,000

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 $916 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 $916 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 $916 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, 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 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 $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 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 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. 906. 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 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 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. 907. 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. 908. 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. 909. 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 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. 910. 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 (a), 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) Two million six hundred thirty thousand 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;

(iv) Ninety-eight thousand dollars for fiscal year 2019 to the department of
ecology for research on accreditation of marijuana product testing laboratories.

(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, 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 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 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. 911.  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, 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, for the University of Washington Tacoma soil remediation project;

(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) For the 2015-2017 and 2017-2019 fiscal biennia, 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 (((c)(i))) of this subsection;

(ii) Remedial actions, including planning for adaptive reuse of properties as provided for under (((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)(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) 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 biennium, 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 (g) 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 fiscal 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. 912. RCW 76.04.610 and 2012 2nd sp.s. c 7 s 922 are each amended to read as follows:

(1)(a) If any owner of forestland within a forest protection zone neglects or fails to provide adequate fire protection as required by RCW 76.04.600, the department shall provide such protection and shall annually impose the following assessments on each parcel of
such land: (i) A flat fee assessment of seventeen dollars and fifty cents; and (ii) twenty-seven cents on each acre exceeding fifty acres.

(b) Assessors may, at their option, collect the assessment on tax exempt lands. If the assessor elects not to collect the assessment, the department may bill the landowner directly.

(2) An owner who has paid assessments on two or more parcels, each containing fewer than fifty acres and each within the same county, may obtain the following refund:

(a) If all the parcels together contain less than fifty acres, then the refund is equal to the flat fee assessments paid, reduced by the total of (i) seventeen dollars and (ii) the total of the amounts retained by the county from such assessments under subsection (5) of this section.

(b) If all the parcels together contain fifty or more acres, then the refund is equal to the flat fee assessments paid, reduced by the total of (i) seventeen dollars, (ii) twenty-seven cents for each acre exceeding fifty acres, and (iii) the total of the amounts retained by the county from such assessments under subsection (5) of this section.

Applications for refunds shall be submitted to the department on a form prescribed by the department and in the same year in which the assessments were paid. The department may not provide refunds to applicants who do not provide verification that all assessments and property taxes on the property have been paid. Applications may be made by mail.

In addition to the procedures under this subsection, property owners with multiple parcels in a single county who qualify for a refund under this section may apply to the department on an application listing all the parcels owned in order to have the assessment computed on all parcels but billed to a single parcel. Property owners with the following number of parcels may apply to the department in the year indicated:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Parcels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>10 or more parcels</td>
</tr>
</tbody>
</table>

The department must compute the correct assessment and allocate one parcel in the county to use to collect the assessment. The county must then bill the forest fire protection assessment on that one allocated identified parcel. The landowner is responsible for notifying the department of any changes in parcel ownership.

(3) Beginning January 1, 1991, under the administration and at the discretion of the department up to two hundred thousand dollars per year of this assessment shall be used in support of those rural fire districts assisting the department in fire protection services on forestlands.

(4) For the purpose of this chapter, the department may divide the forestlands of the state, or any part thereof, into districts, for fire protection and assessment purposes, may classify lands according to the character of timber prevailing, and the fire hazard existing, and place unprotected lands under the administration of the proper district. Amounts paid or contracted to be paid by the department for protection of forestlands from funds at its disposal shall be a lien upon the property protected, unless reimbursed by the owner within ten days after October 1st of the year in which they were incurred. The department shall be prepared to make statement thereof, upon request, to a forest owner whose own protection has not been previously approved as to its adequacy, the department shall report the same to the assessor of the county in which the property is situated. The assessor shall extend the amounts upon the tax rolls covering the property, and upon authorization from the department shall levy the forest protection assessment against the amounts of unimproved land as shown in each ownership on the county assessor's records. The assessor may then segregate on the records to provide that the improved land and improvements thereon carry the millage levy designed to support the rural fire protection
districts as provided for in RCW 52.16.170.

(5) The amounts assessed shall be collected at the time, in the same manner, by the same procedure, and with the same penalties attached that general state and county taxes on the same property are collected, except that errors in assessments may be corrected at any time by the department certifying them to the treasurer of the county in which the land involved is situated. Assessments shall be known and designated as assessments of the year in which the amounts became reimbursable. Upon the collection of assessments the county treasurer shall place fifty cents of the total assessments paid on a parcel for fire protection into the county current expense fund to defray the costs of listing, billing, and collecting these assessments. The treasurer shall then transmit the balance to the department. Collections shall be applied against expenses incurred in carrying out the provisions of this section, including necessary and reasonable administrative costs incurred by the department in the enforcement of these provisions. The department may also expend sums collected from owners of forestlands or received from any other source for necessary administrative costs in connection with the enforcement of RCW 76.04.660. During the 2017-2019 fiscal biennium, the forest protection assessment account may be appropriated to The Evergreen State College for analysis and recommendations to improve the efficiency and effectiveness of the state’s mechanisms for funding fire prevention and suppression activities.

(6) When land against which forest protection assessments are outstanding is acquired for delinquent taxes and sold at public auction, the state shall have a prior lien on the proceeds of sale over and above the amount necessary to satisfy the county's delinquent tax judgment. The county treasurer, in case the proceeds of sale exceed the amount of the delinquent tax judgment, shall immediately remit to the department the amount of the outstanding forest protection assessments.

(7) All nonfederal public bodies owning or administering forestland included in a forest protection zone shall pay the forest protection assessments provided in this section and special forest fire suppression account assessments under RCW 76.04.630. The forest protection assessments and special forest fire suppression account assessments shall be payable by nonfederal public bodies from available funds within thirty days following receipt of the written notice from the department which is given after October 1st of the year in which the protection was provided. Unpaid assessments are not a lien against the nonfederal publicly owned land but shall constitute a debt by the nonfederal public body to the department and are subject to interest charges at the legal rate. During the 2011-2013 fiscal biennium, the forest fire protection assessment account may be appropriated to The Evergreen State College for analysis and recommendations to improve the efficiency and effectiveness of the state's mechanisms for funding fire prevention and suppression activities.

(8) A public body, having failed to previously pay the forest protection assessments required of it by this section, which fails to suppress a fire on or originating from forestlands owned or administered by it, is liable for the costs of suppression incurred by the department or its agent and is not entitled to reimbursement of costs incurred by the public body in the suppression activities.

(9) The department may adopt rules to implement this section, including, but not limited to, rules on levying and collecting forest protection assessments.

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:

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>1,909</td>
</tr>
<tr>
<td>Asotin</td>
<td>36,123</td>
</tr>
<tr>
<td>Chelan</td>
<td>24,757</td>
</tr>
<tr>
<td>Columbia</td>
<td>7,795</td>
</tr>
<tr>
<td>Ferry</td>
<td>6,781</td>
</tr>
<tr>
<td>Garfield</td>
<td>4,840</td>
</tr>
<tr>
<td>Grant</td>
<td>37,443</td>
</tr>
<tr>
<td>Kittitas</td>
<td>143,974</td>
</tr>
<tr>
<td>Klickitat</td>
<td>21,906</td>
</tr>
<tr>
<td>Lincoln</td>
<td>13,535</td>
</tr>
<tr>
<td>Okanogan</td>
<td>151,402</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>3,309</td>
</tr>
<tr>
<td>Yakima</td>
<td>126,225</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>1,909</td>
</tr>
<tr>
<td>Asotin</td>
<td>36,123</td>
</tr>
<tr>
<td>Chelan</td>
<td>39,858</td>
</tr>
<tr>
<td>Columbia</td>
<td>20,713</td>
</tr>
<tr>
<td>Ferry</td>
<td>22,798</td>
</tr>
<tr>
<td>Garfield</td>
<td>12,744</td>
</tr>
<tr>
<td>Grant</td>
<td>71,930</td>
</tr>
<tr>
<td>Kittitas</td>
<td>382,638</td>
</tr>
<tr>
<td>Klickitat</td>
<td>51,019</td>
</tr>
<tr>
<td>Lincoln</td>
<td>13,535</td>
</tr>
<tr>
<td>Okanogan</td>
<td>264,036</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>5,546</td>
</tr>
<tr>
<td>Yakima</td>
<td>186,056</td>
</tr>
</tbody>
</table>

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, 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, hatcheries, the Puget Sound toxic sampling program and steelhead mortality research 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 and 2017-2019 fiscal biennia, 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 82.19.040 and 2017 3rd sp.s. c 1 s 989 are each amended to read as follows:

(1) To the extent applicable, all of the definitions of chapter 82.04 RCW and all of the provisions of chapter 82.32 RCW apply to the tax imposed in this chapter.

(2) Until June 30, 2018, taxes collected under this chapter shall be distributed as follows: (a) Five million dollars per fiscal year must be deposited in equal monthly amounts to the state parks renewal and stewardship account under RCW 79A.05.215; and (b) the remainder to the waste reduction, recycling, and litter control account under RCW 70.93.180.

(3) Beginning June 30, 2018, and until June 30, 2019, taxes collected under this chapter shall be distributed as follows: (a) Four million dollars per fiscal year must be deposited in equal monthly amounts to the state parks renewal and stewardship account under RCW 79A.05.215; and (b) the remainder to the waste reduction, recycling, and litter control account under RCW 70.93.180.

NEW SECTION. Sec. 916. Section 916 of this act expires June 30, 2019.

Sec. 917. 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 appropriate moneys from the account for the purposes specified under chapter 90.

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RCW (the new chapter created in section 305, chapter 1, Laws of 2018).

Sec. 918. 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 department's use of an emergency response towing vessel.

(b) During the 2015-2017 biennium, the legislature may transfer up to two million two hundred twenty-five thousand dollars from the account to the oil spill prevention account created in RCW 90.56.510.

(c) During the 2017-2019 fiscal biennium, the legislature may transfer up to 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. 919. 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. 920. A new section is added to chapter 43.79 RCW to read as follows:

The dedicated McCleary penalty account is created in the state treasury. Moneys in the account may be spent only after appropriation. Revenues in the account consist of moneys transferred to the account pursuant to the legislative directive. Expenditures from the account may be used only to meet the state's obligation for basic education funding under RCW 28A.150.220.

Sec. 921. 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, 2019.

Sec. 922. RCW 43.79.445 and 2017 3rd sp.s. c 1 s 970 are each amended to read as follows:

There is established an account in the state treasury referred to as the "death investigations account" which shall exist for the purpose of receiving, holding, investing, and disbursing funds appropriated or provided in RCW 70.58.107 and any moneys appropriated or otherwise provided thereafter.

Moneys in the death investigations account shall be disbursed by the state treasurer once every year on December 31 and at any other time determined by the treasurer. The treasurer shall make disbursements to: The state toxicology laboratory, counties for the cost of autopsies, the state patrol for providing partial funding for the state dental identification system, the criminal justice training commission for training county coroners, medical examiners and their staff, and the state forensic investigations council. Funds from the death investigations account may be appropriated during the 2013-2015 fiscal biennium for the activities of the state crime laboratory within the Washington state patrol. (In addition, during the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the death investigations account to the state general fund.)

Sec. 923. RCW 39.12.080 and 2006 c 230 s 2 are each amended to read as follows:

The public works administration account is created in the state treasury. The department of labor and industries shall deposit in the account all moneys received from fees or civil penalties collected under RCW 39.12.050, 39.12.065, and 39.12.070. Appropriations from the account may be made only for the purposes of administration of this chapter, including, but not limited to, the performance of adequate wage surveys, and for the investigation and enforcement of all alleged violations of this chapter as provided for in this chapter and chapters 49.48 and 49.52 RCW. During the 2017-2019 fiscal biennium the legislature may direct the state treasurer to make transfers of moneys in the public works administration account to the state general fund. It is the intent of the legislature to use the moneys transferred in the 2017-2019 biennium to support apprenticeship programs.

Sec. 924. RCW 43.350.070 and 2016 sp.s. c 36 s 937 are each amended to read as follows:

The life sciences discovery fund is created in the custody of the state treasurer. Only the board or the board's designee may authorize expenditures from the fund. Expenditures from the fund may be made only for purposes of this chapter. Administrative expenses of the authority, including staff support, may be paid only from the fund. Revenues to the fund consist of transfers made by the legislature from strategic contribution payments deposited in the tobacco settlement account under RCW 43.79.480, moneys received pursuant to contribution agreements entered into pursuant to RCW 43.350.030, moneys received from gifts, grants, and bequests, and interest earned on the fund. During the 2015-2017 fiscal biennium, the legislature may transfer to other state funds or accounts such amounts as represent the excess balance of the life sciences discovery fund. During the 2017-2019 fiscal biennium, the
legislature may make appropriations from the fund to the department of commerce for providing life sciences research grants.

NEW SECTION. Sec. 925. A new section is added to 2017 3rd sp.s. c 1 (uncodified) to read as follows:

(1) The senate facilities and operations committee and the house of representatives executive rules committee shall convene a legislative task force to examine establishing standards for maintaining and disclosing public records for the legislative branch of government.

(2) The meetings of the task force must be scheduled and conducted in accordance with the requirements of both the senate and the house of representatives. The expenses of the task force shall 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.

(3) Legislative members of the task force may be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060. Nonlegislative members, except those representing an employer, governmental entity, or other organization, are entitled to be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(4) Staff support for the task force shall be provided by the senate committee services and the house of representatives office of program research. Meeting facilitation and related services for the task force shall be provided by the William D. Ruckelshaus center as specified in section 603(25) of this act.

(5) The task force shall report its findings and recommendations to the appropriate committees of the legislature by December 1, 2018.

(6) This section expires December 31, 2018.

NEW SECTION. Sec. 926. 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.
spoke against the passage of the bill as recommended by the conference committee.

The Speaker (Representative Lovick presiding) stated the question before the House to be final passage of Senate Bill No. 6032 as recommended by the conference committee.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6032, as recommended by the conference committee, and the bill passed the House by the following votes: Yeas, 54; Nays, 44; Absent, 0; Excused, 0.


SENATE BILL NO. 6032, as recommended by the conference committee, having received the constitutional majority, was declared passed.

With the consent of the House, ENGROSSED SUBSTITUTE SENATE BILL NO. 6032 was immediately transmitted to the Senate.

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

**MESSAGES FROM THE SENATE**

March 8, 2018

MR. SPEAKER:

The President has signed:

ENGROSSED HOUSE BILL NO. 2008,
SECOND SUBSTITUTE HOUSE BILL NO. 2269,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2408,
ENGROSSED HOUSE BILL NO. 2444,
SUBSTITUTE HOUSE BILL NO. 2448,
ENGROSSED HOUSE BILL NO. 2519,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2580,
ENGROSSED HOUSE BILL NO. 2750,
SUBSTITUTE HOUSE BILL NO. 2990,
SUBSTITUTE HOUSE BILL NO. 2998,
and the same are herewith transmitted,

Brad Hendrickson, Secretary
March 8, 2018

MR. SPEAKER:

The Senate has adopted the report of the Conference Committee on ENGROSSED HOUSE BILL NO. 2519, and has passed the bill as recommended by the Conference Committee.

Brad Hendrickson, Secretary
March 8, 2018

MR. SPEAKER:

The President has signed:

SENATE BILL NO. 6007,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6032,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6106,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6241,
and the same are herewith transmitted,

Brad Hendrickson, Secretary
March 8, 2018

MR. SPEAKER:

The Senate has adopted the report of the Conference Committee on ENGROSSED SUBSTITUTE SENATE BILL NO. 6106, and has passed the bill as recommended by the Conference Committee.

Brad Hendrickson, Secretary
March 7, 2018

MR. SPEAKER:

The President has signed:

HOUSE BILL NO. 1336,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2356,
HOUSE BILL NO. 2435,
HOUSE BILL NO. 2468,
HOUSE BILL NO. 2474,
SUBSTITUTE HOUSE BILL NO. 2515,
SUBSTITUTE HOUSE BILL NO. 2612,
HOUSE BILL NO. 2649,
SECOND SUBSTITUTE HOUSE BILL NO. 2671,
SUBSTITUTE HOUSE BILL NO. 2696,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2700,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2701,
HOUSE BILL NO. 2785,
SUBSTITUTE HOUSE BILL NO. 2822,
HOUSE BILL NO. 2858,
SUBSTITUTE HOUSE BILL NO. 2887,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2938,
SUBSTITUTE HOUSE BILL NO. 2951,
and the same are herewith transmitted,

Brad Hendrickson, Secretary

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

THIRD READING

MESSAGE FROM THE SENATE

March 7, 2018

Mr. Speaker:

The Senate insists on its position SUBSTITUTE HOUSE BILL NO. 2748 and asks the House to concur, and the same is herewith transmitted,

Brad Hendrickson, Secretary

HOUSE AMENDMENT TO SENATE BILL

There being no objection, the House insisted on its position in its amendment to SUBSTITUTE HOUSE BILL NO. 2748 and asked the Senate to concur therein.

MESSAGE FROM THE SENATE

March 7, 2018

Mr. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 2008 with the following amendment:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that effective planning for and implementation of core state services for children requires predictability and stability in the budgeting process for these services. For these reasons, the legislature intends that costs for behavioral rehabilitation services, child protective services staff, and contracted visitation services be included in the state budgeting process at maintenance level. By implementing consistent statewide assessments, forecasting program caseloads, and incorporating forecast-based program costs into the maintenance level budget, the state can ensure predictable funding levels for this program.

NEW SECTION. Sec. 2. (1) The children and families services program of the department of social and health services through June 30, 2018, and of the department of children, youth, and families effective July 1, 2018, shall facilitate a stakeholder work group in a collaborative effort to design a behavioral rehabilitation services rate payment methodology that is based on actual provider costs of care. The work group may consider the findings of a contracted rate analysis in designing the methodology. By November 30, 2018, and in compliance with RCW 43.01.036, the department of children, youth, and families must submit a report with the final work group findings and recommendations to the appropriate legislative committees. (2) This section expires December 31, 2018.

NEW SECTION. Sec. 3. A new section is added to chapter 74.13 RCW to read as follows:

The office of innovation, alignment, and accountability must develop a single validated tool to assess the care needs of foster children. Once the validated tool is available for use on a statewide basis, the department of children, youth, and families must use the tool for assessing the care needs of foster children, including but not limited to whether the department should provide foster children with behavioral rehabilitation services. The department must notify the caseload forecast council, the office of financial management, and the appropriate fiscal committees of the legislature when it begins statewide use of the validated tool.

Sec. 4. RCW 43.88C.010 and 2015 c 128 s 2 are each amended to read as follows:

(1) The caseload forecast council is hereby created. The council shall consist of two individuals appointed by the governor and four individuals, one of whom is appointed by the chairperson of each of the two largest political caucuses in the senate and house of representatives. The chair of the council shall be selected from among the four caucus appointees. The council may select such other officers as the members deem necessary.

(2) The council shall employ a caseload forecast supervisor to supervise the preparation of all caseload forecasts. As used in this chapter, "supervisor" means the caseload forecast supervisor."
(3) Approval by an affirmative vote of at least five members of the council is required for any decisions regarding employment of the supervisor. Employment of the supervisor shall terminate after each term of three years. At the end of the first year of each three-year term the council shall consider extension of the supervisor’s term by one year. The council may fix the compensation of the supervisor. The supervisor shall employ staff sufficient to accomplish the purposes of this section.

(4) The caseload forecast council shall oversee the preparation of and approve, by an affirmative vote of at least four members, the official state caseload forecasts prepared under RCW 43.88C.020. If the council is unable to approve a forecast before a date required in RCW 43.88C.020, the supervisor shall submit the forecast without approval and the forecast shall have the same effect as if approved by the council.

(5) A councilmember who does not cast an affirmative vote for approval of the official caseload forecast may request, and the supervisor shall provide, an alternative forecast based on assumptions specified by the member.

(6) Members of the caseload forecast council shall serve without additional compensation but shall be reimbursed for travel expenses in accordance with RCW 44.04.120 while attending sessions of the council or on official business authorized by the council. Nonlegislative members of the council shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(7) "Caseload," as used in this chapter, means:

(a) The number of persons expected to meet entitlement requirements and require the services of public assistance programs, state correctional institutions, state correctional noninstitutional supervision, state institutions for juvenile offenders, the common school system, long-term care, medical assistance, foster care, and adoption support;

(b) The number of students who are eligible for the Washington college bound scholarship program and are expected to attend an institution of higher education as defined in RCW 28B.92.030;

(c) The number of children who are eligible, as defined in RCW (43.215.405) 43.216.505, to participate in, and the number of children actually served by, the early childhood education and assistance program.

(8) The caseload forecast council shall forecast the temporary assistance for needy families and the working connections child care programs as a courtesy.

(9) The caseload forecast council shall forecast youth participating in the extended foster care program pursuant to RCW 74.13.031 separately from other children who are residing in foster care and who are under eighteen years of age.

(10) The caseload forecast council shall forecast the number of youth expected to receive behavioral rehabilitation services while involved in the foster care system and the number of screened in reports of child abuse or neglect.

(11) Unless the context clearly requires otherwise, the definitions provided in RCW 43.88.020 apply to this chapter.

NEW SECTION. Sec. 5. A new section is added to chapter 43.88 RCW to read as follows:

For the purposes of this chapter, expenditures for the following foster care, adoption support and related services, and child protective services must be forecasted and budgeted as maintenance level costs:

(1) Behavioral rehabilitation services placements;

(2) Social worker and related staff to receive, refer, and respond to screened in reports of child abuse or neglect;

(3) Court-ordered parent-child and sibling visitations delivered by contractors; and

(4) Those activities currently being treated as maintenance level costs for budgeting or forecasting purposes on the effective date of this section including, but not limited to: (a) Adoption support and other adoption-related expenses; (b) foster care maintenance payments; (c) child-placing agency management fees; (d) support goods such as clothing vouchers; (e) child aides; and (f) child care for children in foster or relative
placements when the caregiver is at work or in school.

NEW SECTION. Sec. 6. (1) No later than December 1, 2020, the department of children, youth, and families shall report to the appropriate committees of the legislature on the actual and projected funding levels in fiscal years 2019 through 2021 for section 5 (1) through (3) of this act and compare them to expenditures prior to inclusion in the maintenance level forecasting and budgeting process.

(2) This section expires January 1, 2021.

NEW SECTION. Sec. 7. (1) The department of children, youth, and families shall, as part of its budget request submittal for the 2019-2021 biennial operating budget, conduct of a review of the most recent caseload forecast of children in foster care and the availability and capacity of licensed foster homes. The review shall include:

(a) An analysis of the need for licensed foster homes;

(b) A listing of support resources available for parents in licensed foster homes; and

(c) A review of department policies that affect the recruitment and retention of licensed foster homes.

A report containing the results of the review shall be submitted to the office of financial management and the appropriate policy and appropriation committees of the legislature no later than October 1, 2018.

(2) This section expires October 1, 2018."

On page 1, line 2 of the title, after "children;" strike the remainder of the title and insert "amending RCW 43.88C.010; adding a new section to chapter 74.13 RCW; adding a new section to chapter 43.88 RCW; creating new sections; and providing expiration dates."

... and the same is herewith transmitted.

Brad Hendrickson, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 2008 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Kagi and Dent spoke in favor of the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 2008, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 2008, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 83; Nays, 15; Absent, 0; Excused, 0.


ENGROSSED HOUSE BILL NO. 2008, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

POINTS OF PERSONAL PRIVILEGE

Representative Kagi: “Mr. Speaker it has been the greatest honor of my life and I really didn’t want to get upset about this. It truly has been the greatest honor of my life to serve in this body, and this bill is the last piece of the puzzle. I’ve always said that legislation is like a puzzle and you have to get each piece in place for it to work and providing this funding base for this new department gives them so much opportunity to change the lives of children and families, which is what we have all worked so hard to do over the 20 years that I’ve been here. We have, together on a bipartisan basis, a bicameral basis, made steady progress on early learning and on family assessment response and the department and I am so proud of this Legislature and I know that I leave it and these issues in good hands. There are many leaders who will fight for children and families when I’m gone, but I won’t really be gone, I’ll be back. I’ll be talking to you about the importance of supporting children, youth, and families. But I appreciate every one of you and I particularly appreciate the leadership that I’ve had the great
Representative McCaslin: “I’ll make this short, but I would really like to say that the speaker right before us has a heart for children. This is coming from a former kindergarten teacher but, her consistency and her ability to stick to what she wanted to do. Now, we disagreed about how, and sometimes the what but there was never any question about the pureness of her vision and what she wanted to do well, and she did, and I’m sad today, rising for this reason because we, on our side, we always knew where she was coming from. There was never any “oh, well I’m thinking of this but I’m going to do that instead.” No, never. And she was always open to listening to the ranking and me, the assistant ranking now on that committee. It has been absolutely wonderful experience and my hat is off to her and I encourage her in her future pursuits, as she works on the issues of how to do our best job for children and families. Thank you Mr. Speaker.”

Representative Dent: “Thank you Mr. Speaker. Well I wasn’t ready for this, although I had a hint this morning, early. The gentlelady from the 32nd is, she’s been a real journey for me. When I was first elected and I hadn’t even taken office yet and I received a phone call from her and she knew that I had a passion for children and we had quite a conversation, and I think we began to develop a friendship before I had even met her in person. I feel privileged that I had the opportunity to serve with her. We’ve had many great conversations and many great arguments over where we think we should go with our children but every time it seems like we could come together and find a direction that would work for both of us and I do want to say, I do want to say thank you for allowing me, listening to me and taking my ideas under consideration. It has truly been an honor to serve with you and I look forward to, hopefully we can have many more conversations in the future. Thank you.

MESSAGE FROM THE SENATE

Mr. Speaker:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 2408 with the following amendment:

Strike everything after the enacting clause and insert the following:

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

(a) Access to health care is fundamental to the health and safety of the citizens of Washington state;

(b) Health insurance coverage is necessary for most people to access health care;

(c) Due to uncertainty in the health insurance marketplace, volatility in the current federal regulatory environment, and rising health care costs, ensuring access to the private health insurance market in every county in Washington state is becoming more difficult;

(d) The consequences of losing private health insurance coverage in a county would be catastrophic, leading to deteriorating health outcomes, lost productivity, and lower quality of life; and

(e) If the private market fails to provide coverage in a county, the state must intervene.

(2) The legislature therefore intends to:

(a) Leverage the provider networks used by private insurers offering coverage to state and school employees to ensure private insurance coverage is available in all counties where those insurers offer coverage to state and school employees; and

(b) Until such coverage is available, make coverage in the Washington state health insurance pool more affordable to persons residing in counties where no private insurance is available.

NEW SECTION. Sec. 2. A new section is added to chapter 41.05 RCW to read as follows:

(1) For plan years beginning January 1, 2020, at least one health carrier in an insurance holding company system must offer in the exchange at least one silver and one gold qualified health plan in any county in which any health carrier in that insurance holding company system offers a fully insured health plan that was approved, on or after the effective date of this section, by the school employees’ benefits board or the public employees’ benefits board to be offered to employees and their covered dependents under this chapter.

(2) The rates for a health plan approved by the school employees’ benefits board or the public employees’ benefits board may not include the administrative costs or actuarial risks associated with a qualified health plan offered under subsection (1) of this section.

(3) The authority shall perform an actuarial review during the annual rate setting process for plans approved by the
school employees' benefits board or the public employees' benefits board to ensure compliance with subsection (2) of this section.

(4) For purposes of this section, "exchange" and "health carrier" have the same meaning as in RCW 48.43.005.

(5) For purposes of this section, "insurance holding company system" has the same meaning as in RCW 48.31B.005.

Sec. 3. RCW 48.41.200 and 2007 c 259 s 28 are each amended to read as follows:

(1) The pool shall determine the standard risk rate by calculating the average individual standard rate charged for coverage comparable to pool coverage by the five largest members, measured in terms of individual market enrollment, offering such coverages in the state. In the event five members do not offer comparable coverage, the standard risk rate shall be established using reasonable actuarial techniques and shall reflect anticipated experience and expenses for such coverage in the individual market.

(2) Subject to subsection (3) of this section, maximum rates for pool coverage shall be as follows:

(a) Maximum rates for a pool indemnity health plan shall be one hundred fifty percent of the rate calculated under subsection (1) of this section;

(b) Maximum rates for a pool care management plan shall be one hundred twenty-five percent of the rate calculated under subsection (1) of this section; and

(c) Maximum rates for a person eligible for pool coverage pursuant to RCW 48.41.100(1)(a) who was enrolled at any time during the sixty-three day period immediately prior to the date of application for pool coverage in a group health benefit plan or an individual health benefit plan other than a catastrophic health plan as defined in RCW 48.43.005, where such coverage was continuous for at least eighteen months, shall be:

(i) For a pool indemnity health plan, one hundred twenty-five percent of the rate calculated under subsection (1) of this section; and

(ii) For a pool care management plan, one hundred ten percent of the rate calculated under subsection (1) of this section.

(3) (a) Subject to (b) and (c) of this subsection:

(i) The rate for any person, other than a person eligible for a rate reduction under subsection (4) of this section, whose current gross family income is less than two hundred fifty-one percent of the federal poverty level shall be reduced by thirty percent from what it would otherwise be;

(ii) The rate for any person, other than a person eligible for a rate reduction under subsection (4) of this section, whose current gross family income is more than two hundred fifty but less than three hundred one percent of the federal poverty level shall be reduced by fifteen percent from what it would otherwise be;

(iii) The rate for any person who has been enrolled in the pool for more than thirty-six months shall be reduced by five percent from what it would otherwise be.

(b) In no event shall the rate for any person be less than one hundred ten percent of the rate calculated under subsection (1) of this section.

(c) Rate reductions under (a)(i) and (ii) of this subsection shall be available only to the extent that funds are specifically appropriated for this purpose in the omnibus appropriations act.

(4) The rate for any person eligible for pool coverage under RCW 48.41.100(1)(a)(i) shall be reduced as follows:

(a) The rate for a person whose current modified adjusted gross income is less than or equal to two hundred percent of the federal poverty level must be reduced by eighty percent from what it otherwise would be;

(b) The rate for a person whose current modified adjusted gross income is more than two hundred percent, but less than or equal to three hundred percent of the federal poverty level must be reduced by sixty percent from what it otherwise would be;

(c) The rate for a person whose current modified adjusted gross income is more than three hundred percent, but less than or equal to four hundred percent of the federal poverty level...
federal poverty level must be reduced by fifty percent from what it otherwise would be; and

(d) The rate for a person whose current modified adjusted gross income is more than four hundred percent of the federal poverty level must be reduced by thirty percent from what it otherwise would be.

Sec. 4. RCW 48.41.090 and 2013 2nd sp. s. c 6 s 7 are each amended to read as follows:

(1) Following the close of each accounting year, the pool administrator shall determine the total net cost of pool operation which shall include:

(a) Net premium (premiums less administrative expense allowances), the pool expenses of administration, and incurred losses for the year, taking into account investment income and other appropriate gains and losses; ((and))

(b) The amount of pool contributions specified in the state omnibus appropriations act for deposit into the health benefit exchange account under RCW 43.71.060, to assist with the transition of enrollees from the pool into the health benefit exchange created by chapter 43.71 RCW; and

(c) Any rate reductions received by individuals under RCW 48.41.200(4).

(2)(a) Each member's proportion of participation in the pool shall be determined annually by the board based on annual statements and other reports deemed necessary by the board and filed by the member with the commissioner; and shall be determined by multiplying the total cost of pool operation by a fraction. The numerator of the fraction equals that member's total number of resident insured persons, including spouse and dependents, covered under all health plans in the state by that member during the preceding calendar year. The denominator of the fraction equals the total number of resident insured persons, including spouses and dependents, covered under all health plans in the state by all pool members during the preceding calendar year.

(b) For purposes of calculating the numerator and the denominator under (a) of this subsection:

(i) All health plans in the state by the state health care authority include only the uniform medical plan;

(ii) Each ten resident insured persons, including spouse and dependents, under a stop loss plan or the uniform medical plan shall count as one resident insured person;

(iii) Health plans serving medical care services program clients under RCW 74.09.035 are exempted from the calculation; and

(iv) Health plans established to serve elderly clients or medicaid clients with disabilities under chapter 74.09 RCW when the plan has been implemented on a demonstration or pilot project basis are exempted from the calculation until July 1, 2009.

(c) Except as provided in RCW 48.41.037, any deficit incurred by the pool, including pool contributions for deposit into the health benefit exchange account, shall be recouped by assessments among members apportioned under this subsection pursuant to the formula set forth by the board among members. The monthly per member assessment may not exceed the 2013 assessment level. If the maximum assessment is insufficient to cover a pool deficit the assessment shall be used first to pay all incurred losses and pool administrative expenses, with the remainder being available for deposit in the health benefit exchange account.

(3) The board may abate or defer, in whole or in part, the assessment of a member if, in the opinion of the board, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations. If an assessment against a member is abated or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other members in a manner consistent with the basis for assessments set forth in subsection (2) of this section. The member receiving such abatement or deferment shall remain liable to the pool for the deficiency.

(4) Subject to the limitation imposed in subsection (2)(c) of this section, the pool administrator shall transfer the assessments for pool contributions for the operation of the health benefit exchange to the treasurer for deposit into the health benefit exchange account with the quarterly assessments for 2014 as specified in the state omnibus appropriations act. If assessments exceed actual losses and administrative expenses of the pool and pool
contributions for deposit into the health benefit exchange account, the excess shall be held at interest and used by the board to offset future losses or to reduce pool premiums. As used in this subsection, "future losses" includes reserves for incurred but not reported claims.

NEW SECTION. Sec. 5. Sections 3 and 4 of this act expire December 31, 2019.

NEW SECTION. Sec. 6. 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."

On page 1, line 2 of the title, after "state;" strike the remainder of the title and insert "amending RCW 48.41.200 and 48.41.090; adding a new section to chapter 41.05 RCW; creating a new section; and providing an expiration date."

and the same is herewith transmitted,

Brad Hendrickson, Secretary

SENATE AMENDMENT TO HOUSE BILL

Representative Cody moved that the House concur in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 2408.

Representatives Cody, Schmick and Caldier spoke in favor of the adoption of the motion.

The motion to concur in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 2408 was adopted.

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 2408 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Cody, Johnson, Riccelli and Walsh spoke in favor of the passage of the bill.

Representatives Manweller, Pike, Condotta and Holy spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 2408, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2408, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 58; Nays, 40; Absent, 0; Excused, 0.


ENGROSSED SUBSTITUTE HOUSE BILL NO. 2408, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

March 7, 2018

Mr. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 2448 with the following amendment:

"NEW SECTION. Sec. 1. The legislature finds that there is need to expand housing opportunities for persons with developmental disabilities. The legislature finds it is often preferable for persons with developmental disabilities to remain residing in their home, when it is safe and appropriate, to foster ongoing stability. The legislature recognizes that securing a child's future housing and services provides the parents of persons with developmental disabilities peace of mind. The legislature further finds that providing a new mechanism for the transfer of residential property into housing for persons with developmental disabilities expands the state's housing capacity and helps meet demand. The legislature further finds that existing residential property will
reduce the demands on the housing trust fund. The legislature finds that there is an opportunity and need, for advocates and the supporters of the developmental disabilities community to work together, to develop model transfer agreements that will provide peace of mind and assist parents of children with developmental disabilities more readily access this program.

NEW SECTION. Sec. 2. (1) This section is the tax preference performance statement for the tax preference contained in section 3, chapter . . . , Laws of 2018 (section 3 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

(3) It is the legislature's specific public policy objective to reduce the tax burden on individuals and businesses imposed by the existing real estate excise tax rates.

(4) If a review finds that there is an increase of residential property transfers by parents of a person with developmental disabilities to a qualified entity as a result of the relief from this tax preference, then the legislature intends to extend the expiration date of this tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to any data collected by the state.

Sec. 3. RCW 82.45.010 and 2014 c 58 s 24 are each amended to read as follows:

(1) As used in this chapter, the term "sale" has its ordinary meaning and includes any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person at the purchaser’s direction, and title to the property is retained by the vendor as security for the payment of the purchase price. The term also includes the grant, assignment, quitclaim, sale, or transfer of improvements constructed upon leased land.

(2)(a) The term "sale" also includes the transfer or acquisition within any twelve-month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration.

(b) For the sole purpose of determining whether, pursuant to the exercise of an option, a controlling interest was transferred or acquired within a twelve-month period, the date that the option agreement was executed is the date on which the transfer or acquisition of the controlling interest is deemed to occur. For all other purposes under this chapter, the date upon which the option is exercised is the date of the transfer or acquisition of the controlling interest.

(c) For purposes of this subsection, all acquisitions of persons acting in concert must be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The department must adopt standards by rule to determine when persons are acting in concert. In adopting a rule for this purpose, the department must consider the following:

(i) Persons must be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(ii) When persons are not commonly owned or controlled, they must be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely independent, with each purchaser buying without regard to the identity of the other purchasers, then the acquisitions are considered separate acquisitions.

(3) The term "sale" does not include:
(a) A transfer by gift, devise, or inheritance.

(b) A transfer by transfer on death deed, to the extent that it is not in satisfaction of a contractual obligation of the decedent owed to the recipient of the property.

(c) A transfer of any leasehold interest other than of the type mentioned above.

(d) A cancellation or forfeiture of a vendee's interest in a contract for the sale of real property, whether or not such contract contains a forfeiture clause, or deed in lieu of foreclosure of a mortgage.

(e) The partition of property by tenants in common by agreement or as the result of a court decree.

(f) The assignment of property or interest in property from one spouse or one domestic partner to the other spouse or other domestic partner in accordance with the terms of a decree of dissolution of marriage or state registered domestic partnership or in fulfillment of a property settlement agreement.

(g) The assignment or other transfer of a vendor's interest in a contract for the sale of real property, even though accompanied by a conveyance of the vendor's interest in the real property involved.

(h) Transfers by appropriation or decree in condemnation proceedings brought by the United States, the state or any political subdivision thereof, or a municipal corporation.

(i) A mortgage or other transfer of an interest in real property, merely to secure a debt, or the assignment thereof.

(j) Any transfer or conveyance made pursuant to a deed of trust or an order of sale by the court in any mortgage, deed of trust, or lien foreclosure proceeding or upon execution of a judgment, or deed in lieu of foreclosure to satisfy a mortgage or deed of trust.

(k) A conveyance to the federal housing administration or veterans administration by an authorized mortgagee made pursuant to a contract of insurance or guaranty with the federal housing administration or veterans administration.

(l) A transfer in compliance with the terms of any lease or contract upon which the tax as imposed by this chapter has been paid or where the lease or contract was entered into prior to the date this tax was first imposed.

(m) The sale of any grave or lot in an established cemetery.

(n) A sale by the United States, this state or any political subdivision thereof, or a municipal corporation of this state.

(o) A sale to a regional transit authority or public corporation under RCW 81.112.320 under a sale/leaseback agreement under RCW 81.112.300.

(p) A transfer of real property, however effected, if it consists of a mere change in identity or form of ownership of an entity where there is no change in the beneficial ownership. These include transfers to a corporation or partnership which is wholly owned by the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner. However, if thereafter such transferee corporation or partnership voluntarily transfers such real property, or such transferee, spouse or domestic partner, or children of the transferor or the transferor's spouse or domestic partner voluntarily transfer stock in the transferee corporation or interest in the transferee partnership capital, as the case may be, to other than (i) the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, (ii) a trust having the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner as the only beneficiaries at the time of the transfer to the trust, or (iii) a corporation or partnership wholly owned by the original transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, within three years of the original transfer to which this exemption applies, and the tax on the subsequent transfer has not been paid within sixty days of becoming due, excise taxes become due and payable on the original transfer as otherwise provided by law.

(q)(i) A transfer that for federal income tax purposes does not involve the recognition of gain or loss for entity
formation, liquidation or dissolution, and reorganization, including but not limited to nonrecognition of gain or loss because of application of 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal revenue code of 1986, as amended.

(ii) However, the transfer described in (q)(i) of this subsection cannot be preceded or followed within a twelve-month period by another transfer or series of transfers, that, when combined with the otherwise exempt transfer or transfers described in (q)(i) of this subsection, results in the transfer of a controlling interest in the entity for valuable consideration, and in which one or more persons previously holding a controlling interest in the entity receive cash or property in exchange for any interest the person or persons acting in concert hold in the entity. This subsection (3)(q)(ii) does not apply to that part of the transfer involving property received that is the real property interest that the person or persons originally contributed to the entity or when one or more persons who did not contribute real property or belong to the entity at a time when real property was purchased receive cash or personal property in exchange for that person or persons' interest in the entity. The real estate excise tax under this subsection (3)(q)(ii) is imposed upon the person or persons who previously held a controlling interest in the entity.

(r) A qualified sale of a manufactured/mobile home community, as defined in RCW 59.20.030, that takes place on or after June 12, 2008, but before December 31, 2018.

(s)(i) A qualified transfer of residential property by a legal representative of a person with developmental disabilities to a qualified entity subject to the following conditions:

(A) The adult child with developmental disabilities of the transferor of the residential property must be allowed to reside in the residence or successor property so long as the placement is safe and appropriate as determined by the department of social and health services;

(B) The title to the residential property is conveyed without the receipt of consideration by the legal representative of a person with developmental disabilities to a qualified entity;

(C) The residential property must have no more than four living units located on it; and

(D) The residential property transferred must remain in continued use for fifty years by the qualified entity as supported living for persons with developmental disabilities by the qualified entity or successor entity. If the qualified entity sells or otherwise conveys ownership of the residential property the proceeds of the sale or conveyance must be used to acquire similar residential property and such similar residential property must be considered the successor for continued use. The property will not be considered in continued use if the department of social and health services finds that the property has failed, after a reasonable time to remedy, to meet any health and safety statutory or regulatory requirements. If the department of social and health services determines that the property fails to meet the requirements for continued use, the department of social and health services must notify the department and the real estate excise tax based on the value of the property at the time of the transfer into use as residential property for persons with developmental disabilities becomes immediately due and payable by the qualified entity. The tax due is not subject to penalties, fees, or interest under this title.

(ii) For the purposes of this subsection (3)(s) the definitions in RCW 71A.10.020 apply.

(iii) A "qualified entity" is:

(A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended, as of the effective date of this section, or a subsidiary under the same taxpayer identification number that provides residential supported living for persons with developmental disabilities; or

(B) A nonprofit adult family home, as defined in RCW 70.128.010, that exclusively serves persons with developmental disabilities.

(iv) In order to receive an exemption under this subsection (3)(s) an affidavit must be submitted by the transferor of the residential property and must include
a copy of the transfer agreement and any other documentation as required by the department.

Sec. 4. RCW 43.185.050 and 2017 3rd sp.s. c 12 s 13 are each amended to read as follows:

(1) The department must use moneys from the housing trust fund and other legislative appropriations to finance in whole or in part any loans or grant projects that will provide housing for persons and families with special housing needs and with incomes at or below fifty percent of the median family income for the county or standard metropolitan statistical area where the project is located. At least thirty percent of these moneys used in any given funding cycle (shall)) must be for the benefit of projects located in rural areas of the state as defined by the department. If the department determines that it has not received an adequate number of suitable applications for rural projects during any given funding cycle, the department may allocate unused moneys for projects in nonrural areas of the state.

(2) Activities eligible for assistance from the housing trust fund and other legislative appropriations include, but are not limited to:

(a) New construction, rehabilitation, or acquisition of low and very low-income housing units;

(b) Rent subsidies;

(c) Matching funds for social services directly related to providing housing for special-need tenants in assisted projects;

(d) Technical assistance, design and finance services and consultation, and administrative costs for eligible nonprofit community or neighborhood-based organizations;

(e) Administrative costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's access to housing funds other than those available under this chapter;

(f) Shelters and related services for the homeless, including emergency shelters and overnight youth shelters;

(g) Mortgage subsidies, including temporary rental and mortgage payment subsidies to prevent homelessness;

(h) Mortgage insurance guarantee or payments for eligible projects;

(i) Down payment or closing cost assistance for eligible first-time home buyers;

(j) Acquisition of housing units for the purpose of preservation as low-income or very low-income housing; (and)

(k) Projects making housing more accessible to families with members who have disabilities; and

(l) Remodeling and improvements as required to meet building code, licensing requirements, or legal operations to residential properties owned and operated by an entity eligible under RCW 43.185A.040, which were transferred as described in RCW 82.45.010(3)(g) by the parent of a child with developmental disabilities.

(3) Preference ((shall)) must be given for projects that include an early learning facility.

(4) Legislative appropriations from capital bond proceeds may be used only for the costs of projects authorized under subsection (2)(a), (i), and (j) of this section, and not for the administrative costs of the department.

(5) Moneys from repayment of loans from appropriations from capital bond proceeds may be used for all activities necessary for the proper functioning of the housing assistance program except for activities authorized under subsection (2)(b) and (c) of this section.

(6) Administrative costs associated with application, distribution, and project development activities of the department may not exceed three percent of the annual funds available for the housing assistance program. Reappropriations must not be included in the calculation of the annual funds available for determining the administrative costs.

(7) Administrative costs associated with compliance and monitoring activities of the department may not exceed one-quarter of one percent annually of the contracted amount of state investment in the housing assistance program."

On page 1, line 2 of the title, after "persons;" strike the remainder of the title and insert "amending RCW 82.45.010
and 43.185.050; and creating new sections."

and the same is herewith transmitted,

Brad Hendrickson, Secretary

**SENATE AMENDMENT TO HOUSE BILL**

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 2448 and advanced the bill as amended by the Senate to final passage.

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

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

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute House Bill No. 2448, as amended by the Senate.

**ROLL CALL**

The Clerk called the roll on the final passage of Substitute House Bill No. 2448, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.


**MESSAGE FROM THE SENATE**

March 7, 2018

Mr. Speaker:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 2580 with the following amendment:

On page 16, beginning on line 25, after "digester" strike all material through "coproducts" on line 26

and the same is herewith transmitted,

Brad Hendrickson, Secretary

**SENATE AMENDMENT TO HOUSE BILL**

There being no objection, the House concurred in the Senate amendment to ENGROSSED SUBSTITUTE HOUSE BILL NO. 2580 and advanced the bill as amended by the Senate to final passage.

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

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

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 2580, as amended by the Senate.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 2580, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.


**MESSAGE FROM THE SENATE**

March 7, 2018

Mr. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 2750 with the following amendment:
Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that:

(1) Washington state is ranked number one in the nation in offering quality choices in its long-term services and supports system. Assisted living facilities are an important part of the state's long-term services and supports plan;

(2) Consumers should have access to current information about assisted living facilities to make informed choices;

(3) Washingtonians choose to live in assisted living facilities for many different reasons including safety, access to care, socialization, rehabilitation, and community;

(4) Deciding where to live and what kind of facility to live in are big decisions for potential residents and families. They deserve to have access to all information collected by the state to use in making their decisions. Providing transparency will allow for more informed consumer choices;

(5) Consumers already have access to information on nursing homes and adult family homes. This act would bring assisted living facilities in line with other settings; and

(6) Assisted living facilities need to be held accountable for the residents in their care and the fine structure should be reflective of that responsibility.

NEW SECTION. Sec. 2. A new section is added to chapter 18.20 RCW to read as follows:

The department shall provide information to consumers about assisted living facilities. This information must be made available online and must include information related to site visits, substantiated inspection and complaint investigation reports, including any citation and remedy imposed, and a listing of licensed assisted living facilities by geographic location.

NEW SECTION. Sec. 3. A new section is added to chapter 18.20 RCW to read as follows:

(1) The department shall facilitate a work group process to recommend quality metrics for assisted living facilities. The department shall keep a public record of comments submitted by stakeholders throughout the work group process.

(2) The work group shall consist of representatives from the department, assisted living provider associations, the long-term care ombuds; organizations with expertise in serving persons with mental health needs in an institutional setting, as selected by the department; organizations with expertise in serving persons with developmental disability needs in an institutional setting, as selected by the department; organizations with expertise in serving culturally diverse and non-English-speaking persons in an institutional setting, as selected by the department; health care professionals with experience caring for diverse and non-English-speaking patients, as selected by the department; licensed health care professionals with experience caring for geriatric patients, as selected by the department; and an Alzheimer's advocacy organization. The work group may solicit input from individuals with additional expertise, if necessary.

(3) The work group shall make an interim report by September 1, 2019, and final recommendations to the appropriate legislative committees by September 1, 2020, and shall include a dissent report if agreement is not achieved among stakeholders and the department.

(4) The work group must submit recommendations for a quality metric system, propose a process for monitoring and tracking performance, and recommend a process to inform consumers.

(5) The department shall include at least one meeting dedicated to review and analysis of other states with quality metric methodologies for assisted living and must include information on how well each state is achieving quality care outcomes. In addressing data metrics the work group shall consider whether the data that must be reported reflect and promote quality of care and whether reporting the data is unnecessarily burdensome upon assisted living facilities.

Sec. 4. RCW 18.20.190 and 2012 c 10 s 13 are each amended to read as follows:

(1) The department of social and health services is authorized to take one or more of the actions listed in subsection (2) of this section in any case in which the department finds that an assisted living facility provider has:
(a) Failed or refused to comply with the requirements of this chapter or the rules adopted under this chapter;

(b) Operated an assisted living facility without a license or under a revoked license;

(c) Knowingly, or with reason to know, made a false statement of material fact on his or her application for license or any data attached thereto, or in any matter under investigation by the department; or

(d) Willfully prevented or interfered with any inspection or investigation by the department.

(2) When authorized by subsection (1) of this section, the department may take one or more of the following actions, using a tiered sanction grid that considers the extent of harm from the deficiency and the regularity of the occurrence of the deficiency when imposing civil fines:

(a) Refuse to issue a license;

(b) Impose reasonable conditions on a license, such as correction within a specified time, training, and limits on the type of clients the provider may admit or serve;

(c) Impose civil penalties of ((at least)) at least one hundred dollars per day per violation. Until July 1, 2019, the civil penalties may not exceed one thousand dollars per day per violation. Beginning July 1, 2019, through June 30, 2020, the civil penalties may not exceed two thousand dollars per day per violation. Beginning July 1, 2020, the civil penalties may not exceed three thousand dollars per day per violation;

(d) Impose civil penalties of up to ten thousand dollars for a current or former licensed provider who is operating an unlicensed facility;

(e) Suspend, revoke, or refuse to renew a license;

(f) Suspend admissions to the assisted living facility by imposing stop placement; or

(g) Suspend admission of a specific category or categories of residents as related to the violation by imposing a limited stop placement.

(3) When the department orders stop placement or a limited stop placement, the facility shall not admit any new resident until the stop placement or limited stop placement order is terminated. The department may approve readmission of a resident to the facility from a hospital or nursing home during the stop placement or limited stop placement. The department shall terminate the stop placement or limited stop placement when: (a) The violations necessitating the stop placement or limited stop placement have been corrected; and (b) the provider exhibits the capacity to maintain correction of the violations previously found deficient. However, if upon the revisit the department finds new violations that the department reasonably believes will result in a new stop placement or new limited stop placement, the previous stop placement or limited stop placement shall remain in effect until the new stop placement or new limited stop placement is imposed.

(4) After a department finding of a violation for which a stop placement or limited stop placement has been imposed, the department shall make an on-site revisit of the provider within fifteen working days from the request for revisit, to ensure correction of the violation. For violations that are serious or recurring or uncorrected following a previous citation, and create actual or threatened harm to one or more residents' well-being, including violations of residents' rights, the department shall make an on-site revisit as soon as appropriate to ensure correction of the violation. Verification of correction of all other violations may be made by either a department on-site revisit or by written or photographic documentation found by the department to be credible. This subsection does not prevent the department from enforcing license suspensions or revocations. Nothing in this subsection shall interfere with or diminish the department's authority and duty to ensure that the provider adequately cares for residents, including to make departmental on-site revisits as needed to ensure that the provider protects residents, and to enforce compliance with this chapter.

(5) RCW 43.20A.205 governs notice of a license denial, revocation, suspension, or modification. Chapter 34.05 RCW applies to department actions under this section, except that orders of the department imposing license suspension,
stop placement, limited stop placement, or conditions for continuation of a license are effective immediately upon notice and shall continue pending any hearing.

(6) All receipts from civil penalties imposed under this chapter must be deposited in the assisted living facility temporary management account created in RCW 18.20.430.

(7) For the purposes of this section, "limited stop placement" means the ability to suspend admission of a specific category or categories of residents.

Sec. 5. RCW 18.20.430 and 2016 sp.s. c 36 s 912 are each amended to read as follows:

The assisted living facility temporary management account is created in the custody of the state treasurer. All receipts from civil penalties imposed under this chapter must be deposited into the account. Only the director 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. Expenditures from the account may be used only for the protection of the health, safety, welfare, or property of residents of assisted living facilities found to be deficient. Uses of the account include, but are not limited to:

(1) Payment for the costs of relocation of residents to other facilities;
(2) Payment to maintain operation of an assisted living facility pending correction of deficiencies or closure, including payment of costs associated with temporary management authorized under this chapter; and
(3) Reimbursement of residents for personal funds or property lost or stolen when the resident's personal funds or property cannot be recovered from the assisted living facility or third-party insurer; and

(4) The protection of the health, safety, welfare, and property of residents of assisted living facilities found to be noncompliant with licensing standards.

On page 1, line 1 of the title, after "facilities;" strike the remainder of the title and insert "amending RCW 18.20.190 and 18.20.430; adding new sections to chapter 18.20 RCW; creating a new section; and prescribing penalties."

and the same is herewith transmitted,

Brad Hendrickson, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 2750 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Tharinger and Schmick spoke in favor of the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 2750, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 2750, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 95; Nays, 3; Absent, 0; Excused, 0.


Voting nay: Representatives Caldier, Orcutt and Young.

ENGROSSED HOUSE BILL NO. 2750, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

March 7, 2018

Mr. Speaker:
The Senate has passed SUBSTITUTE HOUSE BILL NO. 2990 with the following amendment:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 47.46 RCW to read as
follows:

(1) The legislature finds funding of the Tacoma Narrows bridge facility to be
distinct from other Washington state tolling facilities due to its increasing
debt service costs, which is the primary driver of the facility's escalating
costs. Washington state has since recommended and established financing
structures with steadier levels of debt service payments for subsequent tolled
transportation facilities, supporting better management of the state's debt
burden and a lower financial burden for toll ratepayers.

(2) The Tacoma Narrows bridge facility debt service structure resulted, in part,
from a decision by the legislature to fund construction of the bridge without
drawing from state tax dollars. As a result, toll revenue was committed to
fund ninety-nine percent of bridge construction costs, as well as the
associated interest payments and other associated debt service costs. This is
not the standard more recently utilized by the legislature, as is the case of the
state route 520 bridge's construction, seventy-two percent of which is to be
paid for with toll revenues. In light of the maximum burden for bridge
construction that was placed on Tacoma Narrows bridge toll ratepayers, there is
no equitable reason that the burden of future debt service payment increases
should be borne by these same toll ratepayers.

(3) The legislature established the Tacoma Narrows bridge work group in 2017
and tasked it with identifying opportunities for long-term toll payer
relief from increasing toll rates on the Tacoma Narrows bridge. The work group
recommended a request of up to one hundred twenty-five million dollars in
state funding from the legislature to offset future debt service payment
increases, allocated across the remaining years of tolling at levels that
result in maintaining toll rates at fiscal year 2018 levels.

(4) Due to the findings aforementioned, an alternative is put
forward by the legislature. State contribution loans for each fiscal
biennium are to be made through the life of the debt service plan of up to a total
of eighty-five million dollars, and will be repaid in annual amounts beginning
after the debt service and deferred sales tax are fully repaid. It is the intent of
the legislature that the commission will:

(a) Maintain tolls at no more than toll rates effective at the fiscal year 2018
level until fiscal year 2022; and

(b) Maintain tolls at no more than twenty-five cents higher than the toll
rates effective at the fiscal year 2018 level beginning in fiscal year 2022 until
such time as the debt service and deferred sales tax obligation is fully
met according to the repayment schedule in place as of the effective date of this
section and until any state contribution loans are fully repaid.

(5) To offset part of the toll rate increases that would otherwise be
necessary to meet increases in future debt service payments, it is the intent
of the legislature that the state treasurer make state contribution loan
transfers to the Tacoma Narrows toll bridge account created in RCW 47.56.165
on the first day of each fiscal biennium, beginning in the 2019-2021 fiscal
biennium, through the life of the debt service plan. It is the intent of the
legislature that the state treasurer make state contribution loan transfers in
amounts necessary to ensure debt service payments are made in full after toll
revenue from the Tacoma Narrows bridge toll facility is applied to the debt
payment amounts and other required costs.

(6) This section does not create a private right of action.

NEW SECTION. Sec. 2. A new section is added to chapter 47.46 RCW to read as
follows:

(1) Through 2031, the commission shall submit to the transportation committees
of the legislature on an annual basis a report that includes sufficient
information to enable the legislature to determine an adequate amount of
contribution from nontoll sources required for each fiscal biennium to
maintain tolls at no more than twenty-five cents higher than the toll rates
effective at the fiscal year 2018 level, while also maintaining the debt service
plan repayment schedule in place as of the effective date of this section. The report must be submitted by January 5th of each year.

(2) Beginning in 2031, and until such time as the state contribution loans described in section 1(4) of this act are repaid, the commission shall submit to the transportation committees of the legislature on an annual basis a report that includes information detailing the annual expected toll revenue to be used for repayment of the state contribution loans while maintaining tolls at no more than twenty-five cents higher than the toll rates effective at the fiscal year 2018 level. The report must be submitted by January 5th of each year.

(3) This section does not create a private right of action.

Sec. 3. RCW 47.46.110 and 2002 c 114 s 8 are each amended to read as follows:

(1) The commission shall retain toll charges on any existing and future facilities constructed under this chapter and financed primarily by bonds issued by the state until:

(a) All costs of investigation, financing, acquisition of property, and construction advanced from the motor vehicle fund have been fully repaid, except as provided in subsection (2)(b) of this section;

(b) Obligations incurred in constructing that facility have been fully paid; and

(c) The motor vehicle fund is fully repaid under RCW 47.46.140;

(d) The accounts from which moneys are provided to reduce the debt service according to section 1(5) of this act are fully repaid.

(2) This section does not:

(a) Prohibit the use of toll revenues to fund maintenance, operations, or management of facilities constructed under this chapter except as prohibited by RCW 47.56.245;

(b) Require repayment of funds specifically appropriated as a nonreimbursable state financial contribution to a project.

(3) Notwithstanding the provisions of subsection (2)(a) of this section, upon satisfaction of the conditions enumerated in subsection (1) of this section:

(a) The facility must be operated as a toll-free facility; and

(b) The operation, maintenance, upkeep, and repair of the facility must be paid from funds appropriated for the use of the department for the construction and maintenance of the primary state highways of the state of Washington."

On page 1, line 2 of the title, after "plan;" strike the remainder of the title and insert "amending RCW 47.46.110; and adding new sections to chapter 47.46 RCW."

and the same is herewith transmitted,

Brad Hendrickson, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 2990 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Fey and Young spoke in favor of the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute House Bill No. 2990, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2990, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 97; Nays, 1; Absent, 0; Excused, 0.

Tarleton, Taylor, Tharinger, Valdez, Van Werven, Vick, Volz, Walsh, Wilcox, Wylie, Young and Mr. Speaker.

Voting nay: Representative Kilduff.

SUBSTITUTE HOUSE BILL NO. 2990, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

March 7, 2018

Mr. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 2998 with the following amendment:

On page 2, line 13, after "subdivision" insert ", or a hospital that is affiliated with a state institution,"

and the same is herewith transmitted,

Brad Hendrickson, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to SUBSTITUTE HOUSE BILL NO. 2998 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

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

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute House Bill No. 2998, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 2998, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 93; Nays, 5; Absent, 0; Excused, 0.


Voting nay: Representatives Barkis, Graves, Kraft, Vick and Walsh.

SUBSTITUTE HOUSE BILL NO. 2998, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

With the consent of the House, the bills previously acted upon were immediately transmitted to the Senate.

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

SECOND READING

HOUSE INITIATIVE NO. 940, By People of the State of Washington.

Law enforcement

The bill was read the second time.

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

Representatives Goodman, Klippert and Hayes spoke in favor of the passage of the bill.

There being no objection, the House deferred action on HOUSE INITIATIVE NO. 940, and the bill held its place on the third reading calendar.

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

MESSAGE FROM THE SENATE

March 8, 2018

MR. SPEAKER:

The Senate has adopted the report of the Conference Committee on ENGROSSED SUBSTITUTE SENATE BILL NO. 6032, and has passed the bill as recommended by the Conference Committee.

Brad Hendrickson, Secretary

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

REPORTS OF STANDING COMMITTEES

March 8, 2018

ESSB 6614 Prime Sponsor, Committee on Ways & Means: Concerning funding for the support of common schools. (REVISED FOR
ENGROSGED: Providing property tax relief by reducing calendar year 2019 state property taxes and redirecting revenue to the education legacy trust account for fiscal year 2019 ) 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 Representative Condotta.

MINORITY recommendation: Without recommendation. Signed by Representatives Orcutt, Ranking Minority Member; Nealey and Stokesbary.

There being no objection, ENGROSGSED SUBSTITUTE SENATE BILL NO. 6614 was placed on the second reading calendar.

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

SECOND READING

ENGROSGSED SENATE BILL NO. 6140, by Senators King, Van De Wege and Sheldon

Promoting the efficient and effective management of state-managed lands.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Agriculture & Natural Resources was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 50, February 26, 2018).

Representative Tharinger moved the adoption of amendment (1466) to the committee striking amendment:

On page 4, beginning on line 31 of the striking amendment, strike all of section 6 and insert the following:

"NEW SECTION. Sec. 6. A new section is added to chapter 79.10 RCW to read as follows:

(1) Subject to the availability of funds appropriated for this specific purpose, the department of natural resources must conduct an asset valuation of state lands and state forestlands held in trust and managed by the department. The asset valuation required in subsections (3) and (4) may be provided through contracted services.

(2) The department must describe all trust lands, by trust, including timber lands, agricultural lands, commercial lands, and other lands, and identify revenues from leases or other sources for those lands. The department must briefly describe the income from these trust lands, and potential enhancements to income, including intergenerational income, from the asset bases of these trusts.

(3) The asset valuation must estimate the current fair market value of these lands for each trust beneficiary, including the separate beneficiaries of state lands as defined in RCW 79.02.010, and the beneficiaries of state forestlands as specified in chapter 79.22 RCW. The estimation of current fair market values must specify the values by the various asset classes, including but not limited to: timber lands; irrigated agriculture; dryland agriculture, including grazing lands; commercial real estate; mining, and; other income production. The asset valuation must also estimate the value of ecosystem services and recreation benefits for asset classes that produce these benefits. The legislature encourages the department and its contractors to develop methods and tools to allow tracking of the estimated fair market values over time.

(4) For each of the different asset classes and for each of the various trusts, the asset valuation must calculate the average annual gross and net income as a percentage of estimated current asset value.

(5) The department must provide a progress report by December 1, 2018. A follow-up progress report must be provided by December 1, 2019 and may include any initial recommendations. The final report must be submitted by June 30, 2020 and must include options to:

(a) Improve the net rates of return on different classes of assets;

(b) Increase the reliability of, and enhance if possible, revenue for trust beneficiaries; and

(c) Present and explain factors that either (i) define, (ii) constrast, or (iii) define and constrast the department's management practices and revenue production. The factors to be considered include, but are not limited to: statutory, constitutional, operational, and social."

On page 6, after line 11 of the striking amendment, insert the following:
"Sec. 8. RCW 79.64.110 and 2017 3rd sp.s. c 13 s 315, 2017 3rd sp.s c 1 s 986, and 2017 c 248 s 6 are each reenacted and amended to read as follows:

(1) Any moneys derived from the lease of state forestlands or from the sale of valuable materials, oils, gases, coal, minerals, or fossils from those lands, except as provided in RCW 79.64.130, or the appraised value of these resources when transferred to a public agency under RCW 79.22.060, except as provided in RCW 79.22.060(4), must be distributed as follows:

(a) For state forestlands acquired through RCW 79.22.040 or by exchange for lands acquired through RCW 79.22.040:

(i) The expense incurred by the state for administration, reforestation, and protection, not to exceed twenty-five percent, which rate of percentage shall be determined by the board, must be returned to the forest development account created in RCW 79.64.100. During the 2015-2017 and 2017-2019 fiscal biennia, the board may increase the twenty-five percent limitation up to twenty-seven percent.

(ii) Any balance remaining must be paid to the county in which the land is located or, for counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset value to the land pool as determined by the board, and according to the relative proportions of tax levies of all taxing districts in the county. The portion to be distributed to the counties, the department shall certify to the state treasurer the amounts to be distributed within seven working days of receipt of the money. The state treasurer shall distribute funds to the counties four times per month, with no more than ten days between each payment date.

(b) For state forestlands acquired through RCW 79.22.010 or by exchange for lands acquired through RCW 79.22.010, except as provided in RCW 79.64.120:

(i) Fifty percent shall be placed in the forest development account.

(ii) Fifty percent shall be prorated and distributed to the state general fund, to be dedicated for the benefit of the public schools, to the county in which the land is located or, for counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset value to the land pool as determined by the board, and according to the relative proportions of tax levies of all taxing districts in the county. The portion to be distributed to the state general fund shall be based on the regular school levy rate under RCW 84.52.065 (1) and (2) and the levy rate for any maintenance and operation special school levies. With regard to the portion to be distributed to the counties, the department shall certify to the state treasurer the amounts to be distributed within seven working days of receipt of the money. The state treasurer shall distribute funds to the counties four times per month, with no more than ten days between each payment date. The money distributed to the county must be paid, distributed, and prorated to the various other funds in the same manner as general taxes are paid and distributed during the year of payment.

(2) A school district may transfer amounts deposited in its debt service fund pursuant to this section into its capital projects fund as authorized in RCW 28A.320.330."

Renumber the remaining sections consecutively and correct any internal references accordingly. Correct the title.

Representatives Tharinger and Taylor spoke in favor of the adoption of the amendment to the committee striking amendment.
Amendment (1466) was adopted.

The committee amendment, as amended, was adopted.

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 Blake and Buys spoke in favor of
the passage of the bill.

The Speaker (Representative Lovick presiding) stated
the question before the House to be the final passage of
Engrossed Senate Bill No. 6140, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed
Senate Bill No. 6140, and the bill passed the House by the
following vote:

Yeas, 98; Nays, 0; Absent, 0; Excused, 0.


ENGROSSED SENATE BILL NO. 6140, as amended by
the House, having received the necessary constitutional
majority, was declared passed.

With the consent of the House, ENGROSSED SENATE
BILL NO. 6140 was immediately transmitted to the Senate.

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

MESSAGE FROM THE SENATE

March 8, 2018

MR. SPEAKER:

The Senate has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 3003,
and the same are herewith transmitted,

Brad Hendrickson, Secretary

The Speaker assumed the chair.

**SIGNED BY THE SPEAKER**

The Speaker signed the following bills:

- HOUSE BILL NO. 1085
- HOUSE BILL NO. 1095
- HOUSE BILL NO. 1133
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1293
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1434
- HOUSE BILL NO. 1499
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 1523
- HOUSE BILL NO. 1790
- HOUSE BILL NO. 1939
- SUBSTITUTE HOUSE BILL NO. 2016
- SUBSTITUTE HOUSE BILL NO. 2101
- SUBSTITUTE HOUSE BILL NO. 2256
- SUBSTITUTE HOUSE BILL NO. 2282
- SUBSTITUTE HOUSE BILL NO. 2298
- SUBSTITUTE HOUSE BILL NO. 2342
- HOUSE BILL NO. 2368
- SUBSTITUTE HOUSE BILL NO. 2398
- HOUSE BILL NO. 2443
- HOUSE BILL NO. 2446
- SUBSTITUTE HOUSE BILL NO. 2514
- SUBSTITUTE HOUSE BILL NO. 2516
- SUBSTITUTE HOUSE BILL NO. 2528
- SUBSTITUTE HOUSE BILL NO. 2576
- SUBSTITUTE HOUSE BILL NO. 2582
- SUBSTITUTE HOUSE BILL NO. 2639
- HOUSE BILL NO. 2682
- HOUSE BILL NO. 2699
- HOUSE BILL NO. 2702
- SUBSTITUTE HOUSE BILL NO. 2752

The Speaker called upon Representative Lovick to
preside.

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

**SECOND READING**

**ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6362**, by Senate Committee on Ways & Means
(originally sponsored by Senators Wellman, Rolfes and Billig)

Modifying basic education provisions. Revised for
2nd Substitute: Modifying basic education funding provisions.

The bill was read the second time.

There being no objection, the committee amendment by
the Committee on Appropriations was not adopted. (For
Committee amendment, see Journal, Day 50, February 26,
2018).
Representative Dolan moved the adoption of the striking amendment (1472):

Strike everything after the enacting clause and insert the following:

"PART I: PROGRAM FUNDING

Sec. 101. RCW 28A.150.260 and 2017 3rd sp.s. c 13 s 402 are each amended to read as follows:

The purpose of this section is to provide for the allocation of state funding that the legislature deems necessary to support school districts in offering the minimum instructional program of basic education under RCW 28A.150.220. The allocation shall be determined as follows:

(1) The governor shall and the superintendent of public instruction may recommend to the legislature a formula for the distribution of a basic education instructional allocation for each common school district.

(2)(a) The distribution formula under this section shall be for allocation purposes only. Except as may be required under subsections (4)(b) and (c) and (9) of this section, chapter 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in this section requires school districts to use basic education instructional funds to implement a particular instructional approach or service. Nothing in this section requires school districts to maintain a particular classroom teacher-to-student ratio or other staff-to-student ratio or to use allocated funds to pay for particular types or classifications of staff. Nothing in this section entitles an individual teacher to a particular teacher planning period.

(b) To promote transparency in state funding allocations, the superintendent of public instruction must report state per-pupil allocations for each school district for the general apportionment, special education, learning assistance, transitional bilingual, highly capable, and career and technical education programs. The superintendent must also report state general apportionment per-pupil allocations by grade for each school district. The superintendent must report this information in a user-friendly format on the main page of the office's web site and on school district apportionment reports. School districts must include a link to the superintendent's per-pupil allocations report on the main page of the school district's web site. In addition, the budget documents published by the legislature for the enacted omnibus operating appropriations act must report statewide average per-pupil allocations for general apportionment and the categorical programs listed in this subsection.

(3)(a) To the extent the technical details of the formula have been adopted by the legislature and except when specifically provided as a school district allocation, the distribution formula for the basic education instructional allocation shall be based on minimum staffing and nonstaff costs the legislature deems necessary to support instruction and operations in prototypical schools serving high, middle, and elementary school students as provided in this section. The use of prototypical schools for the distribution formula does not constitute legislative intent that schools should be operated or structured in a similar fashion as the prototypes. Prototypical schools illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs, such as class size, hours of instruction, and various categories of school staff. It is the intent that the funding allocations to school districts be adjusted from the school prototypes based on the actual number of annual average full-time equivalent students in each grade level at each school in the district and not based on the grade-level configuration of the school to the extent that data is available. The allocations shall be further adjusted from the school prototypes with minimum allocations for small schools and to reflect other factors identified in the omnibus appropriations act.

(b) For the purposes of this section, prototypical schools are defined as follows:

(i) A prototypical high school has six hundred average annual full-time equivalent students in grades nine through twelve;

(ii) A prototypical middle school has four hundred thirty-two average annual full-time equivalent students in grades seven and eight; and
(iii) A prototypical elementary school has four hundred average annual full-time equivalent students in grades kindergarten through six.

(4)(a)(i) The minimum allocation for each level of prototypical school shall be based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours under RCW 28A.150.220 and provide at least one teacher planning period per school day, and based on the following general education average class size of full-time equivalent students per teacher:

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Average Class Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>17.00</td>
</tr>
<tr>
<td>Grade 4</td>
<td>27.00</td>
</tr>
<tr>
<td>Grades 5-6</td>
<td>27.00</td>
</tr>
<tr>
<td>Grades 7-8</td>
<td>28.53</td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>28.74</td>
</tr>
</tbody>
</table>

(ii) The minimum class size allocation for each prototypical high school shall also provide for enhanced funding for class size reduction for two laboratory science classes within grades nine through twelve per full-time equivalent high school student multiplied by a laboratory science course factor of 0.0833, based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours in RCW 28A.150.220, and providing at least one teacher planning period per school day:

<table>
<thead>
<tr>
<th>Laboratory Science Average Class Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grades 9-12</td>
</tr>
</tbody>
</table>

(b)(i) Beginning September 1, 2019, funding for average K-3 class sizes in this subsection (4) may be provided only to the extent of, and proportionate to, the school district's demonstrated actual class size in grades K-3, up to the funded class sizes.

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

(c)(i) The minimum allocation for each prototypical middle and high school shall also provide for full-time equivalent classroom teachers based on the following number of full-time equivalent students per teacher in career and technical education:

<table>
<thead>
<tr>
<th>Career and Technical Education Average Class Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grades K-3</td>
</tr>
<tr>
<td>Grade 4</td>
</tr>
<tr>
<td>Grades 5-6</td>
</tr>
</tbody>
</table>

(ii) Funding allocated under this subsection (4)(c) is subject to RCW 28A.150.265.

(d) In addition, the omnibus appropriations act shall at a minimum specify:

(i) A high-poverty average class size in schools where more than fifty percent of the students are eligible for free and reduced-price meals; and

(ii) A specialty average class size for advanced placement and international baccalaureate courses.

(5) The minimum allocation for each level of prototypical school shall include allocations for the following types of staff in addition to classroom teachers:

<table>
<thead>
<tr>
<th>El</th>
<th>M</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Principals, assistant principals, and other certificated building-level administrators.

<table>
<thead>
<tr>
<th>Teacher Librarians</th>
<th>Other Information Literacy Technology</th>
<th>1</th>
<th>0</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Teacher librarians, a function that includes information literacy, technology, and...
media to support school library media programs ....

Health and social services:

- School nurses: 0.076
- Social workers: 0.042
- Psychologists: 0.017
- Guidance counselors: 0.0493
- Teaching assistance: 0.493
- Office support: 0.012
- Custodians: 0.657
- Classified staff: 0.079
- Parent involvement: 0.0825

(6) (a) The minimum staffing allocation for each school district to provide district-wide support services shall be allocated per one thousand annual average full-time equivalent students in grades K-12 as follows:

- Staff per 1,000 K-12 students
  - Technology: 0.628

(b) The minimum allocation of staff units for each school district to support certificated and classified staffing of central administration shall be 5.30 percent of the staff units generated under subsections (4)(a) and (5) of this section and (a) of this subsection.

(7) The distribution formula shall include staffing allocations to school districts for career and technical education and skill center administrative and other school-level certificated staff, as specified in the omnibus appropriations act.

(8)(a) Except as provided in (b) of this subsection, the minimum allocation for each school district shall include allocations per annual average full-time equivalent student for the following materials, supplies, and operating costs as provided in the 2017-18 school year, after which the allocations shall be adjusted annually for inflation as specified in the omnibus appropriations act:

- Technology: $130.76
- Utilities and insurance: $355.30
- Curriculum and textbooks: $140.39
- Other supplies (library materials): $278.05
- Library materials: $20.00
- Instructional professional development for certificated and classified staff: $21.71
- Facilities maintenance: $176.01
- Security and central office administration: $121.94

(b) In addition to the amounts provided in (a) of this subsection, beginning in the 2014-15 school year, the omnibus appropriations act shall provide the following minimum allocation for each annual average full-time equivalent student in grades nine through twelve for the following materials, supplies, and
operating costs, to be adjusted annually for inflation:

Per annual average
full-time equivalent student
in grades 9-12
Technology.................... $36.35
Curriculum and textbooks....... $39.02
Other supplies ((and library materials))........ (($82.84)) $77.28
Library materials............. $5.56
Instructional professional development for certificated and classified staff........... $6.04

(9) In addition to the amounts provided in subsection (8) of this section and subject to RCW 28A.150.265, the omnibus appropriations act shall provide an amount based on full-time equivalent student enrollment in each of the following:

(a) Exploratory career and technical education courses for students in grades seven through twelve;

(b) Preparatory career and technical education courses for students in grades nine through twelve offered in a high school; and

(c) Preparatory career and technical education courses for students in grades eleven and twelve offered through a skill center.

(10) In addition to the allocations otherwise provided under this section, amounts shall be provided to support the following programs and services:

(a)(i) To provide supplemental instruction and services for students who are not meeting academic standards in ((schools where at least fifty percent of students are eligible for free and reduced-price meals)) qualifying schools. A qualifying school means a school in which the three-year rolling average of the prior year total annual average enrollment that qualifies for free or reduced-price meals equals or exceeds fifty percent or more of its total annual average enrollment. The minimum allocation for this additional high poverty-based allocation must provide for each level of prototypical school resources to provide, on a statewide average, 1.1 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.

(ii) To provide additional high poverty-based allocation must provide for each level of prototypical school resources to provide, on a statewide average, 1.1 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.

(b)(i) To provide supplemental instruction and services for students whose primary language is other than English, allocations shall be based on the head count number of students in each school who are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080. The minimum allocation for each level of prototypical school shall provide resources to provide, on a statewide average, 4.7780 hours per week in extra instruction for students in grades kindergarten through six and 6.7780 hours per week in extra instruction for students in grades seven through twelve, with fifteen transitional bilingual instruction program students per teacher. Notwithstanding other provisions of this subsection (10), the actual per-student allocation may be scaled to provide a larger allocation for students needing more intensive intervention and a commensurate reduced allocation for students needing less intensive intervention, as detailed in the omnibus appropriations act.

(ii) To provide supplemental instruction services for students who have exited the transitional bilingual program, allocations shall be based on the head count number of students in each school who have exited the transitional bilingual program within the previous two years based on their performance on the English proficiency assessment and are eligible for and enrolled in the transitional bilingual instruction
program under RCW 28A.180.040(1)(g). The minimum allocation for each prototypical school shall provide resources to provide, on a statewide average, 3.0 hours per week in extra instruction with fifteen exited students per teacher.

(c) To provide additional allocations to support programs for highly capable students under RCW 28A.185.010 through 28A.185.030, allocations shall be based on 5.0 percent of each school district's full-time equivalent basic education enrollment. The minimum allocation for the programs shall provide resources to provide, on a statewide average, 2.1590 hours per week in extra instruction with fifteen highly capable program students per teacher.

(11) The allocations under subsections (4)(a), (5), (6), and (8) of this section shall be enhanced as provided under RCW 28A.150.390 on an excess cost basis to provide supplemental instructional resources for students with disabilities.

(12)(a) For the purposes of allocations for prototypical high schools and middle schools under subsections (4) and (10) of this section that are based on the percent of students in the school who are eligible for free and reduced-price meals, the actual percent of such students in a school shall be adjusted by a factor identified in the omnibus appropriations act to reflect underreporting of free and reduced-price meal eligibility among middle and high school students.

(b) Allocations or enhancements provided under subsections (4), (7), and (9) of this section for exploratory and preparatory career and technical education courses shall be provided only for courses approved by the office of the superintendent of public instruction under chapter 28A.700 RCW.

(13)(a) This formula for distribution of basic education funds shall be reviewed biennially by the superintendent and governor. The recommended formula shall be subject to approval, amendment or rejection by the legislature.

(b) In the event the legislature rejects the distribution formula recommended by the governor, without adopting a new distribution formula, the distribution formula for the previous school year shall remain in effect.

(c) 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 first school day of each month, 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. The definition of full-time equivalent student shall be determined by rules of the superintendent of public instruction and shall be included as part of the superintendent's biennial budget request. The definition shall be based on the minimum instructional hour offerings required under RCW 28A.150.220. Any revision of the present definition shall not take effect until approved by the house ways and means committee and the senate ways and means committee.

(d) The office of financial management shall make a monthly review of the superintendent's reported full-time equivalent students in the common schools in conjunction with RCW 43.62.050.

Sec. 102. RCW 28A.150.390 and 2017 3rd sp.s. c 13 a 406 are each amended to read as follows:

(1) The superintendent of public instruction shall submit to each regular session of the legislature during an odd-numbered year a programmed budget request for special education programs for students with disabilities. Funding for programs operated by local school districts shall be on an excess cost basis from appropriations provided by the legislature for special education programs for students with disabilities and shall take account of state funds accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415.

(2) The excess cost allocation to school districts shall be based on the following:

(a) A district's annual average headcount enrollment of students ages birth through four and those five year olds not yet enrolled in kindergarten who are eligible for and enrolled in special education, multiplied by the district's base allocation per full-time equivalent student, multiplied by 1.15; and

(b) A district's annual average full-time equivalent basic education enrollment, multiplied by the district's funded enrollment percent, multiplied by the district's base allocation per full-
time equivalent student, multiplied by \((0.9309 \times 0.9609)\).

(3) As used in this section:

(a) "Base allocation" means the total state allocation to all schools in the district generated by the distribution formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415, to be divided by the district’s full-time equivalent enrollment.

(b) "Basic education enrollment" means enrollment of resident students including nonresident students enrolled under RCW 28A.225.225 and students from nonhigh districts enrolled under RCW 28A.225.210 and excluding students residing in another district enrolled as part of an interdistrict cooperative program under RCW 28A.225.250.

(c) "Enrollment percent" means the district's resident special education annual average enrollment, excluding students ages birth through four and those five year olds not yet enrolled in kindergarten, as a percent of the district's annual average full-time equivalent basic education enrollment.

(d) "Funded enrollment percent" means the lesser of the district's actual enrollment percent or thirteen and five-tenths percent.

NEW SECTION.  Sec. 103. A new section is added to chapter 28A.160 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, a transportation alternate funding grant program is created.

(2) As part of the award process for the grants, the superintendent of public instruction must include a review of the school district's efficiency rating, key performance indicators, and local school district characteristics such as unique geographic constraints, low enrollment, geographic density of students, the percentage of students served under the McKinney-Vento homeless assistance act from outside the district, or whether the district is a nonhigh district.

Sec. 104.  RCW 28A.165.055 and 2017 3rd sp.s. c 13 s 405 are each amended to read as follows:

(1) The funds for the learning assistance program shall be appropriated in accordance with RCW 28A.150.260 and the omnibus appropriations act. The distribution formula is for school district allocation purposes only, except as provided in RCW 28A.150.260(10)(a)(ii), but all funds appropriated for the learning assistance program must be expended for the purposes of RCW 28A.165.005 through 28A.165.065.

(2) A district's high poverty-based allocation is generated by its qualifying schools \((\text{buildings})\) as defined in RCW 28A.150.260(10) and must be expended by the district for those \((\text{buildings})\) schools. This funding must supplement and not supplant the district's expenditures under this chapter for those schools \((\text{buildings})\).

NEW SECTION.  Sec. 105. A new section is added to chapter 28A.300 RCW to read as follows:

(1) The superintendent of public instruction must require school districts to have identification procedures for their highly capable programs that are clearly stated and implemented by school districts using the following criteria:

(a) Districts must use multiple objective criteria to identify students who are among the most highly capable. Multiple pathways for qualifications must be available and no single criterion may disqualify a student from identification;

(b) Highly capable selection decisions must be based on consideration of criteria benchmarked on local norms, but local norms may not be used as a more restrictive criteria than national norms at the same percentile;

(c) Subjective measures such as teacher recommendations or report card grades may not be used to screen out a student from assessment. These data points may be used alongside other criteria during selection to support identification, but may not be used to disqualify a student from being identified; and

(d) To the extent practicable, screening and assessments must be given in the native language of the student. If native language screening and assessments are not available, a nonverbal screening and assessment must be used.

(2) The superintendent of public instruction must disseminate guidance on referral, screening, assessment,
selection, and placement best practices for highly capable programs. The guidance must be regularly updated and aligned with evidence-based practices.

Sec. 106. RCW 28A.150.392 and 2017 3rd sp.s. c 13 s 407 are each amended to read as follows:

(1)(a) To the extent necessary, funds shall be made available for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided through the special education funding formula under RCW 28A.150.390.

(b) If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in any fiscal year, then the superintendent shall expend all available federal discretionary funds necessary to meet this need.

(2) Safety net funds shall be awarded by the state safety net oversight committee subject to the following conditions and limitations:

(a) The committee shall award additional funds for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas.

(b) In the determination of need, the committee shall consider additional available revenues from federal sources.

(c) Differences in program costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(d) In the determination of need, the committee shall require that districts demonstrate that they are maximizing their eligibility for all state revenues related to services for special education-eligible students and all federal revenues from federal impact aid, medicaid, and the individuals with disabilities education act-Part B and appropriate special projects. Awards associated with (e) and (f) of this subsection shall not exceed the total of a district’s specific determination of need.

(e) The committee shall then consider the extraordinary high cost needs of one or more individual special education students. Differences in costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(f) Using criteria developed by the committee, the committee shall then consider extraordinary costs associated with communities that draw a larger number of families with children in need of special education services, which may include consideration of proximity to group homes, military bases, and regional hospitals. Safety net awards under this subsection (2)(f) shall be adjusted to reflect amounts awarded under (e) of this subsection.

(g) The committee shall then consider the extraordinary high cost needs of one or more individual special education students served in residential schools as defined in RCW 28A.190.020, programs for juveniles under the department of corrections, and programs for juveniles operated by city and county jails to the extent they are providing a program of education for students enrolled in special education.

(h) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

(i) Safety net awards shall be adjusted based on the percent of potential medicaid eligible students billed as calculated by the superintendent of public instruction in accordance with chapter 318, Laws of 1999.

(j) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

(3) The superintendent of public instruction shall adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. By (September 1, 2019) December 1, 2018, the superintendent shall review and revise the rules to achieve full and complete implementation of the requirements of this subsection and subsection (4) of this section including revisions to rules that provide additional flexibility to access community impact awards. Before revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature. In adopting and revising the
rules, the superintendent shall ensure the application process to access safety net funding is streamlined, timelines for submission are not in conflict, feedback to school districts is timely and provides sufficient information to allow school districts to understand how to correct any deficiencies in a safety net application, and that there is consistency between awards approved by school district and by application period. The office of the superintendent of public instruction shall also provide technical assistance to school districts in preparing and submitting special education safety net applications.

(4) On an annual basis, the superintendent shall survey districts regarding their satisfaction with the safety net process and consider feedback from districts to improve the safety net process. Each year by December 1st, the superintendent shall prepare and submit a report to the office of financial management and the appropriate policy and fiscal committees of the legislature that summarizes the survey results and those changes made to the safety net process as a result of the school district feedback.

(5) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

(a) One staff member from the office of the superintendent of public instruction;

(b) Staff of the office of the state auditor who shall be nonvoting members of the committee; and

(c) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

PART II: COMPENSATION

NEW SECTION. Sec. 201. The legislature recognizes that Initiative Measure No. 1433 was approved by the voters of the state of Washington in 2016 requiring employers to provide paid sick leave to each of its employees. The legislature acknowledges that the enactment of this initiative contributes to the costs of operations of the state's public schools and intends to provide funding in the omnibus appropriations act to support school districts with these additional costs.

Sec. 202. RCW 28A.150.410 and 2017 3rd sp.s. c 13 s 101 are each amended to read as follows:

(1) Through the 2017-18 school year, the legislature shall establish for each school year in the appropriations act a statewide salary allocation schedule, for allocation purposes only, to be used to distribute funds for basic education certificated instructional staff salaries under RCW 28A.150.260. For the purposes of this section, the staff allocations for classroom teachers, teacher-librarians, guidance counselors, and student health services staff under RCW 28A.150.260 are considered allocations for certificated instructional staff.

(2) Through the 2017-18 school year, salary allocations for state-funded basic education certificated instructional staff shall be calculated by the superintendent of public instruction by determining the district's average salary for certificated instructional staff, using the statewide salary allocation schedule and related documents, conditions, and limitations established by the omnibus appropriations act.

(3) Through the 2017-18 school year, 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 the omnibus appropriations act, or any replacement schedules and documents, unless:

(a) The employee has a master's degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(4) Beginning in the 2007-08 school year and through the 2017-18 school year, the calculation of years of service for occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, and psychologists regulated under Title 18 RCW may include experience in schools and other nonschool positions as occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, or psychologists. The calculation shall be that one year of service in a nonschool
position counts as one year of service for purposes of this chapter, up to a limit of two years of nonschool service. Nonschool years of service included in calculations under this subsection shall not be applied to service credit totals for purposes of any retirement benefit under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement system benefits.

(5) By the ((2019-20)) 2018-19 school year, the minimum state allocation for salaries for certificated instructional staff in the basic education program must be increased ((beginning in the 2018-19 school year)) to provide a statewide average allocation of sixty-four thousand dollars adjusted for inflation from the 2017-18 school year.

(6) By the ((2019-20)) 2018-19 school year, the minimum state allocation for salaries for certificated administrative staff in the basic education program must be increased ((beginning in the 2018-19 school year)) to provide a statewide average allocation of ninety-five thousand dollars adjusted for inflation from the 2017-18 school year.

(7) By the ((2019-20)) 2018-19 school year, the minimum state allocation for salaries for classified staff in the basic education program must be increased ((beginning in the 2018-19 school year)) to provide a statewide average allocation of forty-five thousand nine hundred twelve dollars adjusted by inflation from the 2017-18 school year.

(8) ((To implement the new minimum salary allocations in subsections (5) through (7) of this section, the legislature must fund fifty percent of the increased salary allocation in the 2018-19 school year and the entire increased salary allocation in the 2019-20 school year.)) For school year 2018-19, a district’s minimum state allocation for salaries is the greater of the district’s 2017-18 state salary allocation, adjusted for inflation, or the district’s allocation based on the state salary level specified in subsections (5) through (7) of this section, and as further specified in the omnibus appropriations act.

(9) Beginning with the 2018-19 school year, state allocations for salaries for certificated instructional staff, certificated administrative staff, and classified staff must be adjusted for regional differences in the cost of hiring staff. Adjustments for regional differences must be specified in the omnibus appropriations act for each school year through at least school year 2022-23. For school years 2018-19 through school year 2022-23, the school district regionalization factors are based on the median single-family residential value of each school district and proximate school district median single-family residential value as described in RCW 28A.150.412.

(10) Beginning with the 2023-24 school year and every ((six)) four years thereafter, the minimum state salary allocations and school district regionalization factors for certificated instructional staff, certificated administrative staff, and classified staff must be reviewed and rebased, as provided under RCW 28A.150.412, to ensure that state salary allocations continue to align with staffing costs for the state’s program of basic education.

(11) For the purposes of this section, "inflation" has the meaning provided in RCW 28A.400.205 for "Inflationary adjustment index."

Sec. 203. RCW 28A.150.412 and 2017 3rd sp.s. c 13 s 104 are each amended to read as follows:

(1) Beginning with the 2023 regular legislative session, and every ((six)) four years thereafter, the legislature shall review and rebase state basic education compensation allocations compared to school district compensation data, regionalization factors, what inflationary measure is the most representative of actual market experience for school districts, and other economic information. The legislature shall revise the minimum allocations ((and)), regionalization factors, and inflationary measure if necessary to ensure that state Basic Education allocations continue to reflect actual economic differences between school districts.

(2)(a) For school districts with single-family residential values above the statewide median residential value, regionalization factors for school years
2018-19 through school year 2022-23 are as follows:

(i) For school districts in tercile 1, state salary allocations for school district employees are regionalized by six percent;

(ii) For school districts in tercile 2, state salary allocations for school district employees are regionalized by twelve percent; and

(iii) For school districts in tercile 3, state salary allocations for school district employees are regionalized by eighteen percent.

(b) In addition to the regionalization factors specified in (a) of this subsection, school districts located west of the crest of the Cascade mountains and sharing a boundary with any school district with a regionalization factor more than one tercile higher, are regionalized by six additional percentage points.

(c) In addition to the regionalization factors specified in this subsection, for school districts that have certificated instructional staff median years of experience that exceed the statewide average certificated instructional staff years of experience and a ratio of certificated instructional staff advanced degrees to bachelor degrees above the statewide ratio, an experience factor of four percentage points is added to the regionalization factor, beginning in the 2019-20 school year.

(d) Additional school district adjustments are identified in the omnibus appropriations act, and these adjustments are partially reduced or eliminated by the 2022-23 school year as follows:

(i) Adjustments that increase the regionalization factor to a value that is greater than the tercile 3 regionalization factor must be reduced by two percentage points each school year beginning with school year 2020-21, through 2022-23.

(ii) Adjustments that increase the regionalization factor to a value that is less than or equal to the tercile 3 regionalization factor must be reduced by one percentage point each school year beginning with school year 2020-21, through 2022-23.

(3) To aid the legislature in reviewing and rebasing regionalization factors, the department of revenue shall, by November 1, 2022, and by November 1st every (six) four years thereafter, determine the median single-family residential value of each school district as well as the median value of proximate districts within fifteen miles of the boundary of the school district for which the median residential value is being calculated.

(4) No district may receive less state funding for the minimum state salary allocation as compared to its prior school year salary allocation as a result of adjustments that reflect updated regionalized salaries.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Median residential value of each school district" means the median value of all single-family residential parcels included within a school district and any other school district that is proximate to the school district.

(b) "Proximate to the school district" means within fifteen miles of the boundary of the school district for which the median residential value is being calculated.

(c) "School district employees" means state-funded certificated instructional staff, certificated administrative staff, and classified staff.

(d) "School districts in tercile 1" means school districts with median single-family residential values in the first tercile of districts with single-family residential values above the statewide median residential value.

(e) "School districts in tercile 2" means school districts with median single-family residential values in the second tercile of districts with single-family residential values above the statewide median residential value.

(f) "School districts in tercile 3" means school districts with median single-family residential values in the third tercile of districts with single-family residential values above the statewide median residential value.

(g) "Statewide median residential value" means the median value of single-family residential parcels located within all school districts, reduced by five percent.
Sec. 204. RCW 28A.400.006 and 2017 3rd sp.s. c 13 s 703 are each amended to read as follows:

(1) A school district may not ((provide any)) increase average total school district expenditures for certificated administrative staff ((with a percentage increase to total salary)) for the 2018-19 school year((, including supplemental contracts, that exceeds the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle. However, if a district's average certificated administrative staff salary is less than the average certificated administrative staff salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average certificated administrative staff salary equals the average certificated administrative staff salary allocated by the state)) in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to what was the prior year's practice within the school district; or

(c) School districts with an average total certificated administrative staff salary less than the statewide average certificated administrative staff/salary allocation used to distribute funds for basic education, as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.

(3) This section expires August 31, 2019.

Sec. 205. RCW 28A.400.200 and 2017 3rd sp.s. c 13 s 103 are each amended to read as follows:

(1) Every school district board of directors shall fix, alter, allow, and order paid salaries and compensation for all district employees in conformance with this section.

(2)(a) Through the 2017-18 school year, salaries for certificated instructional staff shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a baccalaureate degree and zero years of service;

(b) Salaries for certificated instructional staff with a master's degree shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a master's degree and zero years of service; and

(c) Beginning with the (2019-20) 2018-19 school year:

(i) Salaries for full-time certificated instructional staff must not be less than forty thousand dollars, to be adjusted for regional differences in the cost of hiring staff as specified in RCW 28A.150.410, and to be adjusted annually by the same inflationary measure as provided in RCW 28A.400.205;

(ii) Salaries for full-time certificated instructional staff with at least five years of experience must exceed by at least ten percent the value specified in (c)(i) of this subsection;

(iii) A district may not pay full-time certificated instructional staff a salary that exceeds ninety thousand dollars, subject to adjustment for regional differences in the cost of hiring staff as specified in RCW 28A.150.410. This maximum salary is adjusted annually by the inflationary measure in RCW 28A.400.205;

(iv) These minimum and maximum salaries apply to the services provided as part of the state's statutory program of basic education and exclude supplemental contracts for additional time, responsibility, or incentive pursuant to this section or for enrichment pursuant to RCW 28A.150.276;

(v) A district may pay a salary that exceeds this maximum salary by up to ten percent for full-time certificated instructional staff: Who are educational staff associates; who teach in the subjects of science, technology,
engineering, or math; or who teach in the transitional bilingual instruction or special education programs.

(3)(a)(i) Through the 2017-18 school year the actual average salary paid to certificated instructional staff shall not exceed the district's average certificated instructional staff salary used for the state basic education allocations for that school year as determined pursuant to RCW 28A.150.410.

(ii) For the 2018-19 school year, salaries for certificated instructional staff are subject to the limitations in RCW 41.59.800.

(iii) Beginning with the 2019-20 school year, for purposes of subsection (4) of this section, RCW 28A.150.276, and 28A.505.100, each school district must annually identify the actual salary paid to each certificated instructional staff for services rendered as part of the state's program of basic education.

(b) Through the 2018-19 school year, fringe benefit contributions for certificated instructional staff shall be included as salary under (a)(i) of this subsection only to the extent that the district's actual average benefit contribution exceeds the amount of the insurance benefits allocation, less the amount remitted by districts to the health care authority for retiree subsidies, provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. For purposes of this section, fringe benefits shall not include payment for unused leave for illness or injury under RCW 28A.400.210; employer contributions for old age survivors insurance, workers' compensation, unemployment compensation, and retirement benefits under the Washington state retirement system; or employer contributions for health benefits in excess of the insurance benefits allocation provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. A school district may not use state funds to provide employer contributions for such excess health benefits.

(c)(i) Beginning September 1, 2019, supplemental contracts for certificated instructional staff are subject to the following additional restrictions: School districts may enter into supplemental contracts only for enrichment activities as defined in and subject to the limitations of RCW 28A.150.276. (The rate the district pays under a supplemental contract may not exceed the hourly rate provided to that same instructional staff for services under the basic education salary identified pursuant to subsection (3)(a)(iii) of this section.)

(ii) For a supplemental contract, or portion of a supplemental contract, that is time-based, the hourly rate the district pays may not exceed the hourly rate provided to that same instructional staff for services under the basic education salary identified pursuant to subsection (3)(a)(iii) of this section.

(c) Salary and benefits for certificated instructional staff in programs other than basic education shall be consistent with the salary and benefits paid to certificated instructional staff in the basic education program.

(4)(a) Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, for additional responsibilities, or for incentives. Supplemental contracts shall not cause the state to incur any present or future funding obligation. Supplemental contracts must be accounted for by a school district when the district is developing its four-year budget plan under RCW 28A.150.040.

(b) Supplemental contracts shall be subject to the collective bargaining provisions of chapter 41.59 RCW and the provisions of RCW 28A.405.240, shall not exceed one year, and if not renewed shall not constitute adverse change in accordance with RCW 28A.405.380. No district may enter into a supplemental contract under this subsection for the provision of services which are a part of the basic education program required by Article IX, section 1 of the state Constitution and RCW 28A.150.220.

(c)(i) Beginning September 1, 2019, supplemental contracts for certificated instructional staff are subject to the following additional restrictions: School districts may enter into supplemental contracts only for enrichment activities as defined in and subject to the limitations of RCW 28A.150.276. (The rate the district pays under a supplemental contract may not exceed the hourly rate provided to that same instructional staff for services under the basic education salary identified pursuant to subsection (3)(a)(iii) of this section.)

(ii) For a supplemental contract, or portion of a supplemental contract, that is time-based, the hourly rate the district pays may not exceed the hourly rate provided to that same instructional staff for services
under the basic education salary identified under subsection (3)(a)(iii) of this section.

(5) Employee benefit plans offered by any district shall comply with RCW 28A.400.250, 28A.400.275, and 28A.400.280.

Sec. 206. RCW 28A.400.205 and 2017 3rd sp.s. c 13 s 102 are each amended to read as follows:

(1) School district employees shall be provided an annual salary inflationary increase in accordance with this section.

(a) The inflationary increase shall be calculated by applying the rate of the yearly increase in the inflationary adjustment index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the (2020-21) 2019-20 school year, each school district shall be provided an inflationary adjustment allocation sufficient to grant this inflationary increase.

(b) A school district shall distribute its inflationary adjustment allocation for salaries and salary-related benefits in accordance with the district's collective bargaining agreements and compensation policies. No later than the end of the school year, each school district shall certify to the superintendent of public instruction that it has spent funds provided for inflationary increases on salaries and salary-related benefits.

(c) Any funded inflationary increase shall be included in the salary base used to determine inflationary increases for school employees in subsequent years. For teachers and other certificated instructional staff, the rate of the annual inflationary increase funded for certificated instructional staff shall be applied to the base salary used with the statewide salary allocation methodology established under RCW 28A.150.410 and to any other salary allocation methodologies used to recognize school district personnel costs.

(2) For the purposes of this section, "inflationary adjustment index" means, for any school year, the implicit price deflator for that fiscal year, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington) economic analysis, United States department of commerce.

Sec. 207. RCW 41.56.800 and 2017 3rd sp.s. c 13 s 701 are each amended to read as follows:

(1) A school district collective bargaining agreement for classified staff that is executed or modified after July 6, 2017, and that is in effect for the 2018-19 school year may not (provide school district classified staff with a percentage) increase average total salary for the 2018-19 school year, including supplemental contracts, (that exceed the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle). However, if a district's average classified staff salary is less than the average classified salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average classified staff salary equals the average classified staff salary allocated by the state in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to the salary schedule specified in the agreement;

(c) Salary changes for staffing increases due to enrollment growth or state-funded increases under RCW 28A.150.260; or

(d) School districts with an average total classified staff salary less than the statewide average classified salary allocation used to distribute funds for basic education as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.
(3) This section expires August 31, 2019.

Sec. 208. RCW 41.59.800 and 2017 3rd sp.s. c 13 s 702 are each amended to read as follows:

(1) A school district collective bargaining agreement for certificated instructional staff that is executed or modified after July 6, 2017, and that is in effect for the 2018-19 school year may not provide school district certificated instructional staff with a percentage increase to average total salary for the 2018-19 school year, including supplemental contracts, that exceeds the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle. However, if a district's average certificated instructional staff salary is less than the average certificated instructional staff salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average certificated instructional staff salary equals the average certificated instructional staff salary allocated by the state in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to the salary schedule specified in the agreement;

(c) Salary changes for staffing increases due to enrollment growth or state-funded increases under RCW 28A.150.260;

(d) Salary changes to provide professional learning under RCW 28A.415.430;

(e) Increases related to bonuses for attaining certification from the national board for professional teaching standards;

(f) School districts with an average total certificated instructional staff salary less than the statewide average certificated instructional staff salary allocation used to distribute funds for basic education as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation; or

(g) Salaries for new certificated instructional staff hired in the 2018-19 school year.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.

(3) This section expires August 31, 2019.

NEW SECTION. Sec. 209. The superintendent of public instruction shall convene a work group, that must include representatives of diverse school districts and education stakeholders to make recommendations to define the duties and responsibilities that entail a "school day" under the state's statutory program of basic education under RCW 28A.150.220 and 28A.150.260. The recommendations must consider: The professional responsibilities, time, and effort required to provide the state's statutory program of basic education that exceed the required number of instructional hours specified in RCW 28A.150.220; the necessary preparations, planning, and coordination for that instruction; meeting with and collaborating with parents and other teachers or other staff regarding the program of basic education; and the necessary evaluation of student learning from that instruction. The superintendent shall report the recommendations to the education policy and operating budget committees of the legislature by January 14, 2019.

PART III: LEVIES

Sec. 301. RCW 28A.150.276 and 2017 3rd sp.s. c 13 s 501 are each amended to read as follows:

(1) (a) Beginning September 1, 2018, school districts may use local revenues only for documented and demonstrated enrichment of the state's statutory program of basic education as
authorized in subsection (2) of this section.

(b) Nothing in this section revises the definition or the state funding of the program of basic education under RCW 28A.150.220 and 28A.150.260.

(c) For purposes of this section, "local revenues" means enrichment levies collected under RCW 84.52.053, transportation vehicle enrichment levies, local effort assistance funding received under chapter 28A.500 RCW, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes, except that "local revenues" does not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250.

(2)(a) Enrichment activities are permitted under this section if they provide supplementation beyond the state:

(i) Minimum instructional offerings of RCW 28A.150.220 or 28A.150.260;

(ii) Staffing ratios or program components of RCW 28A.150.260, including providing additional staff for class size reduction beyond class sizes allocated in the prototypical school model and additional staff beyond the staffing ratios allocated in the prototypical school formula;

(iii) Program components of RCW 28A.150.200, 28A.150.220, or 28A.150.260; or

(iv) Program of professional learning as defined by RCW 28A.415.430 beyond that allocated pursuant to RCW 28A.150.415.

(b) Permitted enrichment activities consist of:

(i) Extracurricular activities, extended school days, or an extended school year;

(ii) Additional course offerings beyond the minimum instructional program established in the state's statutory program of basic education;

(iii) Activities associated with early learning programs;

(iv) Any additional salary costs attributable to the provision or administration of the enrichment activities allowed under this subsection; and

(v) Additional activities or enhancements that the office of the superintendent of public instruction determines to be a documented and demonstrated enrichment of the state's statutory program of basic education under (a) of this subsection and for which the superintendent approves proposed expenditures during the preballot approval process required by RCW 84.52.053 and 28A.505.240.

(3) In addition to the limitations of subsections (1) and (2) of this section and of RCW 28A.400.200, permitted enrichment activities are subject to the following conditions and limitations:

(a) If a school district spends local revenues for salary costs attributable to the administration of enrichment programs, the portion of administrator salaries attributable to that purpose may not exceed twenty-five percent of the total district expenditures for administrator salaries; and

(b) Supplemental contracts under RCW 28A.400.200 are subject to the limitations of this section.

(4) The superintendent of public instruction must adopt rules to implement this section.
grants, donations, and state and federal payments in lieu of taxes, but do not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250. School districts must track expenditures from this subfund separately to account for the expenditure of each of these streams of revenue by source, and must provide any supplemental expenditure schedules required by the superintendent of public instruction or state auditor for purposes of RCW 43.09.2856.

(2) A capital projects fund shall be established for major capital purposes. All statutory references to a "building fund" shall mean the capital projects fund so established. Money to be deposited into the capital projects fund shall include, but not be limited to, bond proceeds, proceeds from excess levies authorized by RCW 84.52.053, state apportionment proceeds as authorized by RCW 28A.150.270, earnings from capital projects fund investments as authorized by RCW 28A.320.310 and 28A.320.320, and state forest revenues transferred pursuant to subsection (3) of this section.

Money derived from the sale of bonds, including interest earnings thereof, may only be used for those purposes described in RCW 28A.530.010, except that accrued interest paid for bonds shall be deposited in the debt service fund.

Money to be deposited into the capital projects fund shall include but not be limited to rental and lease proceeds as authorized by RCW 28A.335.060, and proceeds from the sale of real property as authorized by RCW 28A.335.130.

Money legally deposited into the capital projects fund from other sources may be used for the purposes described in RCW 28A.530.010, and for the purposes of:

(a) Major renovation and replacement of facilities and systems where periodical repairs are no longer economical or extend the useful life of the facility or system beyond its original planned useful life. Such renovation and replacement shall include, but shall not be limited to, major repairs, exterior painting of facilities, replacement and refurbishment of roofing, exterior walls, windows, heating and ventilating systems, floor covering in classrooms and public or common areas, and electrical and plumbing systems.

(b) Renovation and rehabilitation of playfields, athletic fields, and other district real property.

(c) The conduct of preliminary energy audits and energy audits of school district buildings. For the purpose of this section:

(i) "Preliminary energy audits" means a determination of the energy consumption characteristics of a building, including the size, type, rate of energy consumption, and major energy using systems of the building.

(ii) "Energy audit" means a survey of a building or complex which identifies the type, size, energy use level, and major energy using systems; which determines appropriate energy conservation maintenance or operating procedures and assesses any need for the acquisition and installation of energy conservation measures, including solar energy and renewable resource measures.

(iii) "Energy capital improvement" means the installation, or modification of the installation, of energy conservation measures in a building which measures are primarily intended to reduce energy consumption or allow the use of an alternative energy source.

(d) Those energy capital improvements which are identified as being cost-effective in the audits authorized by this section.

(e) Purchase or installation of additional major items of equipment and furniture: PROVIDED, That vehicles shall not be purchased with capital projects fund money.

(f)(i) Costs associated with implementing technology systems, facilities, and projects, including acquiring hardware, licensing software, and online applications and training related to the installation of the foregoing. However, the software or applications must be an integral part of the district's technology systems, facilities, or projects.

(ii) Costs associated with the application and modernization of technology systems for operations and instruction including, but not limited to, the ongoing fees for online applications, subscriptions, or software licenses, including upgrades and
incidental services, and ongoing training related to the installation and integration of these products and services. However, to the extent the funds are used for the purpose under this subsection (2)(f)(ii), the school district shall transfer to the district's general fund the portion of the capital projects fund used for this purpose. The office of the superintendent of public instruction shall develop accounting guidelines for these transfers in accordance with internal revenue service regulations.

(g) Major equipment repair, painting of facilities, and other major preventative maintenance purposes. However, to the extent the funds are used for the purpose under this subsection (2)(g), the school district shall transfer to the district's general fund the portion of the capital projects fund used for this purpose. The office of the superintendent of public instruction shall develop accounting guidelines for these transfers in accordance with internal revenue service regulations. Based on the district's most recent two-year history of general fund maintenance expenditures, funds used for this purpose may not replace routine annual preventive maintenance expenditures made from the district's general fund.

(3) A debt service fund to provide for tax proceeds, other revenues, and disbursements as authorized in chapter 39.44 RCW. State forestland revenues that are deposited in a school district's debt service fund pursuant to RCW 79.64.110 and to the extent not necessary for payment of debt service on school district bonds may be transferred by the school district into the district's capital projects fund.

(4) An associated student body fund as authorized by RCW 28A.325.030.

(5) Advance refunding bond funds and refunded bond funds to provide for the proceeds and disbursements as authorized in chapter 39.53 RCW.

Sec. 303. RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are each amended to read as follows:

(1) Beginning in calendar year 2019 and each calendar year thereafter, the state must provide state local effort assistance funding to supplement school district enrichment levies as provided in this section.

(2) For an eligible school district, annual local effort assistance funding is equal to the school district's maximum local effort assistance multiplied by a fraction equal to the school district's actual enrichment levy divided by the school district's maximum allowable enrichment levy.

(3) The state local effort assistance funding provided under this section is not part of the state's program of basic education deemed by the legislature to comply with the requirements of Article IX, section 1 of the state Constitution.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Eligible school district" means a school district whose maximum allowable enrichment levy divided by the school district's total student enrollment in the prior school year is less than the state local effort assistance threshold.

(b) For the purpose of this section, "inflation" means ((inflation as defined in RCW 84.55.005), for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using the official current base compiled by the bureau of labor statistics, United States department of labor.

(c) "Maximum allowable enrichment levy" means the maximum levy permitted by RCW 84.52.0531.

(d) "Maximum local effort assistance" means ((the school district's student enrollment in the prior school year multiplied by) the difference ((a)) between the following:

(i) The school district's actual prior school year enrollment multiplied by the state local effort assistance threshold; and ((a))

(ii) The school district's maximum allowable enrichment levy ((divided by the school district's student enrollment in the prior school year)).

(e) "Prior school year" means the most recent school year completed prior to the year in which the state local effort assistance funding is to be distributed.

(f) "State local effort assistance threshold" means one thousand five hundred dollars per student,
increased for inflation beginning in calendar year 2020.

(g) "Student enrollment" means the average annual (resident) full-time equivalent student enrollment.

(5) For districts in a high/nonhigh relationship, the enrollments of the nonhigh students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.

(6) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.

Sec. 304. RCW 28A.505.240 and 2017 3rd sp.s. c 13 s 204 are each amended to read as follows:

(1) As required by RCW 84.52.053(4), before a school district may submit an enrichment levy, including a transportation vehicle enrichment levy, under RCW 84.52.053 to the voters, it must have received approval from the office of the superintendent of public instruction of an expenditure plan for the district's enrichment levy and other local revenues as defined in RCW 28A.150.276. Within thirty days after receiving the plan the office of the superintendent of public instruction must notify the school district whether the spending plan is approved. If the office of the superintendent of public instruction rejects a district's proposed spending plan, the district may submit a revised spending plan, and the superintendent must approve or reject the revised submission within thirty days. The office of the superintendent of public instruction may approve a spending plan only if it determines that the enrichment levy and other local revenues as defined in RCW 28A.150.276(1) will be used solely for permitted enrichment activities as provided in RCW 28A.150.276(2).

(b) If the superintendent has approved expenditures for specific purposes under (a) of this subsection, a district may change the relative amounts to be spent for those respective purposes for the same levy in subsequent years without having to first receive approval for the change from the office of the superintendent of public instruction if the district adopts the change as part of its annual budget proposal after a public hearing under RCW 28A.505.060.

(3) This section applies to taxes levied for collection beginning in calendar year 2020 and thereafter.

NEW SECTION. Sec. 305. A new section is added to chapter 84.52 RCW to read as follows:

For districts in a high/nonhigh relationship, if the high school district is subject to the maximum per pupil limit under RCW 84.52.0531, the high school district's maximum levy amount must be reduced by an amount equal to the estimated amount of the nonhigh payment due to the high school district under RCW 28A.545.030(3) and 28A.545.050 for the school year commencing the year of the levy.

Sec. 306. RCW 84.52.053 and 2017 3rd sp.s. c 13 s 201 are each amended to read as follows:

(1) The limitations imposed by RCW 84.52.050 through 84.52.056, and 84.52.043 shall not prevent the levy of taxes by school districts, when authorized so to do by the voters of such school district in the manner and for the purposes and number of years allowable
under Article VII, section 2(a) and Article IX, section 1 of the Constitution of this state. Elections for such taxes shall be held in the year in which the levy is made or, in the case of propositions authorizing two-year through four-year levies for enrichment funding for a school district, authorizing two-year levies for transportation vehicle funds established in RCW 28A.160.130 ((through calendar year 2019, authorizing two-year levies for transportation vehicle enrichment beginning with calendar year 2020,)) or authorizing two-year through six-year levies to support the construction, modernization, or remodeling of school facilities, which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the year in which the first annual levy is made.

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

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

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

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

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

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

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

(4)(a) Beginning September 1, 2018, school districts may use enrichment levies ((and transportation vehicle enrichment levies)) solely to enrich the state's statutory program of basic education as authorized under RCW 28A.150.276.

(b) Beginning with propositions for enrichment levies ((and transportation vehicle enrichment levies)) for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan from the superintendent of public instruction under RCW 28A.505.240 before submission of the proposition to the voters.

Sec. 307. RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 are each amended to read as follows:

(1) Beginning with taxes levied for collection in 2019, the maximum dollar amount which may be levied by or for any school district for enrichment levies under RCW 84.52.053 is equal to the lesser of one dollar and fifty cents per
thousand dollars of the assessed value of property in the school district or the maximum per-pupil limit.

(2) The definitions in this subsection apply to this section unless the context clearly requires otherwise.

(a) For the purpose of this section, "inflation" means (inflation as defined in RCW 84.55.005), for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using the official current base compiled by the bureau of labor statistics, United States department of labor.

(b) "Maximum per-pupil limit" means two thousand five hundred dollars, multiplied by the number of average annual (resident) full-time equivalent students enrolled in the school district in the prior school year. Beginning with property taxes levied for collection in 2020, the maximum per-pupil limit shall be increased by inflation.

(c) "Prior school year" means the most recent school year completed prior to the year in which the levies are to be collected.

(3) For districts in a high/nonhigh relationship, the enrollments of the nonhigh students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.

(4) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.

(5) Beginning with propositions for enrichment levies for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan under RCW 28A.505.240 before submission of the proposition to the voters.

(6) The superintendent of public instruction shall develop rules and regulations and inform school districts of the pertinent data necessary to carry out the provisions of this section.

(7) Beginning with taxes levied for collection in 2018, enrichment levy revenues must be deposited in a separate subfund of the school district's general fund pursuant to RCW 28A.320.330, and are subject to the restrictions of RCW 28A.150.276 and the audit requirements of RCW 43.09.2856.

PART IV: OTHER POLICIES

NEW SECTION. Sec. 401. (1) For the 2018-19 and 2019-20 school years, the office of the superintendent of public instruction shall allocate a hold-harmless payment to school districts if the sum of (b) of this subsection is greater than the sum of (a) of this subsection for either of the respective school years or if a school district meets the criteria under subsection (2) of this section.

(a) The current school year is calculated as the sum of (a)(i) through (iii) of this subsection using the enrollments and values in effect for that school year for the school district's:

(i) Formula-driven state allocations in part V of the state omnibus appropriations act for these programs: General apportionment, employee compensation adjustments, pupil transportation, special education programs, institutional education programs, transitional bilingual programs, highly capable, and learning assistance programs;

(ii) Local effort assistance funding received under chapter 28A.500 RCW; and

(iii) The lesser of the school district's voter-approved enrichment levy collection or the maximum levy authority provided under RCW 84.52.0531 for the previous calendar year.

(b) The baseline school year is calculated as the sum of (b)(i) through (iii) of this subsection using the current school year enrollments and the values in effect during the 2017-18 school year for the school district's:
(i) Formula-driven state allocations in part V of the state omnibus appropriations act for these programs: General apportionment, employee compensation adjustments, pupil transportation, special education programs, institutional education programs, transitional bilingual programs, highly capable, and learning assistance programs;

(ii) Local effort assistance funding received under chapter 28A.500 RCW; and

(iii) Maintenance and operation levy collection under RCW 84.52.0531 in the 2017 calendar year.

(2) From amounts appropriated in this act, the superintendent of public instruction must prioritize hold harmless payments to districts that meet both the following criteria:

(a) The sum of the school district's enrichment levy under RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 and local effort assistance under RCW 28A.500.015 is less than half of the sum of the maintenance and operations levy and local effort assistance provided under law as it existed on January 1, 2017. For purposes of the calculation in this subsection, the maintenance and operations levy is limited to the lesser of the voter-approved levy as of January 1, 2017, or the maximum levy under law as of January 1, 2017; and

(b) The adjusted assessed value of property within the school district as calculated by the department of revenue is greater than twenty billion dollars in calendar year 2017.

(3) Districts eligible for hold harmless payments under subsection (1) of this section shall receive the difference between subsection (1)(b) and (a) of this section through the apportionment payment process in RCW 28A.510.250.

(4) The voters of the school district must approve an enrichment levy under RCW 84.52.0531 to be eligible for a hold harmless payment under this section.

(5) This section expires December 31, 2020.

Sec. 402. RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are each amended to read as follows:

(1) Beginning with the ((2018-19)) 2019-20 school year, the legislature shall begin phasing in funding for professional learning days for certificated instructional staff. The state allocation must be used solely for the purpose of providing professional learning. At a minimum, the state must allocate funding for:

(a) One professional learning day in the ((2018-19)) 2019-20 school year;

(b) Two professional learning days in the ((2019-20)) 2020-21 school year; and

(c) Three professional learning days in the ((2020-21)) 2021-22 school year.

(2) The office of the superintendent of public instruction shall calculate each school district's professional learning allocation as provided in subsection (1) of this section separate from the minimum state allocation for salaries as specified in RCW 28A.150.410 and associated fringe benefits on the apportionment reports provided to each local educational agency. The professional learning allocation shall be equal to the proportional increase resulting from adding the professional learning days provided in subsection (1) of this section to the required minimum number of school days in RCW 28A.150.220(5)(a) applied to the school district's minimum state allocation for salaries and associated fringe benefits for certificated instructional staff as specified in the omnibus appropriations act. Professional learning allocations shall be included in per-pupil calculations for programs funded on a per student rate calculation.

(3) Nothing in this section entitles an individual certificated instructional staff to any particular number of professional learning days.

(4) The professional learning days must meet the definitions and standards provided in RCW 28A.415.430, 28A.415.432, and 28A.415.434.

(5) The use of the funding provided under this section must be audited as part of the regular financial audits of school districts by the state auditor's office to ensure compliance with the limitations and conditions of this section.

Sec. 403. RCW 28A.710.280 and 2016 c 241 s 128 are each amended to read as follows:

(1) The legislature intends that state funding for charter schools be
distributed equitably with state funding provided for other public schools.

(2) For eligible students enrolled in a charter school established and operating in accordance with this chapter, the superintendent of public instruction shall transmit to each charter school an amount calculated as provided in this section and based on the statewide average ((staff mix factor)) salaries set forth in RCW 28A.150.410 for certificated instructional staff adjusted by the regionalization factor that applies to the school district in which the charter school is geographically located, including any enrichment to those statutory formulae that is specified in the omnibus appropriations act. The amount must be the sum of (a) and (b) of this subsection((, as applicable)).

(a) The superintendent shall, for purposes of making distributions under this section, separately calculate and distribute to charter schools moneys appropriated for general apportionment under the same ratios as in RCW 28A.150.260.

(b) The superintendent also shall, for purposes of making distributions under this section, and in accordance with the applicable formulae for categorical programs specified in (b)(i) through (v) of this subsection (2) and any enrichment to those statutory formulae that is specified in the omnibus appropriations act, separately calculate and distribute moneys appropriated by the legislature to charter schools for:

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

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

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

(iv) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030; and

(v) Pupil transportation services to and from school in accordance with RCW 28A.160.150 through 28A.160.180. Distributions for pupil transportation must be calculated on a per eligible student basis based on the allocation for the previous school year to the school district in which the charter school is located.

(3) The superintendent of public instruction must adopt rules necessary for the distribution of funding required by this section and to comply with federal reporting requirements.

Sec. 404. RCW 28A.715.040 and 2013 c 242 s 5 are each amended to read as follows:

(1) A school that is the subject of a state-tribal education compact must report student enrollment. Reporting must be done in the same manner and use the same definitions of enrolled students and annual average full-time equivalent enrollment as is required of school districts. The reporting requirements in this subsection are required for a school to receive state or federal funding that is allocated based on student characteristics.

(2) Funding for a school that is the subject of a state-tribal education compact shall be apportioned by the superintendent of public instruction according to the schedule established under RCW 28A.510.250, including general apportionment, special education, categorical, and other nonbasic education moneys. Allocations for certificated instructional staff must be based on the statewide average ((staff mix ratio of the school, as calculated by the superintendent of public instruction using the statewide salary allocation schedule and related documents, conditions, and limitations established by the omnibus appropriations act))) salary set forth in RCW 28A.150.410, adjusted by the regionalization factor that applies to the school district in which the school is located. Allocations for classified staff and certificated administrative staff must be based on the salary allocations of the school district in which the school is located((subject to conditions and limitations established by the omnibus appropriations act)) as set forth in RCW 28A.150.410, adjusted by the regionalization factor that applies to the school district in which the school is located. Nothing in this section
requires a school that is the subject of a state-tribal education compact to use the statewide salary allocation schedule. Such a school is eligible to apply for state grants on the same basis as a school district.

(3) Any moneys received by a school that is the subject of a state-tribal education compact from any source that remain in the school's accounts at the end of any budget year must remain in the school's accounts for use by the school during subsequent budget years.

Sec. 405. RCW 72.40.028 and 2009 c 381 s 7 are each amended to read as follows:

All teachers employed by the Washington state center for childhood deafness and hearing loss and the state school for the blind shall meet all certification requirements and the programs shall meet all accreditation requirements and conform to the standards defined by law or by rule of the Washington professional educator standards board or the office of the state superintendent of public instruction. The superintendent and the director, by rule, may adopt additional educational standards for their respective facilities. Salaries of all certificated employees shall be (set so as to conform to and be contemporary with salaries paid to other certificated employees of similar background and experience in) based on the statewide average salary set forth in RCW 28A.150.410, adjusted by the regionalization factor that applies to the school district in which the program or facility is located. The superintendent and the director may provide for provisional certification for teachers in their respective facilities including certification for emergency, temporary, substitute, or provisional duty.

Sec. 406. RCW 43.09.2856 and 2017 3rd sp.s. c 13 s 503 are each amended to read as follows:

(1) Beginning with the 2019-20 school year, to ensure that school district local revenues are used solely for purposes of enriching the state's statutory program of basic education, the state auditor's regular financial audits of school districts must include a review of the expenditure of school district local revenues for compliance with RCW 28A.150.276, including the spending plan approved by the superintendent of public instruction under RCW 28A.505.240 and its implementation, and any supplemental contracts entered into under RCW 28A.400.200.

(2) If an audit under subsection (1) of this section results in findings that a school district has failed to comply with these requirements, then within ninety days of completing the audit the auditor must report the findings to the superintendent of public instruction, the office of financial management, and the education and operating budget committees of the legislature.

(3) The use of the state allocation provided for professional learning under RCW 28A.150.415 must be audited as part of the regular financial audits of school districts by the state auditor's office to ensure compliance with the limitations and conditions of RCW 28A.150.415.

NEW SECTION. Sec. 407. A new section is added to chapter 28A.320 RCW to read as follows:

(1) School districts must make reasonable efforts to streamline the process used for charging and collecting student fees. The streamlining must seek to increase student participation in the activities for which the fees are collected. The process for charging and collecting fees from students eligible for free or reduced-price meals must be identical to the process for charging and collecting fees from other students.

(2) For the purpose of determining a student's eligibility for free or reduced-price meals, school districts must include on forms completed annually by students' parents or guardians, an option for the parent or guardian to affirmatively consent to disclosing their student's eligibility for free or reduced-price meals to school district departments or programs. The form must indicate that: (a) The purpose of the disclosure is to provide fee discounts or other benefits to students eligible for free or reduced-price meals; and (b) free and reduced-price meal program eligibility information will not be used for other purposes within the school district or disclosed outside the school district for any purpose.

(3) School districts offering fee discounts to students eligible for free or reduced-price meals must use the information collected under subsection (2) of this section to automatically
charge the discounted rate during the fee collection process. The requirements of this subsection (3) apply when and if the district has the appropriate technology to comply with this subsection.

(4) To the extent necessary to comply with the requirements of this section and to the extent permitted by state and federal law, school districts may share student information with vendors.

(5) For purposes of this section, eligible for free or reduced-price meals means a student who is eligible under the national school lunch program or school breakfast program to receive lunch or breakfast at no cost to the student or at a reduced cost to the student.

NEW SECTION. Sec. 408. The sum of twelve million dollars is appropriated for the fiscal year ending June 30, 2019, from the general fund to the superintendent of public instruction solely for hold harmless payments for purposes of section 401(2) of this act.

Sec. 409. RCW 28A.505.140 and 2017 3rd sp.s. c 13 s 602 are each amended to read as follows:

(1) Notwithstanding any other provision of law, the superintendent of public instruction shall adopt such rules as will ensure proper budgetary procedures and practices, including monthly financial statements consistent with the provisions of RCW 43.09.200, and this chapter. By the (2019-20) 2018-19 school year, the rules must require school districts to provide separate accounting of state and local revenues to expenditures.

(2) If the superintendent of public instruction determines upon a review of the budget of any district that said budget does not comply with the budget procedures established by this chapter or by rules adopted by the superintendent of public instruction, or the provisions of RCW 43.09.200, the superintendent shall give written notice of this determination to the board of directors of the local school district.

(3) The local school district, notwithstanding any other provision of law, shall, within thirty days from the date the superintendent of public instruction issues a notice pursuant to subsection (2) of this section, submit a revised budget which meets the requirements of RCW 43.09.200, this chapter, and the rules of the superintendent of public instruction.

NEW SECTION. Sec. 410. The following acts or parts of acts are each repealed:

(1)RCW 28A.415.020 (Credit on salary schedule for approved in-service training, continuing education, and internship) and 2011 1st sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2, 1990 c 33 s 415, & 1987 c 519 s 1;

(2)RCW 28A.415.023 (Credit on salary schedule for approved in-service training, continuing education, or internship—Course content—Rules) and 2012 c 35 s 6 & 2011 1st sp.s. c 18 s 6; and

(3)RCW 28A.415.024 (Credit on salary schedule—Accredited institutions—Verification—Penalty for submitting credits from unaccredited institutions) and 2006 c 263 s 809 & 2005 c 461 s 1.

NEW SECTION. Sec. 411. Sections 303 and 307 of this act take effect January 1, 2019.

Correct the title.

Representative Taylor moved the adoption of amendment (1478) to the striking amendment (1472):

On page 19, line 34 of the striking amendment, after "(3)" insert "By September 1, 2018, school districts must report projected increases provided to certificated administrative staff provided under subsection (1) and (2) of this section to the office of the superintendent of public instruction.

(4)"

On page 21, line 1 of the striking amendment, after "with the" strike "2019-20" and insert "((2019-20)) 2018-19"

On page 22, line 4 of the striking amendment, after "September 1," strike "2019" and insert "((2019)) 2018"

On page 24, line 16 of the striking amendment, after "(3)" insert "By September 1, 2018, school districts must report projected increases provided to classified staff provided under subsections (1) and (2) of this section to the office of the superintendent of public instruction.

(4)"

On page 25, line 20 of the striking amendment, after "(3)" insert "By
September 1, 2018, school districts must report projected increases provided to certificated administrative staff provided under subsection (1) and (2) of this section to the office of the superintendent of public instruction.

(4)"

On page 25, after line 20 of the striking amendment, insert the following:

"Sec. 209. RCW 28A.505.040 and 2017 3rd sp.s. c 13 s 604 are each amended to read as follows:

(1) On or before the tenth day of July in each year, all school districts shall prepare their budget for the ensuing fiscal year. The annual budget development process shall include the development or update of a four-year budget plan that includes a four-year enrollment projection. The four-year budget plan must include an estimate of funding necessary to maintain the continuing costs of program and service levels and any existing supplemental contract obligations.

(2)(a) The completed budget must include a summary of the four-year budget plan and set forth the complete financial plan of the district for the ensuing fiscal year.

(b) The completed budget for the 2018-19 school year must include estimated 2019-20 school year expenditures, including the estimated funding necessary to maintain the continuing costs of the 2018-19 program and service levels and any existing supplemental contract obligations, in its four-year budget plan. The plan must balance in the 2018-19 and 2019-20 school years, including any anticipated changes to revenue for each school year.

(3)(a) Upon completion of their budgets, every school district shall electronically publish a notice stating that the district has completed the budget, posted it electronically, placed it on file in the school district administration office, and that a copy of the budget and a summary of the four-year budget plan will be furnished to any person who calls upon the district for it.

(b) School districts shall submit one copy of their budget and the four-year budget plan summary to their educational service districts and the office of the superintendent of public instruction for review and comment by July 10th. The superintendent of public instruction may delay the date in this section if the state's operating budget is not finally approved by the legislature until after June 1st.

The office of the superintendent of public instruction shall consider the information provided under (b) of this subsection when ranking each school district by the financial health of the school district in order to provide information for districts to avoid potential financial difficulty, insolvency, or binding conditions."

Renumber remaining sections consecutively and correct internal references accordingly.

Representative Taylor spoke in favor of the adoption of the amendment to the striking amendment.

Representative Dolan spoke against the adoption of the amendment to the striking amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Lovick presiding) divided the House. The result was 48 - YEAS; 50 - NAYS.

Amendment (1478) was not adopted.

Representative Dolan moved the adoption of amendment (1476) to the striking amendment (1472):

On page 22, line 20 of the striking amendment, after "contract." strike "The rate the district pays under a supplemental contract may not exceed the hourly rate provided to that same instructional staff for services under the basic education salary identified under subsection (3)(a)(iii) of this section."

Representative Dolan spoke in favor of the adoption of the amendment to the committee striking 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 (1476) was adopted.

Representative Dolan moved the adoption of amendment (1479) to the striking amendment (1472):

On page 36, line 7 of the striking amendment, after "28A.320.330, and" insert "for the 2018-19 school year"

Representatives Dolan and Taylor spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (1479) was adopted.
Representative Dolan moved the adoption of amendment (1477):

On page 42, beginning on line 3 of the striking amendment, strike all of section 407

Renumber the remaining sections consecutively and correct any internal references accordingly.

Correct the title.

Representatives Dolan and Taylor spoke in favor of the adoption of the amendment to the committee striking amendment.

Amendment (1477) was adopted.

Representative Taylor moved the adoption of amendment (1474) to the striking amendment (1472):

On page 43 of the striking amendment, after line 24, insert the following:

"NEW SECTION. Sec. 410. A new section is added to chapter 28A.320 RCW to read as follows:

(1) Public schools may develop curricula that:

(a) Links student learning with engagement in seasonal or nonseasonal outdoor-based activities, including activities related to academic requirements in science, health and fitness, and career and technical education;

(b) Aligns with the essential academic learning requirements under RCW 28A.655.070 that are a component of the state's instructional program of basic education; and

(c) Includes locally administered competency based assessments that align with the Washington state learning standards.

(2) Public schools that develop curricula under this section may request authorization from the superintendent of public instruction, subject to conformity with application or other requirements adopted by rule, shall approve requests by public schools as provided in section 410 of this act to consider student participation in seasonal or nonseasonal outdoor-based activities as instructional days for the purposes of basic education requirements established in RCW 28A.120.220(5).

(2) The superintendent of public instruction shall adopt rules to implement this section."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Representatives Taylor, Dolan and Santos spoke in favor of the adoption of the amendment to the committee striking amendment.

Amendment (1474) was adopted.

Representative Dolan spoke in favor of the adoption of the amendment as amended.

Representative Harris spoke against the adoption of the amendment as amended.

Division was demanded and the demand was sustained. The Speaker (Representative Lovick presiding) divided the House. The result was 50 - YEAS; 48 - NAYS.

Amendment (1472), as amended, was adopted.

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 Dolan and Sullivan spoke in favor of the passage of the bill.

Representatives Taylor, Smith and Schmick spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 6362, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6362, and the bill passed the House by the following vote: Yeas, 50; Nays, 48; Absent, 0; Excused, 0.

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,
WHEREAS, Washington State Representative Melanie Stambaugh was born in Puyallup, Washington on September 25, 1990; and

WHEREAS, Representative Melanie Stambaugh attended and graduated from Emerald Ridge High School in Puyallup; and

WHEREAS, Representative Melanie Stambaugh represented Pierce County as Daffodil Festival Queen as a high school senior; and

WHEREAS, Representative Melanie Stambaugh earned a bachelor's degree in business administration from the University of Washington Foster School of Business in 2013; and

WHEREAS, Representative Melanie Stambaugh co-founded a small business dedicated to helping individuals build confidence through leadership and professional development programs; and

WHEREAS, Representative Melanie Stambaugh serves on the board of Communities In Schools of Puyallup, whose mission is to surround students with a community of support, empowering them to stay in school and achieve in life; and

WHEREAS, Representative Melanie Stambaugh ran for office and was elected to the Washington State House of Representatives in 2014; and

WHEREAS, Representative Melanie Stambaugh became the youngest woman elected to the Legislature since 1936; and

WHEREAS, Representative Melanie Stambaugh has put people before politics, focusing on issues such as college affordability, women's health, children's privacy, transportation infrastructure, road worker safety, and career and technical education funding opportunities; and

WHEREAS, Representative Melanie Stambaugh's first bill signed into law was House Bill 1554, which protects the privacy of children enrolled in child care, early learning, parks and recreation, after-school and youth development programs; and

WHEREAS, Representative Melanie Stambaugh saw four of her bills signed into law by the governor in her first two years in the Legislature; and

WHEREAS, Representative Melanie Stambaugh was named "2015 Legislator of the Year" by the Washington Student Association; and

WHEREAS, Representative Melanie Stambaugh was selected to serve in the Governing Institute's Women in Government Leadership Program in 2016; and

WHEREAS, Representative Melanie Stambaugh was appointed to the Education Accountability System Oversight Committee in 2015, the School Safety Summit in 2016, and the Office of Homeless Youth Advisory Committee in 2017; and

WHEREAS, Representative Melanie Stambaugh's leadership has made a positive difference in the 25th Legislative District and the state;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize and honor Representative Melanie Stambaugh's dedication to serving the communities of the 25th Legislative District with joy, purpose, and resolve; and

BE IT FURTHER RESOLVED, That a copy of this resolution be transmitted by the Chief Clerk of the House of Representatives to the Honorable Representative Melanie Stambaugh.

Representative McDonald moved adoption of HOUSE RESOLUTION NO. 4688

Representative McDonald: "Thank you Madame Speaker. I am so very honored to stand here and honor my seatmate. Most of you don't know but I met Melanie when she was 14 or 15 years old and she actually served as my page in the floor of the House and when she came down here, she was just as bright and poised, probably not totally as bright and poised, but she was a wonderful young lady and even at that time, she was very involved in her community.
and obviously her trip here to the House of Representatives helped open up new avenues for her. She has been so involved in our community. She served, as you stated, she was Daffodil Queen. Now it’s one thing to be a daffodil princess, but the queen rises above, and that’s been Melanie and I know that her mom and her dad and her family are so proud of her. She also is very involved in communities and schools in Puyallup, where she helps other young children know what they can do with their lives. She talks to them and lets them know that they have a future ahead of them and the sky is the limit and it’s so encouraging to see her smile and to see her look at those kids and know that they have a bright future. You know, sometimes on this floor of the House, House of Representatives, I always used to say every year I spent here I aged two years, and for me being older, that’s tough, but for Melanie, although she’s served four years, it probably feels like eight, but she looks as fresh and wonderful as she did when she walked in this door, and when you go out Melanie, you are going to do great things and we just love and appreciate you and just want to ask God to bless you today. Thank you for being my seatmate and for me seeing your enthusiasm, that helped. Thank you."

Representative Sawyer: “Thank you Madame Speaker. It’s very rare that I get up on the House Floor if it’s not my bill or my committee but I wanted to take a moment and thank Representative from the 25th for her service and just to thank you to show us your grace and your leadership over the four years that you’ve been here but this isn’t a retirement speech. You could live twice as long, take a decade off and still be younger than my seatmate, so, we, it’s a true story. So one thing I’ve gotten, I’ve had the opportunity to get to know Representative Stambaugh for the last four years, and I’ve seen her at her best, at her worst, her most angry, and I’ve learned a lot from her. She’s shown me a lot about what it’s like to stand at a podium and to stand by who you are no matter what’s coming at you when you feel you’re in the right, and no matter your age, I think we’ve all learned, I think, a lot from her to show what poise it takes to take such stances that you’ve taken and to be on the receiving end of what you’ve been on the receiving end of, and there are a couple of things I’ve also realized that you know, kind of stealing from a moving a little bit but you never get involved in a land war in Asia and you never cross a Stambaugh woman. I have seen the Representative, I asked her permission to tell this story, but I’ve, I think I’ve seen her cry on two occasions and it’s never out of sadness, it’s only out of anger and when you see that kind of resolve and her ability to handle anything, I just am, I think so blessed to know you as a friend, and I’m so blessed to have served with you and I think we all can take some lessons and I think you’ve left an imprint her for all of us so thank you.

08:15:55 - Representative Barkis: Thank you Madame Speaker. It is truly an honor to rise today for I have had a great experience, a unique experience and one that I have to tell you started with being intimidated and I was telling this to the good lady from the 25th that, you know, I’m new but I’m not young and I’ve been around in business and different various things I’ve done in my life but when I was told that I was going to be sitting in the front row, intimidation number one and then I was told that I was going to be sitting next to the good lady from the 25th I though, Oh boy and because I’ve never seen somebody with such poise and grace and a command of the language and an elegance in speaking and the ability to put thoughts together and I’ve watched her put her notes together and so quickly the intimidation turned to learning, watching, following and then this great thing happened, a friendship, a relationship, which is what we all just love about this place is it’s about the relationships that we build here and I’ve had a great opportunity to build a relationship with my deskmate, my floormate here, who has educated me, who has shared opinions and we’ve debated issues and talked about stuff and I guess I would say she’s maybe changed a vote or two, but it’s been phenomenal that I can’t even see the age because of the amount of wisdom and then to add to that, we just happen to have our offices right next to each other and to add to that, both our LA’s are named Shelby so it’s kind of confusing when people come down to see us. But I’ve had this great experience of getting to know the good lady from the 25th who has been a mentor to me in my first two years here. Who has helped me to be a better legislator and who I know will help countless numbers of people out in the world to be better people. To be better leaders. She is going to be truly missed and I’m going to miss sitting by her here on the floor, Thank you.”

Representative Senn: “Thank you Madame Speaker. It is with great honor and pride that I stand to honor the good lady from the 25th. I first met her when she was a freshman, and I’d heard a rumor that there was a legislator who knew a little bit about social-emotional learning which was great, because I actually didn’t really know that much about social-emotional learning, but I heard that was a thing and I was kind of getting my feet wet in that topic and so I went to her office and she welcomed me in and we had a half-an-hour conversation which, as we all know in this body, is a long time and I learned all about her business and all about her passion for teaching people, not just about etiquette, but what that means and how to carry yourself and how to emote and have empathy and I think it was through that conversation that I actually started to understand what social-emotional learning was and from that point we worked together on many issues, signed onto bills together and it was just amazing to just work with her from the pure point of view of our passion for issues and for legislation and the idea of moving that forward. When it became time for the first vote on the House floor around equal pay, again, I think Melanie was still a freshman and she voted for the equal pay bill and it was a bipartisan move, it was a tough vote, I imagine, but it also, I think, showed from that very first moment, that get-go, how brave, how principled, how unbending but not inflexible you were, and it was something that I think just really made you stand out, certainly in my eyes but I think in everyone’s on this floor that this is somebody who really knows who she is and she’s going to take the stands when she wants to and you have never faltered on that and that is something for all of us to really, to look to. I would also be loath if I didn’t mention that her name actually comes up quite often because when people come into my office I sometimes get complements on its decoration and I have to admit I’ve felt a little competitive if anyone’s been to the good lady’s office, she is clearly quite the classy decorator and I stole some ideas from her office and I have curtains in my office as well and it’s because of
yours, because of your inspiration so thank you for that. They continue to be there. And then just lastly, you truly remind us on this House Floor the importance of diversity in all what it means and obviously a number of us have mentioned this but, the importance of diversity around age as well and you constantly speak up for our youth and you make sure that we remember that there is an important youth voice. It might be different from other voices that we here and you are a unbelievable champion and a stalwart of reflecting that voice. So, God speed and you’ll be missed and I’m sure we will not, this will not be the last that we hear of you.”

There being no objection, HOUSE RESOLUTION NO. 4688 was adopted.

RESOLUTION


WHEREAS, Representative Jay Rodne was first elected to the Washington State House of Representatives in 2004, ablely representing the people of the 5th Legislative District; and

WHEREAS, Representative Jay Rodne graduated cum laude and earned a juris doctorate from Gonzaga University School of Law in 1997 and continued his education at the University of Washington, where he received a master’s degree in health administration in 2012; and

WHEREAS, Representative Jay Rodne began his career of public service in the Snoqualmie City Council in 2002; and

WHEREAS, In addition to his time in elected office, Representative Jay Rodne served in the U.S. Marine Corps for the past 29 years, five of which were active duty and 24 in the U.S. Marine Corps Reserves, and currently holds the rank of colonel; and

WHEREAS, Representative Jay Rodne served during the Persian Gulf War, in Somalia during Operation Restore Hope, and in Kuwait and Iraq in support of Operation Iraqi Freedom; and

WHEREAS, In an effort to thank veterans and military members for their sacrifices, Representative Jay Rodne sponsored legislation to create the Washington State Flag Account for the benefit of our military personnel; and

WHEREAS, Representative Jay Rodne introduced groundbreaking, comprehensive youth concussion legislation in honor of Zackary Lystedt of Maple Valley, who sustained a life-altering head injury while playing football in 2006; and

WHEREAS, Representative Jay Rodne pursued policies to improve the safety and reliability of our transportation system, sponsoring legislation to designate State Route 169 as a highway of statewide significance and working to secure tens of millions of dollars in funding to ease congestion at significant bottlenecks in his district; and

WHEREAS, Representative Jay Rodne prioritized the care and treatment of mentally ill individuals by helping enact Joel’s Law and sought to improve oversight at our state mental health facilities; and

WHEREAS, Representative Jay Rodne has said he owes much of his success as a state representative to his fellow lawmakers, the people of his district, and his family, namely his children Tye and Kalyn;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize the service of Representative Jay Rodne to our great state and nation; and

BE IT FURTHER RESOLVED, That a copy of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Representative Jay Rodne.

Representative Hayes moved adoption of HOUSE RESOLUTION NO. 4686

Representative Hayes: “Thank you Madame Speaker. You know we’re loosing some great members here over the last couple of days. Something you and I can certainly agree with but here, this afternoon, I’m standing to honor a good friend of mine. A man who I’ve really come to respect and indeed love, as a brother and you know, when we were honoring Representative Stambaugh, a moment ago, there were so many great things that were said and very polite things but I must admit when I think about the stories that I have with Representative Rodne, I don’t know that I can share many of them here on this floor. That’s the kind of friend that I’m loosing and Representative Rodne’s moving away. You know, I’ve got to think that the men and women of Duluth Minnesota and Kel and Kathleen Rodne must be incredibly proud of my brother Jay, because they brought forth to our nation a great man. A guy that’s known as being a gentleman, a guy that’s known as being a counselor, both out in the public and in his day job as an attorney and here in the state House of Representatives but even beyond that, we have a Marine, a United States Marine. A worrier of the United States who has gone to foreign lands, demonstrated honor and came home to continue that honor as a veteran and a current member of the United States Marine Reserves as a colonel. So he came here in 1978 and after 44 years of service, I’m sorry, I guess it was 2004, 14 years of service, something like that, he’s a lot older than me, so, but now he’s moving on to a new chapter in his life and I’ll remember the
first couple times I got to meet Jay was I came here to the House Floor and he sat across from me and with our good friend Charley, Charley Ross, and after that he moved on to have the pleasure of sitting with my seatmate, Representative Smith. Representative Smith came to me, in my role as a whip, she said ‘Dave, I have to sit with Jay. He needs supervision.’ But all joking aside, you know, I will miss you brother. I’ll miss your sense of humor, I’ll miss your counsel, and I’ll just remind you that friendship never ends. Semper Fi. Hoo Rah!”

Representative Jenkins: “Thank you Madame Speaker. Jay and I met, actually, in 2004, just after he’d been elected. I worked at the Department of Health and was on a rural health tour that the Legislature started and I remember very clearly being on the bus and a member pointing him out and saying to me ‘He was just elected, he ran as a Republican but he’s actually a Democrat in disguise.’ And I mean, I worked for a state agency, I took it all in, you know, and so then we fast forward to 2011 and I start my service here and I’m serving on the Health Care Committee with him and on the Transportation Committee with him and I think back to that conversation and I think, maybe I didn’t understand what a Democrat is, huh. But you know, for me, Jay and I have served together on the Judiciary Committee which is where we interacted most closely and he’s, Jay, you have held down polarities for me in the sense that you are both intense and easy going at the same time. You are very curious about things and you’re very clear on what your values are at the same time. You’re also randomly early and randomly late to things in very unpredictable ways for me but you’ve always always always been super smart and laser sharp at your abilities to hone in on questions and try and get the answers to them and the other thing that has absolutely always been true about you is your compassion and I think a lot about our work together on mental health and on getting Joel’s law to make that happen and in part I know you did that because of the connection you made to Joel’s parents as did I. And so I guess that’s one thing that I would note in terms of how we became able to refer to each other as brother and sister when we’re talking and actually just to be clear, my brother also asked me to mention to the whole body that he is a very good golfer, so he is, if he says so. I did it Jay, you asked me to. But, you know, like family, we are. I think, we want the best for each other and I very much want the best for you. We’re also like family in that we’re able to criticize each other but we’re not really very good at letting anyone else criticize each other to other people and I think that’s the way family works and in fact Jay and I had, there was something we were not getting along about and he said ‘Hey, I love you sister.’ and I said ‘I know you love me but you know I have a brother that I don’t speak to because he’s kind of a jerk so don’t push me on this Jay.’ So Jay, I just really really want to say to you congratulations on your service to the people of the state of Washington. I want to wish you the very very best, brother, in what you do, especially improving your almost perfect golf game already, but whatever you do, you’ve been a wonderful family member to actually both battle with and battle against other people and other things and bad things with and I always knew that on the big things we could be together on them and I love and respect you. Best wishes.”

Representative MacEwen: “Thank you Madame Speaker. It’s truly an honor to recognize our good friend here. And Colonel, I’ve got to let you know a few moments ago I was texting with my son and he was asking me what was going on. I told him, I said actually we’re getting ready to say good bye to you and so, you’re on live right now in Camp Pendleton as well – he’s watching this and so. You know, this is one of the beauties of this institution, we go to battle against each other down here and you hear the comments from both sides of the aisle and the friendships we have down here are incredible and I’m certainly going to miss Jay. The gentleman from the 10th, he and I were commenting beforehand, like who’s going to go first because I think we’re both going to say the same things and he couldn’t come up with anything original so I let him go first. But I think back to what your career has been and I only know what you’ve told me but as a young lieutenant, there in Somalia and the terrible situation, but as I’ve gotten to know you I can only imagine the confidence and the calmness you instilled, probably, in your unit during that fight and that you brought that with you through your years here and that has carried on. Jay was and is a mentor to both of my sons who now wear the same uniform as he is and I appreciate your mentorship of them and I am very grateful for that. Jay is certainly one that stands on principle, his judicial skills as a lawyer come through in everything he does and he stands firm in what he believes and that’s missing in society today oftentimes and I certainly appreciate that about you. You know when we’re caucusing on something and I sit next to him there in caucus and he’s like ‘I’m a no on this’ and I’m like ‘oh crap’ it makes you think again and he’s just that convicted in what he believes and I really appreciate that and he stands strong on his faith and again I think that’s something that is lacking in our society today and I appreciate that about Jay that your faith is important in your life and that’s a shining example to everyone as well. You’ve certainly got that sense of humor and I don’t know Madame Speaker, if you’ve ever gamed anybody when they’ve been doing these farewell speeches so I’m going to have to refrain from some of those humorous stories that I also share with him and that is our military background and maybe we don’t share the same decorum outside of here that we do inside here so rest assured to this body that we have a lot of good stories that are probably better left just between us and those that we’ve shared them with. Another interesting thing I share in common with the colonel is we’re both from Minnesota originally so good things do come out of the mid-west and we’re both here and it’s a fun background to share and one little tidbit I found out today is if you look at his jacket and tie, apparently that is the same one he wore when he was sworn in. There’s somebody who’s stayed in shape. One funny story I can share: A couple of years ago when we were honoring one of the branches of the military down here, had them in caucus and Jay decided that we should all sing our respective branches anthems so he does the Marine Corps and turns to himself and the good gentleman from the 10th to do the Navy one - I think we got through the first bar and that was about it, so he certainly showed us up on that. Again, his humor
on all that is excellent, so. People come and go here all the time and this year it’s really hit me. I’m losing a friend, from the chamber, I’m still going to have you as a friend of course and so you are going to be greatly missed here and I appreciate the contribution you’ve made to this chamber, to this state, to the people we represent and it will be missed and I wish you the best my friend. I know we’ll stay in touch and I will just end with this. We can probably think of some fictional Marine characters that have been in various movies, certainly Colonel Jessup comes to mind, and again we’ll refrain from some of those quotes, but how about Lieutenant Kendrick in A Few Good Men. I’ve certainly never been to the Colonel’s house, but I picture when Lieutenant Kendrick made the quote in the movie, he said ‘I sleep well at night because next to my bed is the Marine Corps Code of Conduct and the King James Bible.’ I’m pretty sure that applies to you as well, so I salute you Colonel. I’m going to miss you and I wish you the best. Thank you.

Representative Cody: “Thank you Madame Speaker. Well for some reason, the Health Care Committee has had someone from the 5th on it the entire time I have been in the Legislature and I don’t know whether the 5th has just decided that they get a seat on the Health Care Committee or what, but I can talk about some of his predecessors on the committee but he’s been on it for the last 14 years and I would say that during that time we’ve had some interesting debates through the years. For some reason since he’s been working for hospitals, he doesn’t think nurses deserve a break, and I do. We’ve had a few of those, but we’ve also had some good times on rural health care tours that I won’t go into – similar to some of the other comments here - but the thing many people probably don’t know is that we have something in common we both went to Crayton, a good Jesuit school, and we’ve had a lot of philosophical debates about religion and our beliefs and for some reason the Jesuits failed him. So, I have not been able to figure out where they went wrong with him but you know there’s still hope and we will hold that out but I was actually upset when I heard that you were retiring and I thought, boy I’m really going to miss him, until yesterday when he told people I was 70 and so, don’t let the door hit you on the way out Rodne.”

There being no objection, HOUSE RESOLUTION NO. 4686 was adopted.

MESSAGES FROM THE SENATE

March 8, 2018

MR. SPEAKER:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

- SUBSTITUTE SENATE BILL NO. 5746
- ENGROSSED SENATE BILL NO. 6087,

and the same are herewith transmitted,

Brad Hendrickson, Secretary

March 8, 2018

MR. SPEAKER:

The President has signed:

- ENGROSSED SUBSTITUTE SENATE BILL NO. 6034,
- SUBSTITUTE SENATE BILL NO. 6055,
- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6269,
- SUBSTITUTE SENATE BILL NO. 6317,

and the same are herewith transmitted,

Brad Hendrickson, Secretary

March 8, 2018

MR. SPEAKER:

The President has signed:

- SENATE BILL NO. 5020,
- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6162,
- SUBSTITUTE SENATE BILL NO. 6334,
- SUBSTITUTE SENATE BILL NO. 6452,

and the same are herewith transmitted,

Brad Hendrickson, Secretary

March 8, 2018

MR. SPEAKER:

The President has signed:

- SUBSTITUTE SENATE BILL NO. 5683,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6002,
- SUBSTITUTE SENATE BILL NO. 6051,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6058,
- SUBSTITUTE SENATE BILL NO. 6133,
- SUBSTITUTE SENATE BILL NO. 6159,
- ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6160,
- SUBSTITUTE SENATE BILL NO. 6163,
- SUBSTITUTE SENATE BILL NO. 6175,
- ENGROSSED SUBSTITUTE BILL NO. 6211,
- SECOND SUBSTITUTE SENATE BILL NO. 6245,
- SUBSTITUTE SENATE BILL NO. 6437,
- SUBSTITUTE SENATE BILL NO. 6519,

and the same are herewith transmitted,

Brad Hendrickson, Secretary

March 8, 2018

MR. SPEAKER:
The President has signed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 3003,
and the same are herewith transmitted,

Brad Hendrickson, Secretary
March 8, 2018

MR. SPEAKER:
The Senate has passed:
SECOND SUBSTITUTE HOUSE BILL NO. 2269,
and the same is herewith transmitted,

Brad Hendrickson, Secretary
March 8, 2018

MR. SPEAKER:
The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

SENATE BILL NO. 5987,
SUBSTITUTE SENATE BILL NO. 6340,
and the same are herewith transmitted,

Brad Hendrickson, Secretary
March 8, 2018

MR. SPEAKER:
The President has signed:

SENATE BILL NO. 5598,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5917,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6257,
SECOND SUBSTITUTE SENATE BILL NO. 6274,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6329,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6407,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6419,
SENATE BILL NO. 6471,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6474,
ENGROSSED SUBSTITUTE SENATE BILL NO. 6491,
SUBSTITUTE SENATE BILL NO. 6493,
SUBSTITUTE SENATE BILL NO. 6514,
SUBSTITUTE SENATE BILL NO. 6560,
and the same are herewith transmitted,

Brad Hendrickson, Secretary

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

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 6614, by Senate Committee on Ways & Means (originally sponsored by Senators Mullet, Rolfs, Dhingra and Frockt)

Concerning funding for the support of common schools. Revised for 1st Substitute: Concerning funding for the support of common schools. (REVISED FOR ENGROSSED: Providing property tax relief by reducing calendar year 2019 state property taxes and
redirecting revenue to the education legacy trust account for fiscal year 2019 )

The bill was read the second time.

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

Representatives Lytton, Stokesbarym, Dolan, Frame, Irwin and Pollet, spoke in favor of the passage of the bill.

Representative Muri, Walsh, Orcutt, Condotta and Young spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6614.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6614, and the bill passed the House by the following vote: Yeas, 59; Nays, 39; Absent, 0; Excused, 0.


ROLL CALL

The Clerk called the roll on the final passage of House Initiative No. 940, and the bill passed the House by the following vote: Yeas, 55; Nays, 43; Absent, 0; Excused, 0.


The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of House Initiative No. 940.

RESOLUTION

WHEREAS, Representative Ruth Kagi served in the House of Representatives for twenty sessions with poise and an unwavering focus on helping people; and

WHEREAS, She has a long history of community and public service that includes serving for 20 legislative sessions in the House of Representatives and formerly as Chair of the National Conference of State Legislatures Human Services Committee, the Vice President of the League of Women Voters of Washington, and the Vice Chair of the Thrive Washington board of directors; and

WHEREAS, Representative Ruth Kagi worked tirelessly to champion the cause of supporting children and families including helping foster children, improving the child welfare system, reforming drug sentencing laws, and strengthening early learning and child care; and

WHEREAS, She spearheaded the creation of the Department of Children, Youth, and Families, which united programs and services that had been scattered among other state agencies. She advocated for the Early Start Act of 2015, which expanded high quality early learning to thousands of Washington children; and

WHEREAS, Speaker Frank Chopp praised Representative Ruth Kagi’s legacy of advocating for children and families by saying, “Ruth is the conscience of our caucus when it comes to children and families”; and

WHEREAS, Speaker Chopp also said, “With her leadership, the Legislature changed the way the state views early learning challenges, transforming the way we address these issues from separate components to a holistic approach”;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives celebrate and commemorate Representative Ruth Kagi’s dedicated service to Washington state and her family.

BE IT FURTHER RESOLVED, That a copy of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Representative Ruth Kagi and her family.

Representative Ryu moved adoption of HOUSE RESOLUTION NO. 4692

Representative Ryu: “Thank you Mr. Speaker. Representative Kagi and I actually have a lot in common. We are both Huskies, we are the strong women of the 32nd Legislative District, I think that legacy goes back at least 20 years. We actually served on very complimentary committees. I don’t think I served on any committees with Representative Kagi; however, the issues that we are passionate about and worked on, worked really well for us when we had many many joint tele-town halls, joint news letters, and even joint district offices. It’s been a pleasure serving with Representative Kagi. The one thing that we do not have in common, however, is that Representative Kagi has two adorable grandchildren and I don’t. I knew that when her son Chris had a gorgeous daughter, a grandson for Ruth, I started thinking, uh oh, some day we’re going to loose Ruth because she’s gonna want to play with them all day long and so we are going to loose Ruth and I’m going to miss you a lot. But you know what? Our loss is their gain and I’m sure we will see her here often so I look forward to seeing you as a private citizen and a constituent. May God be with you.”

Representative Dent: “Thank you Mr. Speaker. As I said earlier today when I was in shock that my first experience with Representative Kagi was after I’d won an election. So, I want you to think about this a little bit - You have this country boy, flies airplanes and raises cows, but has a passion for children, and we have this urban city girl, right, who’s been the chairman of this committee a long time and I’m just thinking what’s going through her mind - what am I going to have on my committee now? But she reached out to me and we began that relationship and it’s the one thing I knew we had in common from the beginning was relationships because we both knew that relationships are everything. I’m going to tell you, she reached out and she worked hard to build that relationship with me. In the first year on her committee, I was just on the committee, but we had the Early Start Act and that’s sort of when we began to build more of a relationship and learning about early learning and these things and she spent time to teach me so I knew what it was about. She put up with my arguments and my pushbacks and I knew she had it in her mind that she was going to direct me in a different direction. That proved to be a little harder than she thought, I think. But it continued on and that first year, with my passion for children and her passion for children, we built that relationship but I did other things here as we all do and my first year was successful here and I was proud of my first year here and a lot of that came from the help I received from Representative Kagi because she, I’m talking to her about airplanes which she knows nothing about but she believed that I was telling the truth and she helped me. She helped me to do something that was really important to me right down to the end of the last special session she was hanging in there with me and I’ll never forget that cause I thought I was going to loose it. I came back on a Saturday and I’m running up the stairs in the LEG building and she’s coming down, she says ‘hold on Tom, it’s ok, it’s still in there, it’s good’ and I’ll never forget that cause I knew then that even though we had a lot of differences, that we were friends. The second year on our committee, our assistant ranking, chose to step away from that position so they made me assistant ranking so that was interesting but we worked together and continued on and then our ranking member decided to run for the Senate at the end of that year, so, now Representative Kagi was stuck with me as the ranking member. I’m sure that she was concerned. I know she was concerned because she told my leadership, she says ‘you know, Tom reads everything. I don’t know how I can work with this.’ but oh well, I really didn’t read everything but she thought I did – I let her think that. But we worked together on 1661 on the Children, Youth and Families and I have to tell you that was a lot of fun and we negotiated, we talked, we changed that bill, we looked at the direction, we still did, we had a meeting, this morning we had a meeting, still working on that direction and where we want that department to go and it was, I’ve got to say, it was probably one of the better experiences I’ve had since I’ve been here, being able to work with somebody that close and find a way to make this work because we both have the same passion. We both want this to be a better department, we both want better outcomes for children and she is so passionate for this. She’s been here a long time and she has the same passion this morning as she had the first morning I was here. I’m impressed. This year has been an experience working together. We’ve had a lot of bills, it’s been a very intense session, as everyone here knows, and I think this year we really worked well together. I’m not sure if she’s got me trained or she’s just putting up with me, but it really went...
well this year. I want to tell you, I’m a man of a lot of faith and I truly believe that nothing happens by accident and I believe that I was put here in this body to work with Representative Kagi, my friend Ruth Kagi, there was a reason for that and even though I may not know that reason even tonight, I know it was to be. I am so honored, I’m so grateful to have spent this time with you and I just thank you for everything you’ve given me and all the best in your future.”

Representative Goodman: “Thank you Mr. Speaker. So Mr. Speaker, we all have the name honorable in front of our name just because we got elected to this body and we’re not honorable because we got elected to this body, we’re honorable because of what we do while we’re here, we have to earn it and I can’t think of anyone who is more honorable than Ruth Kagi. We say that so-and-so, he’s my mentor, she’s my mentor and Mr. Speaker, I can say you’re my mentor but you know, you’re my buddy, actually. Ruth Kagi is my mentor. She’s been my mentor for 20 years and I really can’t think of anybody else in my last 20 years who has surpassed the influence in setting the example. Think of the legacy - we should call it not the Department of Children, Youth and Families but the Ruth Kagi Department. How many members of the Legislature can actually establish a new department of government and not just that, but one that’s focused on caring for who we say is first. We say kids are first, but you know kids are invisible around here. There’s lobbyists around here, there are adults around here and sometimes it’s easier to say ‘oh kids are first’ and then we just forget about it and we fund everything else and we pay attention to other policy problems. But Ruth Kagi was here to remind us that kids are first and not just that kids are our future but that kids are right now. Think of the legacy - think of home visiting programs - new mothers who are vulnerable, who’s lives are turned around by these small investments - there’s no better investment of public money. Ruth Kagi championed that. Not only that but it wasn’t just public money, it was public-private partnership and that’s a fund that we now have going and it is setting an example. Think about our childcare system, which we acknowledged was troubled and needed improvement. Where childcare workers need to understand child development. And what are we doing? We’re dramatically improving the quality of childcare throughout the state. So about 20 years ago, I was I guess a little bit of a troublemaker myself and I always believed that the war on drugs was a failed policy so I was a little bit of a bunt under the saddle of the legislature before I got elected here, saying that we shouldn’t be incarcerating people who have drug problems, we should provide therapeutic treatment and Ruth Kagi listened and she got everybody together and changed the way we handle people who have drug problems, by not needlessly incarcerating them, but by providing therapeutic care to improve their lives and so we have a new system in the state and it’s an example for the country. It was the first time that a state Legislature did that and it was back in 2002, that’s a long time ago. Now the idea of treatment rather than incarceration for people with drug problems, is, that’s a second thought, of course we should be doing that. It was revolutionary back then and so I’m proud just to have been involved in that work, even before I got elected to the Legislature. I, even now as a colleague of Ruth Kagi, I have trouble calling her Ruth. You know, when I receive an email or send an email back or a phone call or just talking, I want to say Representative Kagi. I want to acknowledge the honor of the office that she occupies and because she wasn’t just Ruth, she’s Representative Kagi. Someone, a personage, not just a person. Someone with an aura. And to me, Ruth Kagi personifies compassion, personifies greatness, and personifies righteousness which is different from self-righteousness and is an example to me now and will always be an example to me in the rest of my career and the rest of my life. So thank you so much, Ruth, for your example for me.”

Representative Caldier: “Thank you Mr. Speaker. You know, 20 years ago, Ruth, when you first came into the Legislature, I still had family members who were still in foster care and we both know how horrible the foster care system was and I have to say that later on when I became a foster parent, there was a lot of improvements and I know that you had a lot to do with that and I am so grateful for all of your work over these years. There’s still a lot of work to do but I am so grateful for everything that you’ve done and the impact that you’ve made. For children who really, a lot of times they never felt like they had a voice and they didn’t have much of a hope but you were always there, and words cannot express how grateful that I am, my family is and many other children are for you. You know, I saw how hard you worked last year to pass the Department of Children, Youth and Family Services. I mean, essentially you changed government. Think about that for a second. I can barely pass a bill out of this place. You literally changed government. You are so amazing. I’m very grateful. I am honored to call you my friend, I’m honored to have served with you and thank you so much.”

There being no objection, HOUSE RESOLUTION NO. 4692 was adopted.

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

THIRD READING

MESSAGE FROM THE SENATE

March 8, 2018

Mr. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 2444 with the following amendment:

Strike everything after the enacting clause and insert the following:

“Sec. 1. RCW 82.45.010 and 2014 c 58 s 24 are each amended to read as follows:

(1) As used in this chapter, the term "sale" has its ordinary meaning and includes any conveyance, grant, assignment, quitclaim, or transfer of the
ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person at the purchaser's direction, and title to the property is retained by the vendor as security for the payment of the purchase price. The term also includes the grant, assignment, quitclaim, sale, or transfer of improvements constructed upon leased land.

(2)(a) The term "sale" also includes the transfer or acquisition within any twelve-month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration.

(b) For the sole purpose of determining whether, pursuant to the exercise of an option, a controlling interest was transferred or acquired within a twelve-month period, the date that the option agreement was executed is the date on which the transfer or acquisition of the controlling interest is deemed to occur. For all other purposes under this chapter, the date upon which the option is exercised is the date of the transfer or acquisition of the controlling interest.

(c) For purposes of this subsection, all acquisitions of persons acting in concert must be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The department must adopt standards by rule to determine when persons are acting in concert. In adopting a rule for this purpose, the department must consider the following:

(i) Persons must be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(ii) When persons are not commonly owned or controlled, they must be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely independent, with each purchaser buying without regard to the identity of the other purchasers, then the acquisitions are considered separate acquisitions.

(3) The term "sale" does not include:

(a) A transfer by gift, devise, or inheritance.

(b) A transfer by transfer on death deed, to the extent that it is not in satisfaction of a contractual obligation of the decedent owed to the recipient of the property.

(c) A transfer of any leasehold interest other than of the type mentioned above.

(d) A cancellation or forfeiture of a vendee's interest in a contract for the sale of real property, whether or not such contract contains a forfeiture clause, or deed in lieu of foreclosure of a mortgage.

(e) The partition of property by tenants in common by agreement or as the result of a court decree.

(f) The assignment of property or interest in property from one spouse or one domestic partner to the other spouse or other domestic partner in accordance with the terms of a decree of dissolution of marriage or state registered domestic partnership or in fulfillment of a property settlement agreement.

(g) The assignment or other transfer of a vendor's interest in a contract for the sale of real property, even though accompanied by a conveyance of the vendor's interest in the real property involved.

(h) Transfers by appropriation or decree in condemnation proceedings brought by the United States, the state or any political subdivision thereof, or a municipal corporation.

(i) A mortgage or other transfer of an interest in real property merely to secure a debt, or the assignment thereof.

(j) Any transfer or conveyance made pursuant to a deed of trust or an order of sale by the court in any mortgage, deed of trust, or lien foreclosure proceeding or upon execution of a judgment, or deed in lieu of foreclosure to satisfy a mortgage or deed of trust.

(k) A conveyance to the federal housing administration or veterans administration by an authorized
mortgagee made pursuant to a contract of insurance or guaranty with the federal housing administration or veterans administration.

(l) A transfer in compliance with the terms of any lease or contract upon which the tax as imposed by this chapter has been paid or where the lease or contract was entered into prior to the date this tax was first imposed.

(m) The sale of any grave or lot in an established cemetery.

(n) A sale by the United States, this state or any political subdivision thereof, or a municipal corporation of this state.

(o) A sale to a regional transit authority or public corporation under RCW 81.112.320 under a sale/leaseback agreement under RCW 81.112.300.

(p) A transfer of real property, however effected, if it consists of a mere change in identity or form of ownership of an entity where there is no change in the beneficial ownership. These include transfers to a corporation or partnership which is wholly owned by the transferor and/or the transferor’s spouse or domestic partner or children of the transferor or the transferor’s spouse or domestic partner. However, if thereafter such transferee corporation or partnership voluntarily transfers such real property, or such transferor, spouse or domestic partner, or children of the transferor or the transferor’s spouse or domestic partner voluntarily transfer stock in the transferee corporation or interest in the transferee partnership capital, as the case may be, to other than (i) the transferor and/or the transferor’s spouse or domestic partner or children of the transferor or the transferor’s spouse or domestic partner, (ii) a trust having the transferor and/or the transferor’s spouse or domestic partner or children of the transferor or the transferor’s spouse or domestic partner as the only beneficiaries at the time of the transfer to the trust, or (iii) a corporation or partnership wholly owned by the original transferor and/or the transferor’s spouse or domestic partner or children of the transferor or the transferor’s spouse or domestic partner, within three years of the original transfer to which this exemption applies, and the tax on the subsequent transfer has not been paid within sixty days of becoming due, excise taxes become due and payable on the original transfer as otherwise provided by law.

(q)(i) A transfer that for federal income tax purposes does not involve the recognition of gain or loss for entity formation, liquidation or dissolution, and reorganization, including but not limited to nonrecognition of gain or loss because of application of 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal revenue code of 1986, as amended.

(ii) However, the transfer described in (q)(i) of this subsection cannot be preceded or followed within a twelve-month period by another transfer or series of transfers, that, when combined with the otherwise exempt transfer or transfers described in (q)(i) of this subsection, results in the transfer of a controlling interest in the entity for valuable consideration, and in which one or more persons previously holding a controlling interest in the entity receive cash or property in exchange for any interest the person or persons acting in concert hold in the entity. This subsection (3) (q)(ii) does not apply to that part of the transfer involving property received that is the real property interest that the person or persons originally contributed to the entity or when one or more persons who did not contribute real property or belong to the entity at a time when real property was purchased receive cash or personal property in exchange for that person or persons' interest in the entity. The real estate excise tax under this subsection (3)(q)(ii) is imposed upon the person or persons who previously held a controlling interest in the entity.

(r) A qualified sale of a manufactured/mobile home community, as defined in RCW 59.20.030, that takes place on or after June 12, 2008, but before December 31, 2018.

(s)(i) A transfer of a qualified low-income housing development or controlling interest in a qualified low-income housing development, unless, due to noncompliance with federal statutory requirements, the seller is subject to recapture, in whole or in part, of its allocated federal low-income housing tax credits within the four years prior to the date of transfer.
(ii) For purposes of this subsection (3)(s), “qualified low-income housing development” means real property and improvements in respect to which the seller or, in the case of a transfer of a controlling interest, the owner or beneficial owner, was allocated federal low-income housing tax credits authorized under 26 U.S.C. Sec. 42 or successor statute, by the Washington state housing finance commission or successor state-authorized tax credit allocating agency.

(iii) This subsection (3)(s) does not apply to transfers of a qualified low-income housing development or controlling interest in a qualified low-income housing development occurring on or after July 1, 2035.

(iv) The Washington state housing finance commission, in consultation with the department, must gather data on: (A) The fiscal savings, if any, accruing to transferees as a result of the exemption provided in this subsection (3)(s); (B) the extent to which transferors of qualified low-income housing developments receive consideration, including any assumption of debt, as part of a transfer subject to the exemption provided in this subsection (3)(s); and (C) the continued use of the property for low-income housing. The Washington state housing finance commission must provide this information to the joint legislative audit and review committee. The committee must conduct a review of the tax preference created under this subsection (3)(s) in calendar year 2033, as required under chapter 43.136 RCW.

NEW SECTION. Sec. 2. This act applies with respect to transfers occurring before, on, or after the effective date of this section. However, this act may not be construed by the department of revenue, state board of tax appeals, or any court as authorizing the refund of any tax liability imposed or authorized under chapter 82.45 or 82.46 RCW and properly paid before the effective date of section 1 of this act with respect to a transfer of qualified low-income housing as defined in RCW 82.45.010(3)(s).

NEW SECTION. Sec. 3. This act takes effect July 1, 2018."

On page 1, line 2 of the title, after "housing;" strike the remainder of the title and insert "amending RCW 82.45.010; creating a new section; and providing an effective date."

and the same is herewith transmitted,

Brad Hendrickson, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 2444 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Slatter, Orcutt and Holy spoke in favor of the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 2444, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 2444, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.


ENGROSSED HOUSE BILL NO. 2444, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

MESSAGE FROM THE SENATE

March 3, 2018

Mr. Speaker:

The Senate refuses to concur in the House amendment to SENATE BILL NO. 6147 and asks the House to recede therefrom,

and the same is herewith transmitted,

Brad Hendrickson, Secretary
HOUSE AMENDMENT TO SENATE BILL

There being no objection, the House insisted on its position in its amendment to SENATE BILL NO. 6147 and asked the Senate to concur therein.

RESOLUTION


WHEREAS, Representative Judy Clibborn served in the House of Representatives with uncommon grace and an unfailing sense of bipartisanship and cooperation; and

WHEREAS, Before being elected to the House of Representatives, she already had a long track record of public service, serving on the Mercer Island City Council, as Mayor of Mercer Island, and as executive director of the Mercer Island Chamber of Commerce; and

WHEREAS, Representative Judy Clibborn worked tirelessly to bring together lawmakers from both parties and pass transportation reforms and budgets that connected every corner of the great state of Washington; and

WHEREAS, She started her career as a registered nurse at Harborview Medical Center and used that background in her work advocating for better health care, especially when she helped lead the effort to give every child in Washington state access to affordable health coverage; and

WHEREAS, Representative Judy Clibborn championed legislation to help foster children and served as a foster parent herself; and

WHEREAS, Speaker Frank Chopp praised Representative Judy Clibborn’s legacy of public service and track record of achievements on transportation by saying, "There are few legislators serving here who have had such an impact on the lives of Washingtonians as has Judy Clibborn;’ and

WHEREAS, Speaker Chopp also said, ‘In her role as chair of the Transportation Committee, she has crafted budgets that created tens of thousands of public works jobs, improved our roads and highways, invested in transit, and kept our freight systems functioning’; and

WHEREAS, Speaker Chopp also remarked, "Perhaps most importantly, she did all this while working across the aisle in a bipartisan fashion. We in the Legislature will miss her expertise and leadership’;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives celebrate and commemorate Representative Judy Clibborn’s dedicated service to Washington state and for representing the people of the 41st Legislative District with integrity and honor; and

BE IT FURTHER RESOLVED, That a copy of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Representative Judy Clibborn and her family.

Representative Fey moved adoption of House Resolution 4699.

Representative Fey: “Well Madam Speaker, in my career here as a legislator I feel probably more honored right now than any time before, and I’m honored that I get to be the one to make the motion and start the remarks about a great, very great person, Judy Clibborn. You know, Madame Speaker, when I got to the Legislature, even before I started here, I was told because I had an interest in transportation that I better go over and interview with Judy Clibborn and see if she would take me and I’m so glad she did because its been the best five years, five-six years, that I’ve had - especially since the time we had adjoining offices here in the Legislature. So Madame Speaker, I’m going to go through a lot of adjectives that describe my friend Judy Clibborn, but I want to say at the outset, I’m going to use these words but it’s not that Judy is mediocre about all these things and so let me just say, gracious, generous, facilitating, forgiving, empowering, caring, enabling, unflappable, empathetic, and what I’ve learned, which I can’t begin to do myself, the patience of a saint. I know that Judy has a great family so I feel very jealous of that because not everyone gets blessed with a great family and I know that she has a great family. She talks about her family and her grandchildren and I’m just so excited that she gets to spend more time with those young kids. This is very hard for me because I’ve gotten to know Judy in a way that not many of us got to know Judy and I know that having talked to other members in the caucus there’s members here that have known Judy a lot longer than I have. I’ll just have to give one example of a kind of, sort of typical situation that happened today – her last day here of the session. I was working on an issue and Judy, as she graciously has done, allowed me to carry the ball on it and we got it to a certain point and I told Judy we need to go over to the Senate because I need you to be the closer on this deal. We went over there and it was very interesting because we were met by a majority member and we walked over to a minority member across the way and on the way he said, ‘Oh, I don’t know if we’re going to be able to get this.’ and Judy just said ‘525?’ and they said, ‘it’s a deal.’ And as we were walking back with the Senator, the Senator remarked ‘I don’t know how you do that, I mean I have been working on this for a long long time and you just came in and said one word and it was done.’ So that’s the continuing best example of the
personality, the wonderfulness of Judy Clibborn that it took one word and the deal was done. So Judy, I’m going to miss you in a way that I can’t begin to express but I know that you’re going to have a great rest of your life and I hope that I can share a moment or two in the future. Thank you very much.”

Representative Orcutt: “Thank you Madame Speaker. When we had the Transportation OPR stuff down front, I went down and shook hands with all of them, and came walking back and about that time the gentlelady from the 41st was getting up and I literally just got to here when she said that that was her last budget and I froze in my tracks. I couldn’t believe it and I’m sitting there, standing there, I don’t even know what I was doing at that point because I was shocked that she was leaving because she has been transportation in this Legislature for so many years. I came in a year before she did but I didn’t come onto the Transportation Committee until many many years after she had actually been chair and I voted, you know, I had seatmates that didn’t vote for transportation budgets and I didn’t vote for transportation budgets and somewhere along the way I voted for one and I got this really nice note from Judy saying thank you so much for supporting the budget and I thought wow, all I did was voted yes and I got this really really nice note and I just thought, you know, that’s a pretty wonderful person right there that would do that - very thoughtful, and it was a few years later that somebody decided it was a good idea to put me on Transportation as Ranking Member. I still don’t know who was more shocked or more concerned about me being Ranking Member, whether it was me or whether it was Judy. She brought it up and I tended to agree with her that yeah I was pretty much as concerned about it as she was and we’d met actually a week before session started in 2013 and that’s when the Senate Majority Coalition Caucuses was forming and they hadn’t figured out how they were going to operate over there yet and so Judy was, we sat down and met in Judy’s office and she said ‘Well, we don’t really know how they’re going to operate over there. We don’t know if they’re going to do co-chairs or, you know, or if the Republicans are going to be the chairs or just how they’re going to do it.’ And I said ‘Well you know Judy, if they do co-chairs in the Senate, we really should do co-chairs here too.’ She caught on a little too quick to what I was trying to do there but I think maybe when I said that I maybe helped put her a little bit at ease that the only experience she really had with me was we didn’t sit on any committees together so all she saw was my floor speeches and that’s really all she had to go on and you know, some of them were kind of powerful and you know passionate floor speeches and she just was like wow, what’s this going to be like sitting next to this guy three or four days a week and being in Budget Cabinet and all of that and as we talked a little bit more during that meeting I think we both got a little bit more comfortable with the situation and so starting in January 2013 is when I started spending a lot of quality time with Judy. We made it through that first session, there was a tax package that was proposed. We were writing a two-year budget and she’s got a brand new ranking member that had never actually sat on Transportation before and she told me how Budget Cabinet worked. She invited me to be part of Budget Cabinet and I’m still learning a lot, I mean, well six years later I’m still learning a lot. But whenever I spoke up about something, Judy listened. She considered the thoughts that I had, the ideas that I had, the concerns that I had and she always gave them consideration – very serious consideration, and once in a while she actually agreed with me and I was able to get something changed in the budget and you know we get into committee and we have all those amendments and she didn’t take a lot of my amendments, but one of the things that I really appreciated about Judy was when your amendment got turned down, it wasn’t the last word on the amendment or the idea behind the amendment. It actually, frequently was the start and she always said that, too – ‘we’re not going to adopt that right now but I’m intrigued by the idea, I want to talk more about this,’ and we did. It wasn’t just words, it was actions. That’s the way she has operated the entire time and I have so appreciated being included in Budget Cabinet. I’ve so appreciated being able to work with the gentlelady and, I pop off with jokes, you’ve probably heard a few of them. Well, sitting right next to her, she’s heard a lot of them – probably more than her share, probably more than she deserves to hear but I’d cut off some joke or something like that, while we’re in committee, and she’d tell me later on, she’d go ‘people are looking and going, you guys are having way too much fun up there, what’s going on, what’s going on?’ she said ‘they’re getting a little suspicious.’ I said ‘that’s really not a bad thing. Let’s just let them wonder.’ But, in all that time, we worked well together, we’ve become very good friends. In fact, when I went down and talked with her after she made her announcement, that’s one thing she said to me, she said ‘We’ll always be friends.’ And I will always cherish the six years that we’ve spent together working on Transportation. Whether it be in committee or being in negotiations; Budget Cabinet, being on a tour somewhere into Eastern Washington or Central Washington or down south into Clark County, you know, all of the things we’ve had to do. In fact the one last thing I want to mention is when the Skagit Bridge went down, Judy decided that she wanted to go up and see for herself and I said ‘Yes, I’d like to go too.’ And I drove up to Mercer Island very very early on a Sunday morning and stopped at the park-and-ride in Mercer Island and got into the car with her and Bruce and we rode up together and we showed up there together and we had a chance to see it together and talk about it together and just have some time for friendship and fellowship on the way up and the way back and I really have appreciated all of that throughout the six years that we’ve worked together and you will very much be missed, Judy. Thank you so much for your friendship and your work.”

Representative Springer: “Thank you Madame Chair. I think I’ve recovered from yesterday. It was a little difficult yesterday Mrs. Clibborn, so, I’m not happy with you. I will mention a couple of things. There is an adjective that the good gentleman from the 27th I think left off and that’s tenacious, and let me mention two or three or four things that took tenacity. The almost immediate miraculous repair of the Skagit River Bridge. The almost immediate and rapid response to a mudslide in the 14th. The fact that we’re about to open a tunnel in downtown Seattle. The fact that the 520 Bridge actually got built, and after how many years of trying there is a north-south bypass in Spokane. Those things don’t
Representative Johnson: “Thank you Madame Speaker. Judy, Judy, Judy. You’re leaving us, but let’s take a little trip down memory lane. Do you remember when I first met you? Here was this articulate, poised, charming lady and she was the Mayor of Mercer Island and I was the Mayor of Toppenish. Little difference in the two communities I’ll have to admit, but it was at an Association of Washington Cities convention. That was just a few years before either one of us came here to Olympia. When I came to Olympia 10 years ago I was assigned to the Transportation Committee and again I had the pleasure of meeting this charming, poised, articulate lady. We had interesting times in those days and you will remember the ranking republican at that time was my seatmate up here from Wenatchee and I frankly didn’t know much about this place because I had never thought I would be here because my predecessor was younger and had been here for a number of years. We got into one of our very first caucuses in Transportation. We had a younger member in our caucus in Transportation who kept yelling ‘Lock up. Lock up’ you remember that Judy? Anyway, I thought maybe they were going to throw her in jail or something. I wasn’t quite sure what this term ‘lock up’ meant but my seatmate here on the floor from Wenatchee, turned to me and turned to another fellow who had come back for one year to fill out a term and said ‘we’re not going to do that. This lady is probably the fairest person you will ever do business with.’ and he certainly knew what he was talking about, and one of the things that we all appreciated about Judy was she’d come over her to see us once in a while and she’d say, ‘boys, I need some help.’ And you know, it was kind of flattering being called a boy at my age, and even Representative Armstrong’s, ‘I need some votes on that tunnel in Seattle.’ You remember that? And so Armstrong said ‘how many do you need?’ and she said ‘Oh, probably three, four’ he said ‘I’ll get em for you.’ He pointed to me and said ‘you’ll vote that way’ and he pointed to my other seatmate Charles Ross and said ‘you’re gonna vote that way too, because this lady needs some help.’ And so we did what we were told to do and when that vote was taken, the good chairlady came over to thank us and the ranking said ‘you know we told you we’d get you three’ she said ‘no, I took a count, you got me seven.’ And that’s the way this lady operated. I can remember that first session serving with her. She came to me and she said ‘you turned in a couple of projects that I have some extra money. Which one would you like?’ and I said ‘Well I’d really like the Natchez project.’ She said ‘I might have guessed, it was the most expensive one.’ And then we had the landslide. You remember the landslide? We got a call that the river was dammed, the highway was out and my Senator then was on the Transportation Committee in the Senate - Chair, I believe at the time. No, he was not Chair, he was the Ranking to Senator Haugen and he was told ‘you call Senator Haugen’ and I was told ‘you call Judy’ and I called you, Judy. It was on a Sunday morning, early in the morning. Judy says ‘don’t worry, I’ll take care of it.’ Next thing we knew, we had Judy, Senator Haugen, the Governor and I don’t know who else in an airplane in Yakima and she had us walking that slide. That’s the type of person that lady is, and you know, it’s a huge loss to not just to this body, because we all consider her to be a friend, but it’s a loss to the state of Washington people. Not to demean anybody but I don’t know who in the world can fill her shoes and it’s not going to be an easy job. You know, the word ‘lady’ was invented for that lady right there, and I’ll tell you, I’ve never work with anybody that was more fair, just, and charming than that lady. Never seen her lose her temper, maybe once at kind of a little bit of a kick-up but nothing too serious but Judy, we’re going to miss you and I think you know we love you, and I mean that from the depth of my heart. Thank you for your service lady.”

There being no objection, HOUSE RESOLUTION NO. 4699 was adopted.

The Speaker assumed the chair.

**SIGNED BY THE SPEAKER**

The Speaker signed the following bills:

- ENGROSSED HOUSE BILL NO. 2008
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 2408
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 2444
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 2448
- ENGROSSED HOUSE BILL NO. 2519
- ENGROSSED SUBSTITUTE HOUSE BILL NO. 2580
- ENGROSSED HOUSE BILL NO. 2750
- SUBSTITUTE HOUSE BILL NO. 2990
- SUBSTITUTE HOUSE BILL NO. 2998

The Speaker called upon Representative Springer to preside.

**RESOLUTION**

HOUSE RESOLUTION NO. 2018-4687, by Representatives Chopp, Appleton, Barkis, Bergquist, Blake, Buys, Caldier, Chandler, Chapman, Clibborn, Cody, Condotta, DeBolt, Dent, Doglio, Dolan, Dye,
WHEREAS, Representative Dan Kristiansen was born December 13, 1962, in Lynnwood, Washington; and

WHEREAS, Representative Dan Kristiansen graduated from Shorecrest High School and attended Shoreline Community College; and

WHEREAS, Representative Dan Kristiansen married his beautiful wife, Janis, in 1985; and

WHEREAS, Representative Dan Kristiansen and Janis have three children and reside in Snohomish; and

WHEREAS, Representative Dan Kristiansen is a devoted Christian and active in his church; and

WHEREAS, Representative Dan Kristiansen has been a successful small business owner and employer; and

WHEREAS, Representative Dan Kristiansen was elected to the Washington State House of Representatives for the 39th Legislative District in 2002; and

WHEREAS, Representative Dan Kristiansen has advocated for taxpayers, veterans, the most vulnerable, schools, small businesses, more freedom, and accountability in state government during his time in the Legislature; and

WHEREAS, Representative Dan Kristiansen has received numerous awards and recognition from various groups for his work in the Legislature; and

WHEREAS, Representative Dan Kristiansen has been a leader and advocate for his constituents and communities for years; and

WHEREAS, Representative Dan Kristiansen was elected House Republican Leader in April 2013, having previously served as House Republican Caucus Chair; and

WHEREAS, Representative Dan Kristiansen has provided strong and steady leadership for the House Republican Caucus; and

WHEREAS, On March 6, 2018, Representative Dan Kristiansen announced he would not seek reelection and step down as House Republican Leader; and

WHEREAS, On March 6, 2018, Speaker of the House of Representatives Frank Chopp said: "Dan has served the 39th district and the House of Representatives with distinction and honor throughout his 16 years in the Legislature. He has always been committed to the best interests of the people he represents"; and

WHEREAS, Representative Dan Kristiansen's leadership and actions have made a positive difference in the 39th Legislative District and the state; and

WHEREAS, Representative Dan Kristiansen looks forward to a new chapter in life that involves traveling, camping, exploring the outdoors, and spending more time with his family;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize Representative Dan Kristiansen for his devoted service to Washington state and for representing the people of the 39th Legislative District with integrity and honor; and

BE IT FURTHER RESOLVED, That a copy of this resolution be transmitted by the Chief Clerk of the Washington State House of Representatives to the Honorable Representative Dan Kristiansen.

Representative DeBolt moved adoption of HOUSE RESOLUTION NO. 4687

Representative DeBolt: “You know, this is a hard one for me. I promised him I would roast him and not be sentimental and I would be funny and talk about some of the great stories that he has as he’s been in this body. Sixteen years, Dan, 16 years. We’ve been together a long time. We have served in, I think, a great friendship and capacity that has changed this institution, changed my life, helped me become a better person. We all know, including Speaker Chopp, that we don’t swear around you as much as we swear around everybody else, that’s great. You know, you lead by example and that doesn’t happen very often these days. I remember when you came in and you used to be a member of the big guy caucus – Representative Pettigrew and there were several other large human beings that occupied this building at that time, and I remember that I could come over and I would feel demure by you but you loved being here and you loved this institution and our family really appreciates what you’ve done for us. When we have issues, you stepped up and you’ve helped. You’ve served as caucus lead for us, you’ve been in Transportation, you’ve put your nose to the grindstone to fix problems that we’ve had but most of all, you’ve been a person that we can go to to be a confidante and your last six years as leader have been wonderful for us. It’s been an awesome opportunity for all of us to grow and flourish. You know you have Captain Picard leadership skills and for those that don’t watch Star Trek, its like this: He says, the problem, somebody will state the problem and he’ll say ‘options,’ right, and he’ll look around the table and everyone will give their feedback to Dan and then he picks one, but what he does best is he picks that person to say go make it so, make that work. You never held your command and control so tight that you choked the institution. You should be very proud of that. Not very many leaders here have been able to master that and you know as I think about all the things that you’ve done for so many different people, the one thing I can’t get past is your family and how proud they are of you and your wife has been there for our caucus and your kids have grown up with us
Speaker Chopp: “Thanks for doing a great job up there Larry, by the way. I am very honored to stand her to thank you, Dan, for your many years of service. Just to start with, you always talked about the folks back home in your own district. You gave lots of examples of, not only your experiences in the community but as a business leader and all sorts of issues that were being dealt with – the folks back home, basically, they had a tremendous representative you. I can’t think of anybody who’s done a better job of representing their constituents than you. You have done outstanding. At the same time, you were looking out for the people all across the state and these were trying times trying to figure out how we were going to proceed here, but one of our most critical important duties was in fact to try to figure out how to better fund our schools and bring reform to our school system and you played an incredible role in that. It would not have happened without you in many ways. In part because when we were trying to figure out how to do it with, what’s that think over there, the Senate? Well we said, hey Dan can you help. Don’t tell them by the way, but we really appreciate that because you were always there being a problem solver. Offering to help people to come to resolution, even though the differences on this thing is pretty amazing. So I just want to thank you for bringing us together to move forward for our paramount duty. The other thing I think is important as part of your whole demeanor is that I think we might be the only chamber in the united states, although I’m not certain about some places, but, you know, you and I never disparaged each other in the press. We always talked highly of each other, we respected each other. We presented our different points of view but for God’s sake, now days, that’s a good model, alright? We’re not trash ing each other, we’re not disparaging each other, but saying look, let us work together with our different points of view to represent the people and that is a great legacy. Not only the for the education but all the other efforts you’ve been involved in and bringing sense to government, making it more accountable, making it more responsive to the people of this state. So I just want to thank you for being responsive to not only a great family, by the way they are, I’m just so amazed at what a great family you have, but also how you took care of the family of the people of the state of Washington. That’s a great legacy. Thank you very much.”

Representative Wilcox: “Thank you Mr. Speaker. Mr. Speaker, it’s hard to express how hard this is for all of us over here and probably for some of those on the other side because Dan Kristiansen represents the best that you can do here. It’s a different thing being in the minority. There’s less publicity, there’s less press, you have to influence people without power and Dan has shown us how to do that, mainly with character and demeanor and that’s the rarest thing we have in politics today. Dan has been here for a long time and he came into this job with a ton of experience already which was great because he got the job as leader in an odd way, and by the way I’ve asked permission from my friend from the 20th district here to talk about this because it was also kind of painful. We had a crisis in leadership and Richard was in the hospital and it was the middle of a session, people were very unsure and you know what it’s like when you’re faced with chaos here, things don’t settle down easily, they spiral out of control and for about a three week period, we had this small group of the other leadership members that worked together pretty cooperatively but when Richard made the choice to not come back as leader, I remember very distinctly sitting in somebody’s office in a small group and we’re all looking at each other – what are we going to do now? – and within about five seconds, everybody just looked over at Dan and it was very plain that the leader in the room was Dan Kristiansen. That was six years ago, it seems like six months a lot of times. The rest of us figured out how to do this by watching Dan and it was an amazing transformation. We’ve seen some really incredible pressure-cooker situations here. The one that I remember the most, and I’ve told people about that. Incidentally, I want to say Dan’s greatest quality, among many, is I’ve never known anyone who cared more about making other people better than Dan. That’s his mission in life and he’s also lucky that it’s also his super-power because he is really really good at that and probably the toughest night I’ve seen here was a few years ago when we were doing the transportation package and that was really hard in our caucus. Dan had his leadership team in his office, and by the way I’ve never known anyone more inclusive than Dan either, and it was a really difficult situation for him. It turns out that Republicans don’t like to vote for taxes, maybe you’ve noticed, and he was in a very tough situation because, and sadly I put him in this, and mostly I was responsible for this because he had a small number of members that were going to vote for this and he, over the course of five or six minutes, I remember him rubbing his hands through his hair which is kind of comical anyway, and he figured out in about five minutes how to make that ok in his caucus and we went from potentially the most divisive moment that you can have in a caucus to one of the most unifying moments you can have and we did that and we came out as more unified caucus than we had been before. Now there’s a few other things that Dan is responsible for and some of them are kind of famous like the cuss cup. I know that most people know about that. I used to put in $20 and he’d tell me when it was time to put in some more. The thing that you don’t know that he’s responsible for is, you know, we do some crazy stunts out here on the floor, some of them work, some of them become a disaster, but you would probably have seen about 10 times more of them without Dan and I heard the good lady from the 40th talk about those crazies that she’s
going to be left with, well that’s what Dan has had under his thumb for years. You know, another moment that was really hard for Dan, but I think it was one of his finest moments, came when there was a tragedy in his district and Dan, you know, his district, the people who live in his district are like his children and I don’t mean that in a condescending way, I mean that he cares and he loves them and when the slide happened in Oso I think he spent most of several weeks down there and I don’t know if any of you noticed this but I did as soon as the TV coverage got there. Dan was there every day. I don’t think he showed up in one picture or one press conference or one TV shot. He knew that his job was to comfort the people that he represented, help any way that he could, facilitate the governmental action and get absolutely no recognition for that and that probably tells you more about Dan than anything else that we could talk about. Dan, nobody is going to replace you but we’re all going to try our best to live up to your example. Thank you.”

Representative Pettigrew: “You know I’ve been in this body for as long as Dan has, 16 years and I’ve learned a lot and one of the things I learned is this fantasy of being a political rock star doesn’t really happen out in the public. Other than what we do as a body and what we do really as a caucus, nobody really knows that we’ve done it. Nobody’s walking down the street and going like ‘Oh, there’s the guy that saved healthcare, there’s the woman that saved education, you know, that legacy isn’t there. But here, one of the things I’ve learned is that the legacy that we really have is the legacy amongst ourselves. The people that we get to know. The people that we sometimes fight with, that we’re friends with, that’s our legacy. That’s how we live on and on and on. You see all the pictures on the fourth floor? No one can tell me one thing they passed. If you talk to their friends and their colleagues, they tell you many a story. For me, Dan is one of those people and I can sum up Dan in three stories that start with “P’s.” My first story is one of professionalism – being a professional. You know when I first got elected to the Legislature, I was really excited, like most people. I was feeling pretty good, I was, you know, I’d run a tough race and I won and my head was pretty big and I was pretty anxious about doing a whole lot of things here like passing a bill and all that stuff but my biggest worry coming here was I had no clue how to talk to a Republican. I had no idea what they ate, what language they spoke, I was literally freaked out and the one thing, the one place that I connected was our size. The good gentleman from the 20th just mentioned that. Dan and I are tall guys. Dan came, saw me right off the bat, stuck his hand out, shook my hand and we had a conversation and I learned Republicans are just like me! Oh my goodness, wow, they have feelings and families and concerns and ideals and they eat the same food. We ate a steak that night and it just blew me away so that helped me definitely professionally. The other P is politically. My freshman year, I was assigned a bill that would allow former drug felons to get their food stamps and it was a political year and I was really anxious and excited about my first bill and oh man this is a good idea and everybody is going to vote for this and of course everybody in my caucus was for it and I went to the speaker at the time, that speaker there, who was there at the time when I was a freshman, went to him and I said ‘I want this bill’ and he said ‘We’re not doing this. This is just too hot, no way, the Republicans are going to go crazy on this thing, this is like, this is soft on crime, and we’re not going to do it’ and I said ‘Mr. Speaker, please, this is the right thing to do’ ‘No! We’re not going to do it’ he said ‘well if you want to do it…’ I bugged him enough to where he gave me this like long list assignment ‘go run around the block four times, talk to 12 Republicans, get some D’s to not vote for it and these R’s to vote for it and come back to me’ so I ran around like a young legislator doing all these things, came back to him and he said ‘I’m still not going to do that’ I said ‘Let me please, lets do this!’ and I did. So the one person, my one Republican friend, one of my Republican friends at the time was Dan. So I went to him and I said ‘Dan, are you guys going to ramp up with this?’ and he said ‘Let me go and check this out’ so he went back and talked to his caucus, and believe me, this was kind of contentious because in committee it came out party line, so I went back and talked to Dan, Dan came back and said ‘Ah, I don’t thing we’re, there will be some no’s but were not going to vote against it, you know we’re not going to ramp up against it’ I was like ‘OK, that’s cool’ so I went back and told Frank, or, the Speaker at the time (I still gotta work with him) and he’s like ‘Oh, FINE, FINE, we’re going to do it, FINE. But I tell you Eric, if there’s a problem, you’re going to pay for it!’ ‘Yes Sir, yes Sir, yes Sir’ my knees were shaking but I knew this was the right thing and sure enough when the vote came up, it was 98 to nothing. Not one no vote, and that was because Dan Kristiansen walked in and said ‘Ah, let’s make this happen,’ as a freshman. The third P is personally. My freshman year, that first year, I went home, I got a call that August that my father had been in a car accident and was paralyzed from the neck down, down in California. I flew down there, a bunch of times. Me and my dad, to be honest, we were estranged. We really hadn’t talked to each other for the entire, really consistently, for years. Although we had some contact, we weren’t really close and for some reason this accident, God had this accident that brought us together. So for a year or so, I was flying back and forth to California, we were building this great relationship, we got to the place where I really couldn’t fly back and forth all the time so I flew my dad up here to be at the VA hospital. We continued to get close, and after a month of being up here, he died. And he had no friends, he had just a few family, just me, my brother – flew him up, had a couple friends down here, they just would support me because he knew he was my dad. The day of the funeral, we buried him at Mt Tahoma, and pulled in to Mt Tahoma and the first person I saw, once I got out of the car, was Dan Kristiansen. His arms were wide open, I don’t remember what happened after that point other than I fell into his arms and I thanked him for being there for me and for my father and that taught me that to be a good politician, to be a good person, to be a good man, you just have to be yourself and I thank God that I had that opportunity to meet you and learn all those three things from you, to be yourself. I can’t even say thank you, there’s not even, I don’t even think there’s a word out there that can show my gratitude, and know that we will always be connected and you’ll always be in my heart. God speed.”

There being no objection, HOUSE RESOLUTION NO. 4687 was adopted.
There being no objection, the House reverted to the sixth order of business.

SECOND READING

HOUSE CONCURRENT RESOLUTION NO. 4416, by Representatives Sullivan and Kretz

Returning bills to their house of origin.

The bill was read the third time.

The Speaker (Representative Springer presiding) stated the question before the House to be the adoption of House Concurrent Resolution No. 4416.

There being no objection, HOUSE CONCURRENT RESOLUTION NO. 4416 was adopted.

With the consent of the House, HOUSE CONCURRENT RESOLUTION NO. 4416 was immediately transmitted to the Senate.

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

MESSAGES FROM THE SENATE

March 8, 2018

MR. SPEAKER:

The Senate has passed:

SENATE INITIATIVE NO. 940,

and the same is herewith transmitted,

Brad Hendrickson, Secretary

March 8, 2018

MR. SPEAKER:

The Senate has adopted:

SENATE CONCURRENT RESOLUTION NO. 8409,

and the same is herewith transmitted,

Brad Hendrickson, Secretary

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

INTRODUCTION & FIRST READING

There being no objection, SENATE CONCURRENT RESOLUTION NO. 8409 was read the first time, and under suspension of the rules was placed on the third reading calendar.

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

THIRD READING

SENATE CONCURRENT RESOLUTION NO. 8409, by Senators Nelson and Schoesler

Adjourning SINE DIE.

The bill was read the third time.

SENATE CONCURRENT RESOLUTION NO. 8409, was adopted.
With the consent of the House, SENATE CONCURRENT RESOLUTION NO. 8409 was immediately transmitted to the Senate.

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

MESSAGE FROM THE SENATE

March 8, 2018

MR. SPEAKER:

The President has signed:

SENATE CONCURRENT RESOLUTION NO. 8409,

and the same is herewith transmitted,

Brad Hendrickson, Secretary

March 8, 2018

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bills:

HOUSE INITIATIVE NO. 940
SECOND SUBSTITUTE HOUSE BILL NO. 1506
SECOND SUBSTITUTE HOUSE BILL NO. 1896
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2009
HOUSE BILL NO. 2271
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2334
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2406
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2595
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2610
SECOND SUBSTITUTE HOUSE BILL NO. 2638
SUBSTITUTE HOUSE BILL NO. 3002
ENGROSSED SUBSTITUTE HOUSE BILL NO. 3003
HOUSE CONCURRENT RESOLUTION NO. 4415
HOUSE CONCURRENT RESOLUTION NO. 4416
SENATE BILL NO. 5020
SUBSTITUTE SENATE BILL NO. 5064
ENGROSSED SUBSTITUTE SENATE BILL NO. 5084
ENGROSSED SUBSTITUTE SENATE BILL NO. 5143
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5179
ENGROSSED FOURTH SUBSTITUTE SENATE BILL NO. 5251
ENGROSSED SENATE BILL NO. 5518
SUBSTITUTE SENATE BILL NO. 5522
SUBSTITUTE SENATE BILL NO. 5553
SENATE BILL NO. 5598
SUBSTITUTE SENATE BILL NO. 5683
SENATE BILL NO. 5722
ENGROSSED SENATE BILL NO. 5917
SENATE BILL NO. 5987
SUBSTITUTE SENATE BILL NO. 5991
ENGROSSED SUBSTITUTE SENATE BILL NO. 6002
SENATE BILL NO. 6007
ENGROSSED SUBSTITUTE SENATE BILL NO. 6032
ENGROSSED SUBSTITUTE SENATE BILL NO. 6034
SUBSTITUTE SENATE BILL NO. 6051
SUBSTITUTE SENATE BILL NO. 6055
SENATE BILL NO. 6058
ENGROSSED SUBSTITUTE SENATE BILL NO. 6068
ENGROSSED SUBSTITUTE SENATE BILL NO. 6126
ENGROSSED SUBSTITUTE SENATE BILL NO. 6127
SUBSTITUTE SENATE BILL NO. 6133
SENATE BILL NO. 6159
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6160
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6162
SENATE BILL NO. 6163
SUBSTITUTE SENATE BILL NO. 6175
SENATE BILL NO. 6179
SENATE BILL NO. 6210
ENGROSSED SUBSTITUTE SENATE BILL NO. 6211
SENATE BILL NO. 6218
SUBSTITUTE SENATE BILL NO. 6219
SENATE BILL NO. 6231
SENATE BILL NO. 6240
ENGROSSED SUBSTITUTE SENATE BILL NO. 6241
SECOND SUBSTITUTE SENATE BILL NO. 6245
ENGROSSED SUBSTITUTE SENATE BILL NO. 6257
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6269
SUBSTITUTE SENATE BILL NO. 6273
SECOND SUBSTITUTE SENATE BILL NO. 6274
SENATE BILL NO. 6287
SENATE BILL NO. 6298
SUBSTITUTE SENATE BILL NO. 6313
SUBSTITUTE SENATE BILL NO. 6317
SUBSTITUTE SENATE BILL NO. 6318
ENGROSSED SUBSTITUTE SENATE BILL NO. 6329
SUBSTITUTE SENATE BILL NO. 6334
SUBSTITUTE SENATE BILL NO. 6340
SENATE BILL NO. 6363
SENATE BILL NO. 6367
SENATE BILL NO. 6368
SUBSTITUTE SENATE BILL NO. 6388
SENATE BILL NO. 6393
SENATE BILL NO. 6404
SENATE BILL NO. 6407
SENATE BILL NO. 6408
ENGROSSED SUBSTITUTE SENATE BILL NO. 6413
SENATE BILL NO. 6414
SUBSTITUTE SENATE BILL NO. 6419
SUBSTITUTE SENATE BILL NO. 6437
SUBSTITUTE SENATE BILL NO. 6438
SUBSTITUTE SENATE BILL NO. 6452
SECOND SUBSTITUTE SENATE BILL NO. 6453
SENATE BILL NO. 6462
SENATE BILL NO. 6471
SUBSTITUTE SENATE BILL NO. 6474
SUBSTITUTE SENATE BILL NO. 6475
ENGROSSED SUBSTITUTE SENATE BILL NO. 6491
SENATE CONCUR
RENT RESOLUTION NO. 8409

The Speaker called upon Representative Orwall to preside.

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

MESSAGES FROM THE SENATE

March 8, 2018

MR. SPEAKER:

Under the provisions of HOUSE CONCURRENT RESOLUTION NO. 4416, the following Senate bills were returned to the Senate:

ENGROSSED SUBSTITUTE SENATE BILL NO. 6413
SENATE BILL NO. 6414
SUBSTITUTE SENATE BILL NO. 6419
SUBSTITUTE SENATE BILL NO. 6437
SUBSTITUTE SENATE BILL NO. 6438
SUBSTITUTE SENATE BILL NO. 6452
SECOND SUBSTITUTE SENATE BILL NO. 6453
SENATE BILL NO. 6462
SENATE BILL NO. 6471
SUBSTITUTE SENATE BILL NO. 6474
SUBSTITUTE SENATE BILL NO. 6475
ENGROSSED SUBSTITUTE SENATE BILL NO. 6491

and the same are herewith transmitted,

Brad Hendrickson, Secretary

March 8, 2018

MR. PRESIDENT:

Under the provisions of HOUSE CONCURRENT RESOLUTION NO. 4416, the following Senate bills are returned to the Senate:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2396
SUBSTITUTE HOUSE BILL NO. 2419
SUBSTITUTE HOUSE BILL NO. 2423
HOUSE BILL NO. 2430
ENGROSSED HOUSE BILL NO. 2439
HOUSE BILL NO. 2527
HOUSE BILL NO. 2529
SUBSTITUTE HOUSE BILL NO. 2558
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2563
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2565
ENGROSSED HOUSE BILL NO. 2570
HOUSE BILL NO. 2653
SUBSTITUTE HOUSE BILL NO. 2712
SUBSTITUTE HOUSE BILL NO. 2723
ENGROSSED HOUSE BILL NO. 2735
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2757
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2771
SUBSTITUTE HOUSE BILL NO. 2774
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2802
SUBSTITUTE HOUSE BILL NO. 2817
HOUSE BILL NO. 2832
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2836
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2907
SUBSTITUTE HOUSE BILL NO. 2928
HOUSE JOINT MEMORIAL NO. 4010
ENGROSSED HOUSE JOINT MEMORIAL NO. 4012
HOUSE JOINT MEMORIAL NO. 4014,
and the same are herewith transmitted,

BERNARD DEAN, Chief Clerk

MOTIONS

On motion of Representative Sullivan, the reading of the Journal of the 60th Day of the 2018 Regular Session of the 65th Legislature was dispensed with and ordered to stand approved.

On motion of Representative Sullivan, the 2018 Regular Session of the 65th Legislature was adjourned SINE DIE.

FRANK CHOPP, Speaker

BERNARD DEAN, Chief Clerk
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